



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

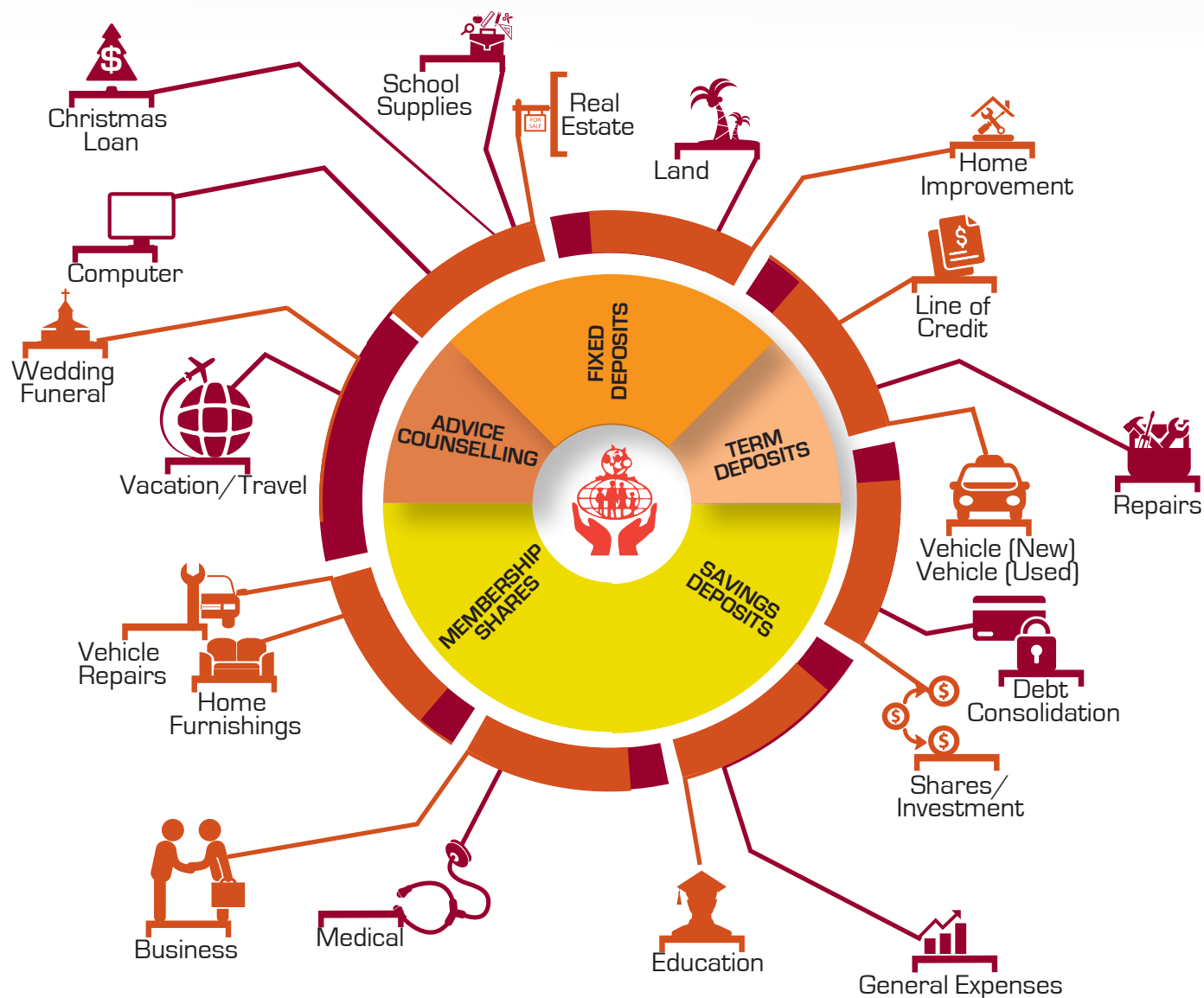
Annual Report 2020

in·no·va·tion

Innovation is the creation, development & implementation of a new product, process or service, with the aim of improving efficiency, effectiveness or competitive advantage.

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
2020**

OUR VISION

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

OUR MISSION

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 efficiency.

OUR CORE VALUES

Member Focus	- We always strive to do what is best for our members, thereby ensuring deep, long-lasting and beneficial relationships.
Integrity & Trust	- We employ the highest ethical standards, demonstrating honesty and fairness in every action we take.
Cooperation	- We work together to achieve common goals. We collaborate, listen and share information within the credit union and with our partners in the credit union movement.
Community Commitment	- We are committed to having a positive impact on the community.
Professionalism	- Our commitment to professional excellence ensures that our members receive the highest quality service.
Accountability	- We are responsible for our actions. We make and support business decisions through experience and good judgement.
Innovation	- We are creative in delivering value to our members and the community. We anticipate change and capitalise on the many opportunities that arise.

CORPORATE INFORMATION

REGISTERED OFFICE

“Business Complex”
Bush Hill, The Garrison
St. Michael BB14000
Barbados

BANKERS

Republic Bank (Barbados) Ltd
Wilkey,
St. Michael

CIBC FirstCaribbean International Bank Ltd.
Michael Mansoor Building,
Warrens,
St Michael, BB 22026

ATTORNEYS-AT-LAW

Allsopp & Company
Attorneys-at-Law
Ingleside
Cnr 7th Ave. Belleville & Pine Road
St. Michael

Griffith, Cato & Associates
Attorneys-at-Law
Suite 2, Sunshine Beach Apartment Complex
Hastings,
Christ Church

Jennifer Devonish
Attorneys-at-Law
Aaron Law Chambers
“Aaron House” Government Hill
St. Michael BB1106

AUDITORS

Drayton J Cater & Co.
Chartered Accountants
The Annex, “Urim House”
No. 1 Bagatelle Terrace,
St. Thomas, BB23003

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THE LIGHT & POWER EMPLOYEES CO-OPERATIVE CREDIT UNION LTD.
“Business Complex”, Bush Hill, The Garrison, St. Michael, Barbados

President: Mr Anderson Henry
Secretary: Ms Andrea Edey
Treasurer: Mr Reginald Parris

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NOTICE is hereby given that the 38th Annual General Meeting of The Light & Power Employees Co-operative Credit Union Ltd. is scheduled to be held on Saturday, 08 May 2021, at the Lloyd Erskine Sandiford Centre, Two Mile Hill, St. Michael, Barbados, at 1:00 p.m.

AGENDA

1. Ascertainment of Quorum and Call to Order
2. Prayers
3. Welcome Remarks
4. Apologies for Absence
5. Greetings from Other Organisations
6. Minutes of the 37th Annual General Meeting
7. Matters Arising from the Minutes of the 37th Annual General Meeting
8. Reports of:
 - i. Board of Directors
 - ii. Auditors and Financial Statements
 - iii. Treasurer and Financial Statements
 - iv. Supervisory Committee
 - v. Credit Committee
 - vi. Delinquency Committee
9. Allocation of Surplus
10. Election of Officers
11. Resolutions
12. Appointment of External Auditors
13. Setting of the Maximum Liability
14. Any Other Business
15. Vote of thanks
16. Termination



Andrea Edey
Secretary

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

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.

International Credit Union Operating Principles

Democratic Structure

Open and Voluntary Membership

Membership in a credit union is voluntary and open to all within the accepted common bond of association that can make use of its services and are willing to accept the corresponding responsibilities.

Democratic Control

Credit union members enjoy equal rights to vote (one member, one vote) and participate in decisions affecting the credit union, without regard to the amount of savings, deposits or the volume of business. Voting in credit union support organisations or associations may be proportional or representational, in keeping with democratic principles. The credit union is autonomous, within the framework of law and regulation, recognising the credit union as a co-operative enterprise serving and controlled by its members. Credit union elected offices are voluntary in nature, and incumbents should not receive a salary. However, credit unions may reimburse legitimate expenses incurred by elected officials.

Non-Discrimination

Credit unions are non-discriminatory in relation to race, nationality, sex, religion and politics.

Service to Members

Credit union services are directed to improve the economic and social wellbeing of all members.

Distribution to Members

To encourage thrift through savings and thus to provide loans and other services, a fair rate of interest is paid on savings and deposits within the capability of the credit union. The surplus arising out of the operations of the credit union after ensuring appropriate reserve levels and after payment of limited dividends on permanent equity capital where it exists belongs to and benefits all members with no member or group of members benefiting to the detriment of others. This surplus may be distributed among members in proportion to their transactions with the credit union as interest or patronage refunds or directed to improved or additional services required by the members.

Building Financial Stability

A prime concern of the credit union is to build financial strength, capital adequacy and internal controls to ensure service to the membership.

Social Goals

On-Going Education

Credit unions actively promote the education of their members, officers, and employees, along with the public in general, in the economic, social, democratic, and mutual self-help principles of credit unions. The promotion of thrift and the wise use of credit and education on the rights and responsibilities of members are essential to the dual social and economic character of credit unions in serving member needs.

Co-operation among Co-operatives

In keeping with their philosophy and the pooling practices of co-operatives, credit unions within their capability actively co-operate with other credit unions, co-operatives and their associations at local, national and international levels to best serve the interests of their members and communities.

Social Responsibility

Continuing the co-operative pioneers' ideals and beliefs, credit unions seek to bring about human and social development. Their vision of social justice extends both to the individual members and to the larger community they work and reside. The credit union ideal is to extend service to all who need and can use it. Every person is either a member or a potential member and appropriately part of the credit union sphere of interest and concern. Decisions should be taken with full regard for the broader community's interest within which the credit union and its members reside.

These Credit Union Operating Principles are founded in the philosophy of co-operation and its central values of equality, equity and mutual self-help. Recognising the varied practices in the implementation of credit union philosophy worldwide, at the heart of these principles is the concept of human development and the brotherhood of man expressed through people working together to achieve a better life for themselves and their community.

PRESIDENT'S MESSAGE

We headed into the year 2020 with much optimism and expectation for the ensuing year. However, this did not materialise as was hoped. Like the rest of the global community, Barbados has experienced significant fall-out from the impact of the Novel Coronavirus, COVID-19. This situation resulted in high unemployment across most significant economic sectors. The greatest impact was experienced by the island's primary foreign exchange earning sector, tourism.

To say that 2020 was a year of unpredictability would be an understatement. The most recent coronavirus strain, COVID-19, placed itself at the centre of all activities, private and public. This situation has resulted in "Zoom" becoming a verb, with widespread household acclaim, similar to "Google." And "Teams" is no longer associated with just sporting activities but also with online collaboration. Face to face meetings and partnerships have become limited, replaced with virtual interaction.

We are now more reliant on the use of technology. Technology will continue to play a dominant role in the lives of us all. We must not allow our fears of technology to hinder us from participating in the transition to a more connected society. Technology has become more intertwined in our daily life and will continue to be so as human curiosity continues to evolve.

The term "the new normal" has become ubiquitous as it may be difficult for us to return to physical presence even after COVID-19 fades from our lives. After this experience, the world will unlikely be the same. Life as we know it will be transformed, if not so already.

Though the current necessity for "social distancing" and personal disconnection may prove a bit stressful for some and more so for others, just hold in the comfort that it will not be that way forever. Keep those dear to you in your thoughts and hearts, knowing that there will be a time to reconnect safely in the not too distant future.

As some of you may be experiencing difficulty during the pandemic, we ask that you do not hesitate to contact the credit union to see how best we may be able to assist you. The credit union has always prided itself on being able to help its members wherever it can. Do not let the apparent grimness of the current economic situation deter or overwhelm you. We as a people have faced adversity before, and chances are, we will be compelled to do so again in the future.

The dynamics of the current economic reality have presented an opportunity for us to review and relish those things that we have gained so far. It has also propelled and motivated us to look at how we can best utilise resources at our disposal. The well-known proverb "necessity is the mother of invention" has inspired some to take advantage of the gaps that have been made evident by the presence of the pandemic. And others the courage to take chances that they otherwise may not have.

As we traverse 2021, I encourage you to remain vigilant and trust that God will see you through this time. Like other challenges that have befallen us, we will overcome, and we will persevere. Stay safe, and God bless.



Anderson Henry
President, Board of Directors

Minutes of the Annual General Meeting of The Light & Power Employees Co-operative Credit Union Ltd., held Saturday, July 11 2020, at 1:00 p.m. at the Lloyd Erskine Sandiford Centre, Two Mile Hill, St. Michael, Barbados.

1. ASCERTAINMENT OF A QUORUM AND CALL TO ORDER

A quorum was ascertained, and President, Mr. Anderson Henry, called the meeting to order at 1.28 p.m.

2. PRAYERS

Prayers were led by Mr. Anderson Henry, after which members present recited the Prayer of St. Francis of Assisi.

3. WELCOME REMARKS

The President, Mr. Anderson Henry, welcomed members and guests to the 37th Annual General Meeting.

4. APOLOGIES FOR ABSENCE

Apologies for absence were extended on behalf of Miss Andrea Edey and Mr. Samuel Blades.

5. GREETINGS FROM OTHER ORGANIZATIONS

A special welcome was extended to visitors from other Credit Unions.

Mr. Clayton Hope, extended greetings from the Barbados Teachers Co-operative Credit Union Ltd.

Ms Susan Fitt extended best wishes for a successful year on behalf of the Endeavour Co-operative Credit Union Ltd.

Mr. Keith Jones of Bartel Credit Union expressed greetings on that Credit Union's behalf as well as from the Barbados Co-operative and Credit Union League Ltd and Co-operators General Insurance Co. Ltd.

Ms Judith Baynes of UWI Co-operative Credit Union Ltd extended best wishes for continued success.

Ms Mary Inniss extended best wishes for a successful annual general meeting on behalf of Lifetime Co-operative Credit Union.

6. MINUTES OF THE 36th ANNUAL GENERAL MEETING

The Minutes of the 36th Annual General Meeting held 30 March 2019 were taken as read on a motion moved by Mr. Wesley Trotman and seconded by Mrs. Samantha Hazlewood-Ermay. The motion was carried.

6.1 ERRORS AND OMISSIONS

Pg. 21 – after Erwin Jones, change *Secretary* to *Member*

after Mia Ward, change *Member* to *Secretary*

pg 22 – after Erwin Jones, change *Secretary* to *Member*

after Mia Ward, change *Member* to *Secretary*

Pg 45 – after December 31, change *2017* to *2019*.

6.2 A motion for the adoption of the Minutes of the 36th Annual General Meeting, as amended, was moved by Mr. Omar Hunte and seconded by Mr. Grantley Haynes. The motion was carried.

7. MATTERS ARISING

There were no matters arising from the minutes of the 36th Annual General Meeting.

8. REPORTS

8.1 The Report of the Board of Directors

The Board of Directors Report was taken as read on a motion moved by Miss Bonita Medford and seconded by Mrs. Samantha Hazlewood-Ermay. The motion was carried by a majority vote.

A motion for the adoption of the Report of the Board of Directors was moved by Mr. Trevor Williams and seconded by Mr. Howard Griffith. The motion was carried by a majority vote.

8.2 Auditor's Report and Financial Statements

The Auditor's Report was presented by Mr. Mark Hall of Drayton J. Carter & Co.

The Report was adopted on a motion moved by Mr. Wesley Trotman and seconded by Mr. Corey Shockness. The motion was carried by a majority vote.

8.3 Treasurer's Report and Financial Statements

The Treasurer's Report and Financial Statements were presented by the Treasurer, Mr. Reginald Parris.

The Report was taken as read on a motion moved by Mr. Omar Hunte and seconded by Mr. Jason Bowen. The motion was carried by a majority vote.

8.3.1 Mr. Anthony Callender stated that the cost for meetings had increased over the previous year and queried the 2019 Annual General Meeting cost.

8.3.2 Mr. Parris replied that the meeting was held at the Barbados Hilton Hotel and would have been more than what was paid for the Lloyd Erskine Sandiford Centre. He, however, could not state the exact amount as that information was not available at that time.

8.3.3 Mr. Callender suggested that there should be a breakdown of the cost of meetings and conferences. Mr. Callender asked for clarity between conferences and conventions.

8.3.4 Mr. Parris explained that the term was used interchangeably depending on the hosts of the specific event.

8.3.5 Mr. Callender enquired about the number of staff who attended training during the year since there was no indication in the Report.

8.3.6 Mr. Parris replied that all staff members attended training during the previous year; and included seminars with the Barbados Co-operative and Credit Union League Ltd, in-house Customer Service Training and Anti-Money Laundering Training. Some of these were conducted on Saturdays.

8.3.7 Mr. Callender suggested that a schedule of training attended by staff should be included in the Re-

port. Mr. Callender questioned the justification for spending so much money on conventions and conferences, having not performed well during the year.

8.3.8 Mr. Parris stated that there were quite a few training sessions held over the previous year, and the cost would vary depending on the location. That would have attributed to the increased costs. Convention costs would increase from time to time, depending on the location.

8.3.9 Mr. Callender questioned the rationale for sending two and three persons to conventions. Mr. Callender asked how individuals travelled to the convention, whether economy or first class.

8.3.10 Mr. Parris replied that conference attendees commonly travelled economy class, but if they had frequent Flyer Miles, they might upgrade their ticket to first class.

8.3.11 Mr. Callender queried whether a Budgetary Proposal could be presented for approval at the Annual General Meeting.

8.3.12 Mr. Parris replied that it was up to the membership, and they could request that it be done.

8.3.13 Mr. Anderson Henry added that a Budget approved by the membership would be a working budget. Once the Budget was approved at the Annual General Meeting, the Board of Directors could not exceed the Budget, and permission must be sought from the membership at a general meeting for approval to exceed.

8.3.14 Mr. Callender stated that the motion for the approval would be worded to give the Board some latitude to exceed budgeted amounts.

8.3.15 Miss Bonita Medford suggested that the Board could comprise of someone who was a qualified Accountant and perform the duties of Treasurer. Miss Medford asked what initiative the Board could implement to curtail the losses experienced in the previous year and whether there were any initiatives for taking the Credit Union forward.

8.3.16 Mr. Parris replied that the Board assessed its situation at every Board meeting. He stated that the Credit Union would have taken a loss some years ago in terms of its investment, and in the past, would have relied on investments, but the rates were very low. As a result of the economic uncertainty, members are more conservative in borrowing and utilizing their savings instead. Mr. Parris opined that the Credit Union could not compete with the interest rates at the banks.

8.3.17 Mr. Anderson Henry reassured members that their investments with the Credit Union were safe. He explained that the new accounting standard IFRS9 was recently implemented, which resulted in a different methodology of treating liabilities. The standard required loans approved to be provided for upfront.

8.3.18 Mr. Henry commented that banks would eventually discontinue the use of cheques and the CARIFS network, and the Credit Union must be prepared for these changes. He informed that a resolution would be moved later in the meeting to improve the manner in which loans were approved.

Mr. Henry noted that members' needs would change over the next five years, and the Board of Directors must ensure that the funds are sound and members have easy access to funds. Additionally, an initiative would be introduced for members to access home insurance.

8.3.19 Mr. Henry reported that Barbados' renewable sector would be growing within the next ten years, and members must be empowered to increase their wealth at a greater rate.

8.3.20 Miss Medford made several suggestions to the Board to reduce costs. Notably, consider curtailing overseas travel by Board and staff, to use Barbados Light & Power facilities for training, discontinue the Annual Youth Forum, and to conduct training virtually.

Miss Medford also suggested the enhancement of upstairs the Credit Union complex so that it can be

tenanted and discontinue the distribution of tokens at Annual General Meetings.

Miss Medford also questioned why the Credit Union required the use of two attorneys.

8.3.21 Mr. Parris explained that the Attorneys were used for different purposes and their availability. He stated that there was no significant difference in cost, which benefits the Credit Union in terms of legal opinions.

8.3.22 Mr. Trevor Williams stated that the loss of \$135,000 had some members feeling disquiet as it was the first time the Credit Union had made a loss in its history. Mr. Williams stated that the Directors would usually set aside a 'top-up' of approximately \$280,000 for distribution at the Annual General Meeting. An analysis of the financials showed the expenses for non-qualifying shares increased by \$253,000. He opined that if the Credit Union had not paid the \$253,000, it would be reporting a profit and not a loss of \$135,000.

Mr. Williams noted that if the Credit Union had reported a profit following the policies that the Board of Directors used in the past, the law would have dictated that they allocate 25% to the reserves, which would have been \$39,000. The Credit Union would, therefore, have made a profit of \$155,000. He stated that there was no need this year to allocate funds to the reserves because there was already a surplus.

8.3.23 Mr. Williams explained that there was no need for Mr. Callender to bring a resolution to present the budget at the Annual General Meeting as there was already provision in the law. He directed members to the President's message, which provided insight into the financial systems and to become aware of what was required of the Credit Union in the future.

8.3.24 Mr. Callender commented on the deplorable condition of the Horseshoe Manor property and questioned whether the professional fees related to that property.

8.3.25 Mr. Parris clarified that the fees related to Anti-Money Laundering and professional assistance received. The Credit Union ensured Horseshoe Manor's upkeep but had not spent any money on the building. He noted that the Board would consider selling the property if it received a reasonable offer.

8.3.26 A motion for the adoption of the Treasurer's Report was moved by Mrs. Jacqueline Mason-Pile and seconded by Mr. Trevor Williams. The motion was carried by a majority vote.

8.4 Report of the Supervisory Committee

The Supervisory Committee Report was presented by Mr. David Lawrence.

A motion that the Report be taken as read was moved by Miss Bonita Medford and seconded by Miss Julie Alleyne.

A motion for the adoption of the Report was moved by Mr. Anthony Callender and seconded by Mr. Omar Hunte. The motion was carried by a majority vote.

8.5 The Report of the Credit Committee

The Credit Committee Report was presented by Miss Gloria Grant.

A motion that the Report be taken as read was moved by Mrs. Cindy Callender and seconded by Mr. David Lawrence.

Miss Bonita Medford commended Miss Grant for her suggestion in the Report for a Marketing Officer for the Credit Union. Miss Medford opined that such an individual was needed to promote the services of the Credit Union.

A motion for the adoption of the Report was moved by Mr. Omar Hunte and seconded by Mr. Grantley Haynes. The motion was carried by a majority vote.

8.6 The Report of the Delinquency Committee

The Delinquency Committee Report was presented by Miss Gloria Grant.

A motion that the Report was taken as read was moved by Mrs. Cindy Callender and seconded by Mr. Omar Hunte.

A motion for the adoption of the Report was moved by Mr. David Lawrence and seconded by Mr. Jason Bowen.

9 ALLOCATION OF SURPLUS

Mr. Reginald Parris advised that there was no surplus for allocation.

10 ELECTION OF OFFICERS

Mr. Anderson Henry read the Credentials Committee Report on behalf of the Chairperson, Miss Andrea Edey, who was unable to attend the meeting.

The Report stated that the Credentials Committee comprised of Miss Andrea Edey and Mrs. Cyrilene Bryan. The Committee met on 30 June 2020 to review five applications which were as follows:

Board of Directors: Mr. Jason Bowen, Miss Gloria Grant and Mr. Kelvin Whittaker.

Supervisory Committee: Miss Kimoi Jones and Mr. David Lawrence.

Credit Committee: There were no applicants.

The report indicated that the above applicants were vetted and met the requirements for elections.

The Chairman of Elections, Mr Howard Griffith, stated that there were two seats vacant for the Board of Directors and three candidates; There were two seats vacant on the Supervisory Committee and two candidates. There was one seat vacant for the Credit Committee; however, there were no candidates.

10.1 BOARD OF DIRECTORS

Mr. Griffith declared two seats vacant on the Board of Directors.

The following members were nominated to stand for election to serve on the Board of Directors:

Mr. Jason Bowen, Miss Gloria Grant and Mr. Kelvin Whittaker.

Elections ensued, with the following results:

Miss Gloria Grant	-	35 votes
Mr. Jason Bowen	-	35 votes
Mr. Kelvin Whittaker	-	22 votes

Mr. Jason Bowen and Miss Gloria Grant were duly elected to serve on the Board of Directors for a term of three years each.

10.2 SUPERVISORY COMMITTEE

Mr. Griffith informed that there were two vacant seats on the Supervisory Committee and two nominees.

Mr. Griffith declared Miss Kimoi Jones and Mr. David Lawrence duly elected to serve on the Supervisory Committee for a term of three years each.

10.3 CREDIT COMMITTEE

Mr. Griffith announced that there was one vacancy on the Credit Committee, but there were no nominees standing for election to the vacant posts.

11 RESOLUTIONS

The Chairman, Mr Anderson Henry, informed the meeting that there were two resolutions for consideration.

11.1 Resolution 2020-001 - Staff Approval of Loans, to amend By-Laws 63, 64 (2), 66 (1) and 78 (2), was presented by Mr. Kelvin Whittaker.

Discussions were held, and it was agreed that the resolution be amended that By-Law 64 (2) state, "Any employee" authorized under By-law 64 (1), instead of "Any person."

A motion for the amendment to By-Laws 63, 64 (2), 66 (1) and 78 (2) was moved by Mr. Kelvin Whittaker and seconded by Mr. Wesley Trotman. The motion was carried by a majority vote of 30. There was one vote against and four abstentions.

11.2 Resolution 2020-002 – Nominations from the Floor at Annual General Meetings to amend By-Law 38, was presented by Mr. Kelvin Whittaker.

After discussions were held, a motion for the adoption of the amendment of By-law 38 was moved by Mr. Wesley Trotman and seconded by Mr. Howard Griffith. The motion was carried by a majority vote of 34. There were none against and no abstentions.

12. THE APPOINTMENT OF EXTERNAL AUDITORS

Mr. Parris stated that the Board recommended the re-appointment of Drayton J Carter & Co as external Auditor for 2020.

12.1 Mr. Anthony Callender queried the length of time Drayton J Carter & Co has been the external Auditor?

12.2 Mr. Parris replied that they had been the external Auditors for approximately ten years.

12.3 Mr. Callender queried the process for Auditor approval apart from what was done at the Annual General Meeting?

12.4 Mr. Anderson Henry indicated that every year, before the Annual General Meeting, approval of the Auditors is sought from the Financial Services Commission (FSC). The FSC determines whether that Auditors are fit for selection.

12.5 Mr. Callender queried who produced the letters sent to members asking that they confirm the balances on their accounts and how many were sent to members.

12.6 Mr. Eric Trotman, the Credit Union's Manager, explained that the Auditor determined by sampling which members were selected for verification. He also noted the Credit Union staff played no part in the exercise, and as such, were unaware of who receives confirmation letters.

12.7 The motion for Drayton J Carter & Co re-appointment as Auditors for the financial year 2020 was carried by a majority vote.

The representative of Drayton J Carter & Co indicated their acceptance of the appointment.

13. SETTING OF THE MAXIMUM LIABILITY

Mr. Reginald Parris proposed that the maximum liability remained at twenty-five million dollars.

The motion was carried by a majority vote.

14 ANY OTHER BUSINESS

14.1 Kirkland Clarke, Underwriting Manager of Co-operators General Insurance Co Ltd, presented on the Group Homeowners' Insurance Scheme.

Mr. Clarke stated that the Homeowner's Scheme was a blanket scheme where all properties owned by Credit Union members primarily would be insured. The scheme was intended to cover all members regardless of who held their mortgage. Mr. Clarke noted that the rates would be competitive to benefit members.

Mr. Clarke informed that members already insured with another company could join the scheme when their policy expired. He suggested that members contact the Credit Union for further details. He encouraged members to participate in the scheme as the company was one of the few indigenous insurance companies in Barbados.

Mr. Omar Hunte and Mr. Kelvin Whittaker were commended for being the first two members to join the scheme.

14.2 Mr. Howard Griffith gave a brief presentation on the Reddy Kilowatt Co-op Society Ltd.

Mr. Griffith stated that the Society held a General Meeting on 23 March 2020 and elected a new Board of Directors, consisting of President, Mrs. Cindy Callender, Vice-President, Mr. Kelvin Whittaker, Secretary, Mr. Howard Griffith, Treasurer Mrs. Tracia Seifert-Licorish and Mr. Reginald Parris, Mr. Victor Callender and Mr. John Pile.

Mr. Griffith also informed that Reddy Kilowatt Co-op Society was the parent of the Credit Union. He noted that earlier in the year, the Registrar of Co-operatives paid a visit and encouraged the revitalization of the Society as the last remaining consumer co-operative in Barbados.

Mr. Griffith indicated that the Board intends to do just that and asked members to support Reddy Mart.

14.3 Mr. Anderson Henry thanked Mr. Griffith for his presentation and commented that Reddy Mart was a 'saving grace' during the COVID-19 lockdown. Mr. Henry stated that the Credit Union was available to discuss these initiatives further.

14.4 Mrs. Samantha Hazlewood-Ermay queried whether the Credit Union would participate in the BOSS program.

14.5 Mr. Henry replied that the Credit Union at that time had \$8.9 million invested in Government instruments. He indicated that the Board must take the level of exposure into consideration and that the matter was being actively discussed by the Board.

14.6 Mrs. Hazlewood-Ermay asked what being done to use technology to leverage to the next level.

14.7 Mr. Henry reported that he was a member of the Barbados Co-operative and Credit Union League's Banking Services Committee and one of the initia-

tives that would be introduced is a card to be utilized by Barbadians over the age of 16. He stated that the card would be used in conjunction with the Government of Barbados NIS payments.

Mr. Henry informed that discussions on other initiatives, including online banking, mobile payments and access to the Automatic Clearing House (ACH), were ongoing with the Government of Barbados and the Barbados & Co-operative Credit Union League.

- 14.8 Mr. Henry commented that the FSC was desirous of having elected officers trained to a level acceptable by the FSC.

Mr. Henry noted that such training would be conducted in various locations. He stated that the Directors must be trained to a level where they were in compliance, and if they were not, the FSC could sanction them. Mr. Henry informed that Directors and staff were required to undergo annual Anti-Money Laundering training.

Mr. Henry added that the Know Your Customer (KYC) information of members needs to be updated. He noted that members would be sensitized about the requirements going forward. The Member Services team would have started to contact members to obtain specific information.

- 14.9 Mr. Henry explained that under the new IFRS9 standard, a more forward-looking mechanism was utilised to account for loan loss provisioning. He noted that under the standard, provision is made on the probability of delinquency occurring as opposed previously, where provision was made for delinquency as it occurs.

- 14.10 Mr. Grantley Haynes commented on the quality of the Annual Report, stating that there were no errors, and the proofreader did an excellent job.

- 14.11 Mr. Henry stated that the appreciation was for the Manager and his team.

- 14.12 Mr. .Anthony Callender queried whether there was a building committee.

- 14.13 Mr. Reginald Parris stated that there was no current building committee in place.

- 14.14 Mr. Callender suggested that the committee be revitalized for the purpose of finding venues for meetings and vendors, as well as when there were renovations or repairs to the credit union properties.

15 VOTE OF THANKS

Mr. Jason Bowen delivered the Vote of Thanks.

16 TERMINATION

There being no further business, the meeting was terminated at 5.23 P.M.



Andrea Edey
Secretary, Board of Directors

ATTENDANCE
AT THE 37TH ANNUAL GENERAL MEETING

MEMBERS

- | | |
|------------------------------|-----------------------------|
| 1. ALLEYNE Julie | 28. JONES Kimoi |
| 2. BANCROFT Glendeen | 29. LAWRENCE David |
| 3. BARROW Caryl | 30. LAWRENCE Pedro |
| 4. BLACKMAN Paul | 31. MARKS Roxanne |
| 5. BOWEN Jason | 32. MASON Hazelana |
| 6. BOWEN Rochelle | 33. MASON-PILE Jacqueline |
| 7. BREWSTER Leeann | 34. MAXWELL Lionel |
| 8. CALLENDER Anthony | 35. MAYERS Malcolm |
| 9. CALLENDER Cindy | 36. MAYERS-GODDARD Cheryl |
| 10. CALLENDER Jerry | 37. MEDFORD Bonita |
| 11. CLARKE Harriet | 38. MOORE Ricardo |
| 12. DANIEL Bernadine | 39. MORRIS Keisha |
| 13. DANIEL Candace | 40. PARRIS Reginald |
| 14. FENTY Ulysses | 41. PILE James |
| 15. FITT Hugh | 42. PILE-WORRELL Jennifer |
| 16. FITZGERALD Angela | 43. REIFER Ria-Ashl e |
| 17. GIBBS Justin | 44. RILEY Sherri |
| 18. GRANT Charles | 45. SEIFERT-LICORISH Tracia |
| 19. GRANT Gloria | 46. SHOCKNESS Corey |
| 20. GREAVES Reginald | 47. SHOCKNESS Eden |
| 21. GRIFFITH Howard | 48. STOUTE Sherrol |
| 22. HARRIS Yvette | 49. TAYLOR Demario |
| 23. HAYNES Grantley | 50. TROTMAN Eric |
| 24. HAZLEWOOD-ERMAY Samantha | 51. TROTMAN Wesley |
| 25. HENRY Anderson | 52. WARD Mia |
| 26. HUNTE Omar | 53. WHITTAKER Kelvin |
| 27. JONES Erwin | 54. WILLIAMS Trevor |
| | 55. YEARWOOD Janiel |

ATTENDANCE

AT THE 37TH ANNUAL GENERAL MEETING

VISITORS

1. BAYNES Judith - U.W.I. (Cave Hill) Co-operative Credit Union Ltd.
2. CLARKE Kirkland – Co-operators General Insurance Co. Ltd.
3. FITT Susan – Endeavour Co-operative Credit Union Ltd.
4. GIBBS Jelesa
5. HALL Mark - Drayton J. Carter & Co. Chartered Accountants
6. HOPE Clayton – Barbados Teachers Co-operative Credit Union Ltd.
7. INNISS Anthony - Lifetime Co-operative Credit Union Ltd.
8. INNISS Mary – Lifetime Co-operative Credit Union Ltd.
9. JONES Keith – Bartel Credit Union Ltd.
10. LAWRENCE Julie
11. NURSE Noel - Lifetime Co-operative Credit Union Ltd.
12. TEMPRO Vincent

TENURE OF OFFICE - 2021

BOARD OF DIRECTORS

				Remaining Years
President	-	Anderson Henry	-	1
Vice President	-	Omar Hunte	-	Nil
Secretary	-	Andrea Edey	-	1
Treasurer	-	Reginald Parris	-	Nil
Assistant Secretary	-	Cindy Callender	-	1
Assistant Treasurer	-	Jason Bowen	-	Resigned
Member	-	Gloria Grant	-	2

SUPERVISORY COMMITTEE

				Remaining Years
Chairperson	-	David Lawrence	-	2
Secretary	-	Mia Ward	-	Nil
Member	-	Erwin Jones	-	Nil
Member	-	Kimoi Jones	-	2
Member	-	Keisha Morris	-	1

CREDIT COMMITTEE

				Remaining Years
Chairperson	-	Rochelle Bowen	-	Nil
Secretary	-	Janiel Yearwood	-	1
Member	-	Corey Shockness	-	Nil - Appointed

THE BOARD OF DIRECTORS



Anderson Henry
President



Omar Hunte
Vice President



Andrea Edey
Secretary



Reginald Parris
Treasurer



Cindy Callender
Assistant Secretary



Jason Bowen
Assistant Treasurer



Gloria Grant
Member

SUPERVISORY COMMITTEE



David Lawrence
Chairperson



Mia Ward
Secretary



Erwin Jones
Member



Keisha Morris
Member



Kimoi Jones
Member

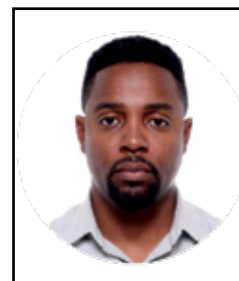
CREDIT COMMITTEE



Rochelle Bowen
Chairperson



Janiel Yearwood
Secretary



Corey Shockness
Member

CREDIT UNION STAFF



Eric R Trotman
Manager



Hazelana Mason
Accountant



Bernadine Daniel
Member Services
Supervisor



Ria-Ashlée Reifer
Administrative Assistant



Harriet Clarke
Accounts Assistant



Paul Blackman
Accounts Clerk



Ricardo Moore
Credit Officer



Roxanne Marks
Member Services
Representative



Malcolm Mayers
Member
Services Officer



Demario Taylor
General Worker

THE REPORT OF THE BOARD OF DIRECTORS

For The Year Ending December 31, 2020

Overview

The Board of Directors is once again pleased to report on the operation of The Light & Power Employees Co-operative Credit Union Ltd (the credit union) for the period ending December 31, 2020.

The year under review was indeed a challenging one. Since COVID-19 reared its head in December 2019, the world was not the same. The World Health Organization (WHO) declared the coronavirus outbreak a pandemic in March 2020. In that same month, Barbados had confirmed its first positive cases of the coronavirus. The government instituted measures to combat the spread of the virus, which eventually culminated with a 24-hour national lockdown.

The fallout from the coronavirus pandemic has been devastating on the Barbados community. Likewise to the local economy impacting every sector, with unemployment and layoff increasing significantly. Great strain has been placed on businesses trying to weather the pandemic, some unable to do so. The government of Barbados has pledged to provide some manner of support to the most vulnerable in society.

During the year, the credit union remained steadfast in its commitment to assist its members in navigating the current uncertain environment. As a means of support, we sought to provide financial ease to members through a three-month moratorium on loan payments. Members were also able to exceed the limit of their lines of credit (LOC) without incurring penalties. Further, the daily limit on cash withdrawal was increased for members' convenience.

Financial Highlights

Despite the year's challenges, the credit union realised a net income of \$8,172, relative to a loss in the previous year. Assets increased by 4.98% to \$58.42M from \$55.65M. Available investment opportunities with notable returns remain limited. Income from investments totalled \$0.26M compared to \$0.28M for 2019.

Members tempered their demand for loans as evidenced by the current net loan balance of \$27.63M compared to \$29.96M for 2019, a decline of 7.78%. The cash levels remained healthy at \$7.91M.

Governance

The Board determines the credit union's strategic path, ensuring that the institution remains a viable option for its members while focused on its mandate. The Board sets policies to safeguard the operation of the society in keeping with good corporate governance. Our objective is to serve the members of the credit union in line with the Co-operative Principles.

The Board of Directors met as frequently as the business of the credit union demanded. The Board is obligated to hold monthly scheduled meetings in accordance with the Co-operative Society Act. During that period, the Board held 14 meetings.

The attendance of Directors is illustrated in the accompanying tables.

Attendance for the Period January to June				
DIRECTOR	POSITION	MEETINGS	ATTENDED	EXCUSED
Anderson Henry	President	6	6	0
Jason Bowen	Vice-President	6	6	0
Omar Hunte	Secretary	6	5	1
Reginald Parris	Treasurer	6	6	0
Andrea Edey	Asst. Secretary	6	6	0
Kelvin Whittaker	Asst. Treasurer	6	6	0
Cindy Callender	Director	6	5	1

Attendance for the Period July to December				
DIRECTOR	POSITION	MEETINGS	ATTENDED	EXCUSED
Anderson Henry	President	8	8	0
Omar Hunte	Vice-President	8	8	0
Andrea Edey	Secretary	8	8	0
Reginald Parris	Treasurer	8	8	0
Cindy Callender	Asst. Secretary	8	5	3
Jason Bowen	Asst. Treasurer	8	6	2
Gloria Grant	Director	8	7	1

Human Resource

In light of the predominance of the coronavirus, the credit union took the necessary precautions to ensure the safety of its staff members. Management ensured that staff had access to the necessary resources to carry out their respective functions safely. Sanitizing stations were installed in locations easily accessible by staff members. Staff were also issued with facemasks and disposable gloves. The sanitizing of frequent touch-points was instituted daily by the cleaning contractors.

At year-end, the staff complement of the credit union stood at ten permanent employees. To restrict the number of non-essential persons in the credit union, we did not offer our annual summer internship in 2020.

Training & Education

During the year, some of our scheduled training programmes were cancelled. Our in-house skill-building workshops were also impacted and placed on hold for the time being.

The Barbados Co-operative & Credit Union League Ltd. reduced their educational offerings, as the current conditions did not permit them to deliver their usual full courses catalogue.

During the year, committees' members and staff attended various training courses.

1. Anti-Money Laundering / Countering of Financing of Terrorism
2. IFRS 9 Technical Assistance Project
3. The Financial Side of Human Trafficking
4. Investment Policy Review for Pension Plans
5. Tackling the COVID-19 Cyber Security Challenge
6. Protecting Against Coronavirus Phishing Attacks
7. Basic Investment Trustee Education, Governance & Ethics
8. Management Skills Development
9. Debt Collection

Member Services Supervisor, Miss Bernadine Daniel, completed the Certified Professional Anti-Money Laundering programme with the Florida International University (FIU), in association with the Florida International Bankers Association (FIBA), receiving the CPAML designation.

League Matters

The Barbados Co-operative & Credit Union League Ltd. was offered a seat at the table of the Social Partnership. This development will hopefully enhance the League's lobbying efforts on behalf of the movement. The League is currently spearheading the efforts to launch card services across the sector. The process is ongoing and is expected to roll out by the latter part of 2021.

Mr. Kelvin Whittaker represents the credit union as a Director on the Board of the Barbados Co-operative & Credit Union League. Mr Whittaker also represents the credit union on the Board of General Insurance Co. Ltd. and is the current Chairman.

Compliance

During the year, the credit union's Anti-Money Laundering (AML) programme was reviewed by the Financial Services Commission (FSC). The outcome of the FSC's review highlighted some deficient areas of concern. Specifically, some members' 'Know Your Customer' (KYC) information required updating, the updating of the AML Policy, and the conducting of an independent audit of the credit union's AML processes and procedures.

Efforts to have members update their KYC information commenced. However, progress has been slow as some members are still to complete the exercise. An updated AML Policy was commissioned and was implemented in the latter part of the year. An independent audit of the AML processes and procedures is scheduled to be undertaken in early 2021 by an independent party.

The credit has implemented a technology-based solution to augment its KYC and compliance efforts. This solution is being utilised to assist in the review and rating of current, new, and prospective members. It is also used to screen politically exposed persons (PEPs) and beneficial owners of members' accounts held in the credit union.

Youth Development

For 2020 the credit union's usual activities incorporating our youth members were halted as we did our best to play our part in limiting the spread of the coronavirus.

Early in the year, the Board took the decision to cancel the 2020 Julie Alleyne Eleven Plus Awards and the Trevor Browne Scholarship, due to the uncertainty that existed at the time.

Property Management

The Archive continues to be vacant during the year. Similarly, the upstairs of the Bush Hill Complex remained vacant as well. The wrought iron fencing on the front wall was replaced. The fencing appeared to have been the original fixture and was in deplorable condition. The roofing sheets on the east and west wings of the Bush Hill Complex were replaced due to deterioration.

Minor maintenance continued to be carried out on the Bush Hill and Collymore Rock properties. The Collymore Rock Building remained fully tenanted during the period.

Membership

There was no significant membership growth for the year. Considering the current environment, this situation was foreseen. In 2020, 32 members joined the society, while 19 members closed their accounts, and one member became deceased. The membership stood at 1,903 for the year. We extend our deepest condolences to the relatives and colleagues of those we lost during the year.

The Credit Union Sector

The regulatory regime is becoming more challenging as Barbados being a signatory to various international agreements obligating the government and private institutions to meet specific requirements. The fulfilment of which can be quite arduous and costly. There is not expected to be any abatement in such expectations as we go forward. Though unrealistic, in the current dispensation, one size is expected to fit all.

During this current period of economic hardship, the movement has been resilient in its efforts to lend much-needed support to members. Credit unions made

it possible for members with investment accounts to terminate those investments penalty-free so that they had access to much-needed funds.

The movement also made some level of concession by forbearing members' ability to meet some of the loan obligations. This has resulted in a higher but manageable level of delinquency.

Outlook

We look forward with anticipation to the ensuing year with hopes that 2021 will treat us better than 2020 did. However, we must be conscious of the challenges that lay ahead. Not just for the credit union but also the country as a whole. The coming will test the credit union's resolve in us being able to provide financial support to our members. Some of who may be in desperate need. We will continue to stand by the co-operative philosophy of "member helping member" to assist them wherever we can.

The government's revenues have been severely strained over the period, which has been bolstered by borrowing on the international market. A situation that could eventually reach a point of exhaustion. There have been utterances from prominent voices of pending eventual austerity in the near future to supplement the tax base. At this point, this may just be speculation. Regardless, we will hope for the best but seek to plan for possible outcomes.



Anderson Henry
President, Board of Directors

We will be prudent in our expenditure and continue to seek ways to improve our operational efficiencies for effective delivery of service.

Acknowledgements

The Board thanks the Supervisory and Credit Committees for their support during the year. Likewise, we extend thanks to the Manager and his staff for their contribution to the credit union's operation during the year. We also offer thanks to those who continue to nurture the credit union and assist in it remaining relevant in the current environment. And to the Barbados Light & Power Co. Ltd. for their continued support over the years.

Thank you, the membership, for your contribution to making the credit union your choice as a financial service provider. The Board is humbled by the opportunity afforded us in serving the membership over the past year. Because your success is our success, and by extension, the credit union's success.

PEARLS Analysis

PEARLS is an analysis of the Credit Union's performance. It is an acronym for Protection; Earnings; Assets Quality; Rate of Growth; Liquidity; and Structure.

Following is a comparison of the Credit Union's position as represented by PEARLS analysis for the period ended December 31, 2020, relative to 2019.

Description	Ratios	December 2020	PEARLS Attained	December 2019	PEARLS Attained	PEARLS Benchmark
Capital/Total Assets A measure of the Credit Union's ability to absorb losses	<u>Capital</u> Total Assets	<u>8,445,839</u> 58,422,594	14.46%	<u>8,235,868</u> 55,650,019	14.80%	8% or greater
Net Income/Average Assets Measures the Credit Union's ability to generate capital	<u>Net income</u> Average Assets	<u>208,611</u> 57,036,307	0.37%	<u>(134,934)</u> 55,143,338	-0.24%	1% or greater
Operating Expense/Income Measures the Credit Union's ability to generate capital	<u>Operating Exp.</u> Total Income	<u>1,805,689</u> 2,511,173	71.91%	<u>2,009,803</u> 2,621,458	76.67%	50% or less
Loans/total Assets Indicates the Credit Union's ability to meet short-term cash obligations	<u>Loans</u> Total Assets	<u>27,628,913</u> 58,422,594	47.29%	<u>29,959,354</u> 55,650,019	53.84%	70% to 80%
Loans/Savings Indicates the Credit Union's ability to meet short-term cash obligations	<u>Loans</u> Savings	<u>27,628,913</u> 48,723,908	56.71%	<u>29,959,354</u> 46,690,297	64.17%	70% to 85%
Delinquent Loans/Total Loans Indicates the quality of the loan portfolio	<u>Delinquent Loans</u> Total Loans	<u>3,267,910</u> 27,628,913	11.83%	<u>1,550,709</u> 29,959,354	5.18%	5% or less
Non-earning Assets/Total Assets A high ratio that will have an adverse effect on the Credit Union's Profitability	<u>Non-Earning Assets</u> Total Assets	<u>4,289,071</u> 58,422,594	7.34%	<u>3,641,537</u> 55,650,019	6.54%	6% or less
Savings Growth Rate Indicates the success of the Credit Union in providing services to its members	<u>Net Growth</u> P/Y Savings	<u>2,033,611</u> 46,690,297	4.36%	<u>1,112,952</u> 45,577,345	2.44%	10% to 20%
Loan Growth Rate Indicates the success of the Credit Union in providing services to its members	<u>Net Growth</u> P/Y Loan Balance	<u>(2,246,312)</u> 30,586,413	-7.34%	<u>(898,095)</u> 31,484,509	-2.85%	8% to 15%

**The Light & Power Employees Co-operative
Credit Union Limited**
Auditors' Report and Financial Statements
December 31st, 2020
(Expressed in Barbados Dollars)

DJC & Co.

Drayton J. Carter & Co.
Chartered Accountants
Bridgetown
Barbados

The Light & Power Employees Co-operative Credit Union Limited
Index to the Financial Statements
December 31, 2020

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Drayton J. Carter & Co.

Chartered Accountants

The Annex, 'Urim House', #1 Bagatelle Terrace
St. Thomas BB23003, Barbados, W. Indies
Tel: 246 421-5986 • Email: draytonjcarter@yahoo.com

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, 2020, 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, 2020, 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.

Key Audit Matters

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS 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 stability 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 scepticism 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 stability 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

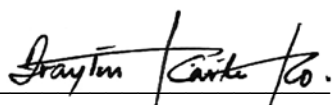
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date 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 of 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.

The engagement partner on the audit resulting in this independent auditors' report is Drayton J. Carter.


Drayton J. Carter & Co.

BARBADOS

April 7th, 2021

The Light & Power Employees Co-operative Credit Union Limited
Statement of Financial Position
As of December 31, 2020

	Notes	2020 \$	2019 \$
Assets			
Cash and bank balances	4	7,913,583	6,738,624
Amounts receivable	5	340,838	370,883
Investments	6	19,621,768	15,551,972
Loans to members	7	27,628,913	29,959,354
Investment property	8	868,367	891,494
Property, plant and equipment	9	2,049,125	2,137,692
		-----	-----
Total Assets		58,422,594	55,650,019
		=====	=====
Liabilities and Members' Equity			
Accounts payable	10	936,693	723,854
Demand deposits	11	22,216,904	20,667,593
		-----	-----
		23,153,597	21,391,447
Non-qualifying shares	12	26,823,158	26,022,704
		-----	-----
Total liabilities		49,976,755	47,414,151
		-----	-----
Members' Equity (Pages 7 and 8)			
Equity shares		190,300	189,100
Statutory reserves		5,356,045	5,355,885
Undivided surplus		1,139,620	1,130,908
		-----	-----
Other reserves		1,759,874	1,559,975
		-----	-----
Total members' equity		8,445,839	8,235,868
		-----	-----
Total Liabilities and Members' Equity		58,422,594	55,650,019
		=====	=====

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

Approved by the Board on 7 April 2021 and signed on its behalf by:

 Director

 Director

The Light & Power Employees Co-operative Credit Union Limited
Statement of Income and Comprehensive Income
December 31, 2020

	Notes	2020 \$	2019 \$
Interest income			
Loan interest		2,166,895	2,256,221
Other interest		2,583	1,562
		-----	-----
		2,169,478	2,257,783
		-----	-----
Interest expenses			
Interest on deposits		225,254	214,671
Interest on non-qualifying shares		471,498	531,918
		-----	-----
		696,752	746,589
		-----	-----
Net interest income		1,472,726	1,511,194
Other income			
Rental income		62,042	69,675
Dividends received		54,699	59,784
Investment income		209,599	218,679
Other income		15,355	15,537
		-----	-----
Net income after interest expense		1,814,401	1,874,869
		-----	-----
Expenses			
Staff cost (Schedule 1)		778,210	817,805
Operating and administrative (Schedule 1)		509,617	391,723
Depreciation	8 & 9	138,915	123,777
Membership security		237,729	247,915
Meetings		117,696	121,357
Conventions & conferences		7,361	99,292
Provision for credit losses	7	15,611	181,975
Youth community and social welfare		550	25,959
		-----	-----
Total other expenses		1,805,689	2,009,803
		-----	-----
Net operating income/ (loss) for the year		8,712	(134,934)
		=====	=====

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, 2020

	Notes	2020 \$	2019 \$
Net operating income / (loss) for the year		8,712	(134,934)
		-----	-----
Items that will not be reclassified subsequently to profit and loss:			
Fair value gain on investments in equity instruments designated as at FVTOCI	6	199,899	63,217
		-----	-----
Other comprehensive income for the year		199,899	63,217
		-----	-----
Total comprehensive income / (loss) for the year		208,611	(71,717)
		=====	=====

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, 2020

	Share Capital	Statutory Reserve	Other Reserves	Undivided Surplus	Total
Balance at January 1, 2019	185,600	5,355,610	1,496,758	1,302,962	8,340,930
Net income	-	-	-	(134,934)	(134,934)
Other comprehensive income	-	-	63,217	-	63,217
<u>Transfers:</u>					
Dividends paid	-	-	-	(37,120)	(37,120)
Net increase in share capital	3,500	-	-	-	3,500
Entrance fees & fines	-	275	-	-	275
Balance at December 31, 2019	<u>\$ 189,100</u>	<u>5,355,885</u>	<u>1,559,975</u>	<u>1,130,908</u>	<u>8,235,868</u>
Balance at January 1, 2020	189,100	5,355,885	1,559,975	1,130,908	8,235,868
Net Income	-	-	-	8,712	8,712
Other comprehensive gain	-	-	199,899	-	199,899
Net increase in share capital	1,200	-	-	-	1,200
Entrance fees & fines	-	160	-	-	160
Balance at December 31, 2020	<u>\$ 190,300</u>	<u>5,356,045</u>	<u>1,759,874</u>	<u>1,139,620</u>	<u>8,445,839</u>

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, 2020

	2020	2019
	\$	\$
Other reserves comprise:		
Fair value reserves	1,759,874	1,559,975
	=====	=====

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

The Light & Power Employees Co-operative Credit Union Limited
Statement of Cash Flows
December 31, 2020

	2020	2019
	\$	\$
Cash flows from operating activities		
Net operating income\ (loss) for the year	8,712	(134,934)
Adjustments for non-cash income and expenses		
Depreciation	138,915	123,777
Loss on disposal of asset	185	2,109
Change in provision for credit losses	15,611	181,975
Loss allowance on impairment of financial assets	97,256	(76,665)
Changes in operating assets and liabilities		
Decrease (increase) in amounts receivable	30,045	(55,199)
Decrease in amounts due from affiliate	-	3,231
Increase in accounts payable	212,839	5,472
	-----	-----
Net cash from operating activities	503,563	49,766
	-----	-----
Cash flows from investing activities		
Loans to members	2,314,830	898,095
Investments	(3,967,153)	(85,922)
Additions to property and equipment	(27,406)	(201,480)
Proceeds from sale of fixed asset	-	345
	-----	-----
Net cash (used in) from investing activities	(1,679,729)	611,038
	-----	-----
Cash flows from financing activities		
Members' deposits	1,549,311	693,910
Non-qualifying shares	800,454	419,042
Share capital	1,200	3,500
Dividends paid	-	(37,120)
Entrance fees and fines	160	275
	-----	-----
Net cash from financing activities	2,351,125	1,079,607
	-----	-----
Net change in cash and cash equivalents	1,174,959	1,740,411
Cash and cash equivalents, beginning of year	6,738,624	4,998,213
	-----	-----
Cash and cash equivalents, end of year	7,913,583	6,738,624
	=====	=====

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.

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. The Society has applied IFRS 9 Financial instruments (as revised in July 2014) and the related consequential amendments to other IFRS standards that are effective for an annual period that begins on or after 1 January 2018. The transition provision allows an entity to restate comparatives, and the Society has not elected to do so.

IFRS 9 introduced new requirements for:

1. The classification and measurement of financial assets and financial liabilities
2. Impairment of financial assets

Details of these as well as their impact on the Society's financial statements are described below.

The Society has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9

Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Society has assessed its existing financial assets and financial liabilities in terms of the requirement of IFRS 9) is 1 January 2018. Accordingly, the Society has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the Society's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows that are solely payments of the principal and interest on the principal amount outstanding are measured subsequently at amortised costs.

2. Statement of accounting policies *(continued)*

In the current year, the Society has not designated any debt instruments that meet the amortised costs or at fair value through other comprehensive income (FVTOCI) criteria as measured at fair value through profit and loss (FVTPL).

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or losses previously recognized in other comprehensive income is reclassified from equity to profit and loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

The Board of Directors has reviewed and assessed the Society's existing financial assets at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has the following impact on the Society's financial assets as regards their classification and measurement;

- the Society's investment in redeemable notes were classified as available-for-sale financial assets under IAS 39 Financial Instruments: Recognition and Measurement. The notes have been reclassified as financial assets at amortised cost because they are held within a business model whose objective is to collect contractual cash flows, and it has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding;
- the Society's investment in equity instruments (neither held for trading nor a contingent consideration arising from business combination) that were previously classified as available-for-sale financial assets and were measured at fair value at each reporting date under IAS 39 have been designated as at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve;
- financial assets classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continues to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

2. Statement of accounting policies *(continued)*

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Society to account for expected credit losses and changes in those credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Society to recognize a loss allowance for expected credit losses on:

1. Debt investments measured subsequently at amortised cost or at FVTOCI; and
2. Trade receivables and contract assets.

In particular, IFRS 9 requires the Society to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on the financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchase or originated credit-impaired financial asset), the Society is required to measure the loss allowance for the initial financial instrument at an amount equal to 12 months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets in certain circumstances.

IFRS 9 was generally adopted without restating comparative information. The adjustment arising from the new impairment rules are therefore recognized in the opening balance sheet on 1 January 2018.

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 instrument.

Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets or liabilities are added or deducted from the fair value of the financial asset as appropriate on initial recognition. Transaction cost directly attributable to the acquisition of the financial asset or liability at fair value through profit loss are recognized immediately in profit or loss.

All regular way purchases or sale of financial assets are recognized or derecognized on a trade date basis. All recognised financial assets are measured subsequently in their entirety at amortised cost or fair value depending on the classification of the financial asset.

2. Statement of accounting policies *(continued)*

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held with the business model whose objective is to hold the financial asset to collect contractual cash flows; and
- The contractual terms of the asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(1) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective rate of interest to the gross carrying amount of the financial asset.

(2) Equity instruments designated at FVTOCI

On initial recognition, the Society may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Society manages together and has evidence of a recent actual pattern of short-term profit taking.

2. Statement of accounting policies *(continued)*

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit and loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Society has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount as at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Society in accordance with the contract and all cash flows that the Society expects to receive discounted at the original effective interest rate.

If the Society has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines the current reporting date that the conditions for lifetime ECL are no longer met, the Society measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Society recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment in the carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserves, and does not reduce the carrying amount of the financial asset in the statement of financial position.

De-recognition of financial assets

The Society de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity.

2. Statement of accounting policies *(continued)*

Property, plant and equipment

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

The annual depreciation rates are applicable:-

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

Impairment of assets

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

Entrance fees

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

Corporation Tax

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

Group pension plan

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

Foreign currency transactions

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

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.

2. Statement of accounting policies *(continued)*

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.

3. Critical accounting judgements and key sources of estimation

In the applications of the Society's accounting policies, which are described in note 2, the board of directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is expected to affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Society's accounting policies

The following are the critical judgements, apart from those involving estimates (which are dealt with separately below), that the board of directors has made in the process of applying the Society's accounting policies and that have the most significant effect on the amounts recognized in financial statements:

- **Business model assessments:** Classification and measurement of financial assets depend on the results of the society for the purpose of principal and interest (SPPI) and the business model test. The society determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgements reflecting all relevant evidence, including how the performance of the assets is evaluated and their performance is measured, the risk that affect the performance of the assets and how they are managed and how the managers of the assets are compensated. The Society monitors the financial assets measured at amortised cost or fair value through other comprehensive income that are de-recognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the assets are held. Monitoring is part of the Society's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.
- **Significant increase of credit risk:** Expected credit losses (ECL) are measured as an allowance equal to 12-months ECL for stage 1 assets, or lifetime ECL for stage 2 and stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitute a significant increase in risk. In assessing whether the credit risk of an asset has significantly increased, the society takes into account qualitative and quantitative reasonable and forward-looking information.
- **Models and assumptions used:** The Society uses various models and assumptions in measuring fair value of financial assets as well as estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

3. Critical accounting judgements and key sources of estimation *(continued)*

Key sources of estimation

The following are key estimations that the board of directors has used in the process of applying the Society's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

- Establishing the number and relative weightings for forward-looking scenarios for each type of the product/market and determining the forward-looking information relevant to each scenario: When measuring ECL, the Society uses reasonable and forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.
- Probability of default (PD): PD constitutes a key input in measuring ECL. PD is an estimate of the probability of default over a given time horizon, the calculation includes historical data, assumptions and expectations of future conditions.
- Loss given default (LGD): LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.
- Fair value measurement and valuation process: In estimating the fair value of a financial asset or a liability, the Society uses market-observable data to the extent that it is available. Where such level 1 inputs are not available, the Society uses valuation models to determine the fair value of its financial instruments.

4. Cash and bank balances

	2020	2019
Cash holdings	\$ 147,619	193,666
Savings account	5,887,790	3,700,584
Current account	1,878,174	2,844,374
	-----	-----
	\$ 7,913,583	6,738,624
	=====	=====

The Society earned interest on its RBTT savings account at 0.0148% (2019: 0.025%) during the financial year.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2020

5. Amounts Receivable

	2020	2019
Trade receivables & prepayments	\$ 72,781	66,655
Accrued interest	85,281	95,668
Rent receivable	20,343	8,108
VAT refundable	162,433	200,452
	-----	-----
	\$ 340,838	370,883
	=====	=====

6. Investments

	2020	2019
	\$	\$

**Investments in equity instruments
designated as at FVTOCI**

Barbados Co-operative & Credit Union League Ltd.	59,370	59,370
Cable & Wireless (Barbados) Ltd- 33,360 shares	76,394	76,394
Co-operators General Insurance Co. Ltd.- 5,564 shares	2,004,877	1,786,895
Co-operators General Management Co. Inc.- 4,373 shares	771,660	662,393
Insurance Corporation of Barbados - 50,000 shares	89,000	162,500
	-----	-----
	3,001,301	2,747,552
	-----	-----

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2020

6. Investments (continued)	2020	2019
	\$	\$
Investment assets measured at amortised cost		
Government Savings Bonds (5.5%- 2020)	-	152,480
Government of Barbados bonds series B	8,995,091	8,995,091
Term deposits	7,508,850	3,404,996
Mortgage loan	292,891	330,962
	-----	-----
	16,796,832	12,883,529
Loss allowance	(176,365)	(79,109)
	-----	-----
	16,620,467	12,804,420
	-----	-----
Total Investments	19,621,768	15,551,972
	=====	=====

The Society adjusted the carrying value of its shares in Co-operators General Management Co. Inc. and Co-operators General Insurance Co. Ltd. to reflect the share value resulting from a valuation commissioned by the investee companies, resulting in an unrealised gain as noted below:

	Fair value Dec 31, 2019	Shares ac- quired	Unrealised gain/ (loss)	Fair value at Dec 31, 2020
Co-operators General Management Co. Inc.	662,393	21,150	88,117	771,660
Co-operators General Insurance Co. Ltd.	1,786,895	32,700	185,282	2,004,877
Insurance Corporation of Barbados	162,500	-	(73,500)	89,000
Barbados Co-operative & Credit Union League Ltd.	59,370	-	-	59,370
Cable & Wireless (Barbados) Ltd	76,394	-	-	76,394
	-----	-----	-----	-----
Total	2,747,552	53,850	198,899	3,001,301
	=====	=====	=====	=====

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2020

6. Investments (continued)

During the year ended 31 December 2018, the Government of Barbados offered to exchange treasury notes and debentures and debentures totalling \$8,933,250 and interest of \$61,841 for eleven (11) series B amortising strips with maturities of 5,6,7,8,9,10,11,12,13,14 and 15 years.

The interest rates are as follows:

Issuance through year 31.0%

Year 4 2.5%

Year 5 –maturity 3.75%

Interest will be paid quarterly, and the principal of each strip will be repaid in four equal quarterly instalments beginning one year prior to the final maturity of the strip.

The allocation of aggregate principal amount among strips are as follows:

5-Year: 7.49%	11-Year: 9.37%
6-Year: 7.78%	12- Year: 9.72%
7-Year: 8.07%	13- Year: 10.10%
8-Year: 8.38%	14- Year 10.48%
9-Year: 8.70%	15- Year 10.88%
10- Year: 9.03%	

Impairment of investments measured at amortised cost

In determining the credit losses for the Government of Barbados bonds, the board has determined that there has been no significant increase in credit risk between the acquisition and the reporting date. As a result, the loss allowance has been measured at an amount equal to 12 months expected credit losses.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2020

The following table shows the movement in expected credit losses that have been recognised for financial assets at amortised cost and loans and receivables:

	12-month Expected Credit Losses			Lifetime Expected Credit Losses	
	Government Savings Bonds	Term Deposits	Government Bonds- Other	Loans to other entities	Total
	\$	\$	\$	\$	\$
Balance as at 31 December 2018	2,379	11,450	140,323	1,622	155,774
Increase (decrease) in allowances	2,854	(7,939)	(70,161)	(1,419)	(76,665)
	-----	-----	-----	-----	-----
Balance as at 31 December 2019	5,233	3,511	70,162	203	79,109
Increase in allowance arising from new assets recognised during the year	-	23,089	-	-	23,089
Decrease in allowance from derecognition of financial assets in the year	(5,233)	-	-	-	(5,233)
Increase in allowances	-	16,705	61,931	764	79,400
	-----	-----	-----	-----	-----
Balance as at 31 December 2020	-	43,305	132,093	967	176,365
	=====	=====	=====	=====	=====

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2020

7. Loans to members

	2020			2019	
Loan portfolio	\$	28,271,583		30,586,413	
Expected credit losses		(642,670)		(627,059)	
	\$	27,628,913		29,959,354	
		=====		=====	
	12-month Expected Credit Losses			Lifetime Expected Credit Losses	
	Government Savings Bonds	Term Deposits	Government Bonds- Other	Loans to other entities	Total
	\$	\$	\$	\$	\$
Balance as at 31 December 2018	2,379	11,450	140,323	1,622	155,774
Increase (decrease) in allowances	2,854	(7,939)	(70,161)	(1,419)	(76,665)
	-----	-----	-----	-----	-----
Balance as at 31 December 2019	5,233	3,511	70,162	203	79,109
Increase in allowance arising from new assets recognised during the year	-	23,089	-	-	23,089
Decrease in allowance from derecognition of financial assets in the year	(5,233)	-	-	-	(5,233)
Increase in allowances	-	16,705	61,931	764	79,400
	-----	-----	-----	-----	-----
Balance as at 31 December 2020	-	43,305	132,093	967	176,365
	=====	=====	=====	=====	=====

The Society offers ordinary loans to members at rates varying from 6% to 10% (2019: 6% to 12%) per annum. The rate of interest on unsecured loans ranges from 12% to 15%. 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 (2019: \$15,000) at the interest rate of 15% (2018: 15%) per annum. Interest charged by the Society is computed on the reducing balance basis.

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2020

8. Investment property

		2020	2019
<u>Cost</u>			
Balance at start	\$	1,367,955	1,367,955
		-----	-----
Balance at end		1,367,955	1,367,955
<u>Depreciation</u>			
Balance at start		476,461	453,334
Additions		23,127	23,127
		-----	-----
Balance at end		499,588	476,461
		-----	-----
Net book value	\$	868,367	891,494
		=====	=====
Direct rental income from investment property	\$	62,042	69,675
Operating expenses		(35,294)	(55,873)
		-----	-----
Net profit on investment property	\$	26,748	13,802
		=====	=====

Investment property shown at the net cost of \$868,367 (2019: \$ 891,494) as at December 31, 2019, has a current valuation of \$ 2,200,000 as determined by the Barbados Revenue Authority. The appraisal excess of \$1,331,633 is not accounted for in these financial statements.

9. Property, Plant & Equipment

<u>2020</u>	Total	Land & Buildings	Furniture & Equip.	Computer Equip.	Motor Vehicle
	\$	\$	\$	\$	\$
<u>Cost</u>					
Balance at start	3,337,308	2,761,845	238,321	295,142	42,000
Additions	27,406	-	14,707	12,699	-
Disposals	(1,705)	-	(1,335)	(370)	-
	-----	-----	-----	-----	-----
Balance at end	3,363,009	2,761,845	251,693	307,471	42,000
	-----	-----	-----	-----	-----
<u>Depreciation</u>					
Balance at start	1,199,616	861,957	139,522	169,437	28,700
Additions	115,788	46,084	15,634	45,670	8,400
Disposals	(1,520)	-	(1,335)	(185)	-
	-----	-----	-----	-----	-----
Balance at end	1,313,884	908,041	153,821	214,922	37,100
	-----	-----	-----	-----	-----
Dec 31, 2020	2,049,125	1,853,815	97,872	92,549	4,900
	=====	=====	=====	=====	=====

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2020

9. Property, Plant & Equipment (continued)

2019	Total	Land & Buildings	Furniture & Equip.	Computer Equip.	Motor Vehicle
	\$	\$	\$	\$	\$
<u>Cost</u>					
Balance at start					
3,156,703	2,693,024	214,607	207,072	42,000	
Additions	201,480	68,821	31,250	101,409	-
Disposals	(20,875)	-	(7,536)	(13,339)	-
	-----	-----	-----	-----	-----
Balance at end	3,337,308	2,761,845	238,321	295,142	42,000
	-----	-----	-----	-----	-----
<u>Depreciation</u>					
Balance at start	1,117,385	816,562	132,600	147,923	20,300
Additions	100,650	45,395	14,211	32,644	8,400
Disposals	(18,419)	-	(7,289)	(11,130)	-
	-----	-----	-----	-----	-----
Balance at end	1,199,616	861,957	139,522	169,437	28,700
	-----	-----	-----	-----	-----
Dec 31, 2019	2,137,692	1,899,888	98,799	125,705	13,300
	=====	=====	=====	=====	=====

Lands and buildings shown at the net cost of 1,853,815 (2019: \$ 1,899,888) as at December 31, 2020, have a current valuation of \$ 4,500,000 as determined by the Barbados Revenue Authority. The appraisal excess of \$ 2,646,185 is not accounted for in these financial statements.

10. Accounts Payable

	2020	2019
Trade payables	\$ 45,528	74,210
Interest payable	253,826	72,804
Non-members payables	529,773	555,272
Members clearing	86,050	-
National insurance payable	10,918	10,716
PAYE payable	10,598	10,852
	-----	-----
	\$ 936,693	723,854
	=====	=====

The Light & Power Employees Co-operative Credit Union Limited
Notes to the Financial Statements
December 31, 2020

11. Demand Deposits

	2020	2019
Savings deposits	\$ 16,089,348	14,192,839
Term deposits	180,964	361,965
Fixed deposits	5,946,592	6,112,789
	-----	-----
	\$ 22,216,904	20,667,593
	=====	=====

Interest paid on deposits varied between 0.50% and 1.25% per annum (2019: 1.00% and 1.25%).

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, 2020 were \$1,805,713 (2019: \$1,558,539).

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

	2020	2019
Bank balances	\$ 7,913,583	6,738,624
Amounts receivable	340,838	370,883
Investments	19,621,768	15,551,972
Loans to members - net	27,628,913	29,959,354
	-----	-----
	\$ 55,505,102	52,620,833
	=====	=====

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, 2020, based on contractual undiscounted payments.

		2020	2019
Accounts payable	\$	936,693	723,854
Demand deposits		22,216,904	20,667,593
		-----	-----
		23,153,597	21,391,447
Non-qualifying shares		26,823,158	26,022,704
		-----	-----
Total liabilities	\$	49,976,755	47,414,151
		=====	=====

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, 2020

(Schedule 1)

	2020	2019
Staff cost		
Salaries and wages	\$ 647,958	660,248
National insurance	61,866	62,472
Pension fund	30,033	25,730
Uniforms	4,278	8,312
Medical insurance	11,680	11,630
Group life insurance	1,196	(130)
Education/training	10,470	28,657
Staff well-being	10,729	20,886
	-----	-----
	\$ 778,210	817,805
	=====	=====
Number of employees	10	10
	-----	-----
Office Expenses		
Stationery, office expenses and advertising	\$ 73,723	67,125
Cleaning	11,636	10,282
Utilities	26,286	30,509
Insurance	6,794	5,717
Security	7,105	9,670
	-----	-----
	\$ 125,544	123,303
	-----	-----
Property Management		
Repairs and maintenance	\$ 55,165	75,882
Utilities	2,140	2,119
Insurance	17,865	18,095
Land tax	58,649	55,903
	-----	-----
	\$ 133,819	151,999
	-----	-----
Motor Vehicle Expenses	\$ 5,386	6,432
	-----	-----

The Light & Power Employees Co-operative Credit Union Limited
Details of Operating and Administrative Expenses
December 31, 2020

(Schedule 1 Cont'd)

	2020	2019
Other Administrative Expenses		
Audit fees	\$ 36,400	37,200
Bank charges	9,086	14,317
Donation and subscriptions	2,571	11,321
Education fund	100	15,000
League dues	39,758	38,986
(Profit)/loss on disposal of fixed assets	(185)	2,109
Increase/(decrease) in loss allowance	97,256	(76,665)
Member relations	2,810	2,836
Miscellaneous	19,667	24,992
Professional fees	15,000	23,950
Regulatory fees	22,405	15,943
	-----	-----
	\$ 244,868	109,989
	-----	-----
Total Operating and Administrative Expenses	\$ 509,617	391,723
	=====	=====

TREASURER'S REPORT

For the Year Ended December 31, 2020

Overview

For the period under review, The Light & Power Employees Co-operative Credit Union Ltd. (LPECCUL) returned to profitability. The credit union saw growth in some areas and declines in others.

One such area was loans. Loans to members continue to contract as the current environment of increased uncertainty forced many to evaluate their credit position with greater care. Investment opportunities available to the credit union remain limited, with returns continuing to diminish.

Net Income

The credit union realised a modest net income of \$8,712 in contrast to a loss of \$0.13M for 2019. Interest from loans was \$2.17M, declined from \$2.26M in 2019, approximately 3.98%. The decline was driven by members' diminished appetite for loans, given the uncertainty that exists in the current environment. Revenue from investments declined 7.14% to \$0.26M for the period, from \$0.28M previously.

Due to business closures and many organisations increasing remote operation, the commercial rental market has a high level of vacant stock on hand. This situation is not expected to improve even after the pandemic subsidies.

Loans

Loan demand contracted during the year resulting in less interest revenue, which is understandable in the current environment. Loans to members declined by \$2.33M or 7.78% to \$27.63M from \$29.96M in 2019.

Expenditure

Expenditure for the year totalled \$2.50M compared to the 2019 level of \$2.76M, a decline of \$0.25M or 9.21%. Staff-related expenses and cost of funds continue to be the highest expenditure items. Staff costs declined slightly by \$0.04M or 4.84%, to \$0.78M from \$0.82M, while interest expenses declined by \$0.05M or 6.68% to \$0.70M from \$0.75M. Operating and administrative expenses increased by \$0.12M or 30% to \$0.51M from \$0.39M for 2019. The increase resulted mainly from increased loss provisioning of \$0.10M to recognize the increased probability of impairment to loans and investments due to the impact of COVID-19.

Assets

Assets under management increased by \$2.77M or 4.98%, to \$58.42M for 2020, compared to the previous year of \$55.65M. The credit union, like the rest of the financial sector, remains highly liquid. Our cash position increased by 17.44% to \$7.91M, relative to \$6.74M a year previous. Investments increased by 26.17% to \$19.62M, up from \$15.56M.

Year	Total Assets (\$000)	Loans (\$000)	Deposits (\$000)	Shares (\$000)	Net Income (\$000)	Capital (\$000)	Statutory Reserves (\$000)
2020	58,423	27,629	16,089	26,823	8,712	8,446	5,356
2019	55,650	29,959	14,193	26,023	(135)	8,236	5,356
2018	54,640	31,039	13,551	25,647	1,000	8,341	5,356
2017	51,147	31,476	13,419	23,919	584	6,667	5,355
2016	49,338	31,115	13,294	23,607	678	6,069	5,331

Liabilities

For the year under review, members' total savings in the credit union increased by \$1.11M or 2.44% from \$45.58M the previous year to \$46.69M.

The rate of growth of members' overall savings declined during the year as members sought to secure funding by withdrawing their savings instead of accessing loans from the credit union.

Equity

The credit union's capital adequacy remained well above the regulatory level of 10% of net assets, at 14.460%. This indicates that the current level allows the credit union to withstand adverse shocks triggered by weakened financial performance. The credit union is required under Section 197(2) of the Co-operative Societies Act to annually allocate the greater of 0.5% of assets or 25% of Net Income towards Statutory Reserves until the capital of the society equals 10% of the total assets.

Statutory Reserves stands at \$5.36M, Retained Earnings increased to \$1.14M, and Fair Value Reserves of \$1.76M.



Treasurer, Board of Directors

Reginald Parris

2021

As the impact of the coronavirus pandemic becomes more evident, more members may find difficulty in meeting their obligation to the credit union. The credit union realizes that delinquency will increase over the ensuing period. The increase in unemployment will impact all sectors of the economy, resulting in a decline in disposable household income.

The coronavirus pandemic continues to create even greater uncertainty. The indications of reduced spending and increased cost of living are indicative of this. The development and availability of vaccines to treat the virus are indeed an encouraging sign.

We look forward to the day that COVID-19 will be talked about in the past tense. The eradication of COVID-19 will hopefully create new opportunities for growth and prosperity for the credit union, its members, and the Barbados society as a whole.

SUPERVISORY COMMITTEE'S REPORT

For the Year Ended December 31, 2020

Attendance from January 01 to July 10, 2020

Name	Position	Metings	Attended	Excused
David Lawrence	Chairman	4	4	-
Mia Ward	Secretary	4	3	1
Samuel Blades	Member	4	3	1
Erwin Jones	Member	4	3	1
Keisha Morris	Member	4	4	-

Attendance from July 11 to December 31, 2020

Name	Position	Meetings	Attended	Excused
David Lawrence	Chairman	6	6	-
Mia Ward	Secretary	6	5	1
Erwin Jones	Member	6	6	-
Keisha Morris	Member	6	6	-
Kimoi Jones	Member	6	6	-

OVERVIEW

At the first meeting of the Supervisory Committee held on July 11, 2020, Mr David Lawrence was elected to serve as Chairman & Ms Mia Ward as Secretary.

Under the Co-operatives Societies Act CAP.378A, 212, the responsibilities below fall under the portfolio of the Supervisory Committee:

Responsibilities of the Supervisory Committee

- Examination of the books of the Credit Union
- Monitoring the management of the Credit Union
- Appraise the Credit Union's policies and operating procedures to make recommendations to the Board of Directors
- Receive and investigate any complaint made by any member affecting the proper management of the Society
- Confirm the cash instruments, property and securities of the Credit Union
- Verify the assets of the Society

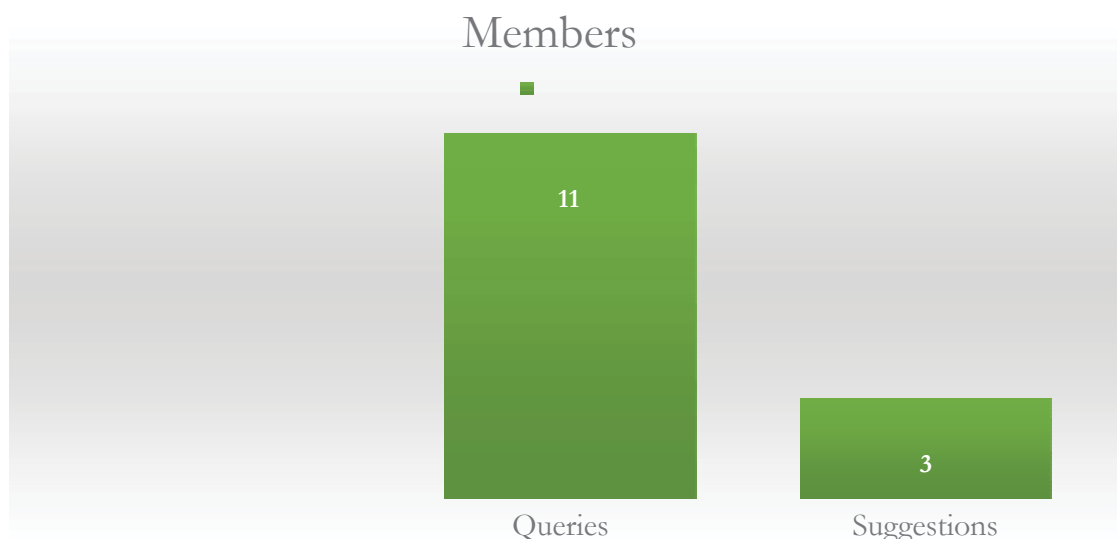
Credit Union Monitoring

The Supervisory Committee carried out the following during the year under review

- Received, reviewed and verified the monthly and quarterly financial statements filed with the Financial Services Commission
- Reviewed closed and new accounts
- Received and responded to queries and suggestions made by members
- Reviewed the policies of the Society and made recommendations where necessary
- Reviewed approved loans
- Reviewed delinquent loans
- Verified member interest rates on loans

CONCLUSION

During the year under review, after the reviewing and testing of the Credit Union, we found no evidence of misstatements or misdirection in their books; or that any contravention of the By-Laws or the Act has occurred.



Training Attended

An Understanding of Barbados' Macro Anti Money Laundering Issues & Credit Union Positioning.

Reporting

For ease and convenience to our members, the Supervisory Committee has gone virtual. Members can forward their correspondence via email at supervisory@lpecu.bb.

Acknowledgements

The Supervisory Committee wishes to extend its gratitude to the Management and staff of the Credit Union along with the Board of Directors and the Credit Committee for their continuous assistance and co-operation during the past year.

David Lawrence
Chairperson – Supervisory Committee

We also extend a Thank You to the members of our Credit Union for the confidence, which they have placed in us, and we look forward to serving your interest in the future.

Subsequent to the Annual General Meeting held on July 11, 2020, the Credit Committee met and Mrs. Rochelle Bowen was elected to serve as chairperson while Miss Janiel Yearwood served as Secretary. Mr. Corey Shockness served as member, after being appointed by the Board of Directors to serve on the Committee for a period of one year since there were no available candidates to fill the position at the Annual General Meeting.

CREDIT COMMITTEE'S REPORT

For the Year Ended December 31, 2020

The Committee's mandate as set out in the By-Laws is to approve loans based on the financial condition of each applicant, their ability to repay the loan in full and promptly, their ability to provide adequate sureties, determine whether the loan sought is for provident or productive purposes and endeavour diligently to assist applicants in solving their financial problems. We are also required to meet no less than once a month.

To this end, in fiscal year 2020, the Committee saw a decrease by 200 over what was disbursed in 2019, with a total of 300 loans being approved against 500 loans disbursed in 2019. This was a 40 percent decrease difference from 2019. The overall loan portfolio decreased by 17%, with \$4,784,663 being disbursed as compared to \$5,774,250 for the previous year. Of note is the fact that the Credit Union was closed during the month of April 2020 due to a national pause as a result of the Covid-19 pandemic. However, the applications for loans continue to decline as people are more cautious during these unprecedented times. Therefore, we must be more innovative, and measures must be put in place to encourage members to be attracted to the offerings of our Credit Union as well as to use our services more in order to keep us viable.

We have seen an increase in the amounts disbursed for the purpose of business \$231,803, property \$75,997 and settlement expenses \$150,000 (new category). However, these increases were not enough to support the significant declines that we have seen in key loan categories such as General Expenses \$119,272, Line of Credit \$585,900, Education \$94,700, Medical \$64,000 and Re-Finance \$570,593.

An amendment was made to the Summer LOC loan, which was introduced in 2019. This was meant to improve the process by which members can access this facility, as well as to ease the burden which the pandemic may have brought. Members were able to apply for the Summer LOC before the term of the existing Summer LOC came to an end as long as the member was in compliance with the terms of the previous agreement. Moreover, the Summer LOC limit was increased from \$7,000.00 to \$7,500.00 and the period extended from June to September in 2019 to May to September 2020.

As Chairperson of the Credit Committee, I have had the honour of working with a dedicated team and would like to take this opportunity to extend appreciation for the time and wisdom they have provided. I want to especially thank Mr. Corey Shockness, who graciously volunteered to serve the Committee. The Committee would also like to thank the management and staff for their unwavering support and assistance rendered during these challenging times. Once again, we thank you for the opportunity to serve you and look forward to assisting members in reaching their personal and financial goals during 2021.

ATTENDANCE JANUARY TO JULY - 2020				
NAME	POSITION	MEETINGS HELD	ATTENDED	EXCUSED
GLORIA GRANT	CHAIRPERSON	20	19	1
JANIEL YEARWOOD	SECRETARY	20	20	0
ROCHELLE BOWEN	MEMBER	20	20	0
ATTENDANCE JULY - DECEMBER 2020				
NAME	POSITION	MEETINGS HELD	ATTENDED	EXCUSED
ROCHELLE BOWEN	CHAIRPERSON	25	25	0
JANIEL YEARWOOD	SECRETARY	25	25	0
COREY SHOCKNESS	MEMBER	25	16	1
Corey Shockness started September 08 2020. There were only 17 meetings during the period September 08 to December 31 2020.				



Rochelle Bowen
Chairperson – Credit Committee

DELINQUENCY COMMITTEE'S REPORT

For the Year Ended December 31, 2020

The Delinquency Committee for the year ending 31 December 2020 comprised The Credit Committee and Miss Bernadine Daniel, Member Services Supervisor.

The aims and objectives of the Delinquency Committee are:

1. To recover all outstanding loan payments and overdue balances.
2. To provide financial counselling to members.

3. To offer guidance to members who are experiencing financial difficulties due to economic conditions or personal commitments.
4. To liaise with delinquent members with a view of 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	2019	2020	CHANGE
Total loans outstanding at year end	30,586,413	28,271,583	2,314,830 (decrease)
Shares held for outstanding delinquent loans	27,034	369,437	
Total principal outstanding delinquent loans	1,550,709	3,267,910	1,717,201 (increase)
Total exposure (loans at risk)	1,523,676	2,898,473	1,374,797 (increase)
Percentage exposure compared to total loans	4.98%	10.25%	5.27% (increase)
Number of delinquent members	41	72	31 (increase)
Accounts written off during the period	0	0	0

In accordance with IFRS9 standards, delinquency is recognized 30 days after a missed payment, instead of 90 days as in previous years.

The year under review presented unique challenges for the committee. With the onset of the Covid19 pandemic, the Credit Union saw an increased level of delinquency during the year. At year-end, there were 72 delinquent loans with a total balance of \$3,267,910.

Total exposure, namely "Loans at Risk", equated to 10.25% of total loans outstanding at year-end.

Delinquency management aims to keep delinquency levels within the PEARLS standard while working closely with members. Members were contacted on a monthly basis to remind them of their repayment commitment. The Committee worked closely with the Attorneys-At-Law and the Bailiff to ensure and reinforce the need for members to repay their loans. Therefore, the Credit Union collected a total of \$353,212.09 in repayments on delinquent loans during the period.

The increase in delinquency is not an indication that all these loans are unproductive, as some members are actively working to meet their obligation. In some instances, members' payments have been sporadic, and in others, there appears to be a concerted effort on members' part to make their accounts current. Unfortunately, some accounts had to be referred to the Bailiff and Attorneys for collection.

Training was conducted in debt collection techniques and consumer loan during the period. This has enhanced the staff's effectiveness in the collection process.

Some members took advantage of the loan moratorium initiative offered by the credit union. We worked closely with these members and continue to do so as the effects of COVID19 has negatively impacted their financial wellbeing. The Credit Union values the contribution of each member, and we are cognizant of the impact that the pandemic can have on them at this time.

It is with that in mind that we commit to working with our members to ensure that they continue to assist them wherever possible.

Our sincere appreciation is extended to those that manage delinquency on an ongoing basis. We offer thanks to the members of the Credit Union staff, the Credit Committee, the Attorneys-At-Law and the Bailiff.



Rochelle Bowen

Chairperson – Credit Committee

OFFICERS' PLEDGE

As an officer of The Light & Power Employees Co-operative 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 options objectively and without prejudice;

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

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

NOTES

Discounts available to Members



Our Vision

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

Our Mission

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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