



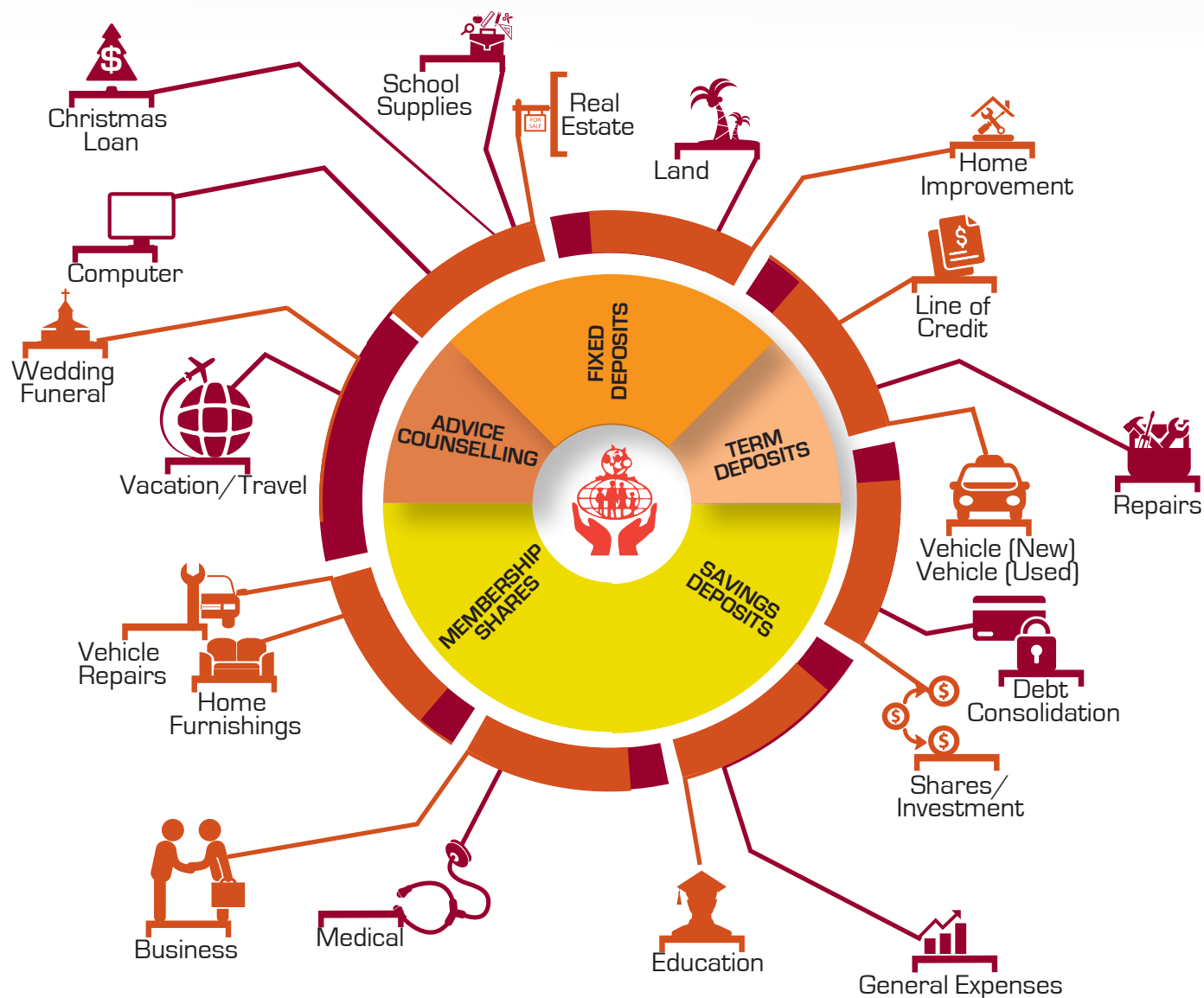
**The Light & Power Employees  
Co-operative Credit Union Ltd.**

# RESILIENCE

**Annual  
Report  
2021**

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  
2021**

## 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

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### REGISTERED OFFICE

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

### BANKERS

Republic Bank (Barbados) Ltd  
Wildey,  
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: Sheena Edwards  
Secretary: Ms Andrea Edey  
Treasurer: Mr Reginald Parris

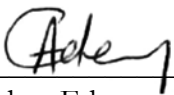
Telephone: (246) 431-1400  
Fax: (246) 228-4643  
Email: lp.creditunion@caribsurf.com  
Web: www.lpecu.bb

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NOTICE is hereby given that the 39th Annual General Meeting of The Light & Power Employees Co-operative Credit Union Ltd. is scheduled to be held on Saturday, 16 April 2022, 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 38th Annual General Meeting
7. Matters Arising from the Minutes of the 38th 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



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Andrea Edey  
*Secretary, Board of Directors*

# 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

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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

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## **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

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The only constant in business is change and embracing change is vital to the success of any organisation. Understanding the macro-environment and instituting a successful business strategy allows for the further growth of the credit union. Thus, our focus is creating wealth and stability for members, whilst providing quality products and services that align with their needs and convenient access to these services. Stepping into the digitization of our credit union, we look to create a transformative and interactive environment which engages our wider membership.

During 2021, we looked at our current business strategy from three perspectives: industry base - assessing our external opportunities and threats, resource base - how we leverage our resources and capabilities, and lastly the institution base - changes impacting the way we do business.

### **So where are we now?**

As we realized a net income of \$0.37M, it can be said that we are in a better financial position to take the necessary steps towards improving the quality of products and services on offer to the existing and potential members. Looking towards increasing members' interests in credit facilities as there was a reduction in new business by \$0.5M this year, some products and their costs were reviewed and amended as well as the development of new products such as renewable energy loans. Due to this reduction in our prime revenue earner, it is key to mention to members how vital it is to reach out to us as soon as possible when facing difficulties in meeting their obligations to see how best the credit union can assist you. This will curtail the rise in delinquency, which has become a point of some concern during the pandemic, with the credit union observing a 0.40% increase compared to 2020.

It is through ongoing education that we can inform current and potential members of regulatory and financial updates, the credit union's purpose and what the true role of a shareholder is. Having recently launched our social media platforms, it further signalled the need to enlist the skills of a marketing company to carry out that objective.

We have seen the importance and need to invest in the necessary technology and software that is required by the regulatory bodies for the efficient monitoring and due diligence of transactions and members.

### **Where are we looking to be in the near future?**

A diverse and inclusive organisation that reflects the needs of a wide array of members. Having overlooked the importance of interacting with our younger membership over the last two years, we missed out on an opportunity to truly drive this credit union forward. As inclusivity at all levels is essential to the sustainability of the organisation. Passing on the baton whilst creating the necessary framework that allows greater engagement is one of our goals over the next three years.

We aim to have full digitization of services, with online access to all products and processes offered over the next three years.

### **How are we going to get there?**

Reduced interest rates for special loans in areas such as home development, hybrid vehicles and renewable energy. We encourage our members to take advantage of these opportunities early rather than late to reap the benefits as first movers, where they stand to reap greater returns as the current market is catering to rewarding clean energy initiatives.

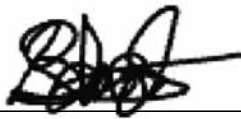
We will look to rebuild our partnership with the Graydon Sealy Secondary School during the coming year and also create new ones. Utilization of technology and social platforms such as Zoom to engage all ages of the membership.

Recognizing the need for other strategic partnerships or alliances that would allow us to offer more benefits to our members through additional services, locations and accessibility. We continue to deepen our discussions in the areas of mergers, card services, operating systems and new investment opportunities.

Continued support by our membership, staff and all stakeholders.

Being reminded that we are a people centered enterprise run by and for our members, we are in this together and we shall succeed. I look forward to new opportunities and partnerships that will further strengthen this credit union and see it become more sustainable. Following

the direction of our Heavenly Father, we will face any challenge head on and come out as victors. Remember to stay safe and keep a smile on.

A handwritten signature in black ink, appearing to read 'S Edwards', written over a horizontal line.

**Sheena Edwards**

President, Board of Directors



Minutes of the 38th Annual General Meeting of The Light & Power Employees Co-operative Credit Union Ltd., held Saturday, 08 May 2021, 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**

- 1.1 A quorum was ascertained, and the President, Mr. Anderson Henry, called the meeting to order at 1:30 p.m.

## **2. PRAYERS**

- 2.1 After a rendition of the National Anthem of Barbados, a prayer was offered by Mr. Anderson Henry.
- 2.2 A moment of silence was offered for members who had departed during the year under review. Condolences were offered to their family and friends.

## **3. WELCOME REMARKS**

- 3.1 Welcome remarks were offered by the President, Mr. Anderson Henry.

## **4. APOLOGIES FOR ABSENCE**

- 4.1 Apologies for absence were tendered on behalf of Veldine Bradshaw and Corey Shockness.

## **5. GREETINGS FROM OTHER ORGANIZATIONS**

- 5.1 Greetings of a successful meeting were extended from Mr. Anton Lovell from Co-operators' General Insurance Company Ltd.
- 5.2 Mr. Anthony Inniss from Lifetime Cooperative Credit Union Limited offered greetings.
- 5.3 Mr. Keith Jones extended greetings on behalf of Bartel Credit Union.

## **6. MINUTES OF THE 37<sup>TH</sup> ANNUAL GENERAL MEETING**

- 6.1 Minutes of the 37<sup>th</sup> Annual General Meeting were found on pages 10-16 of the Annual Report.
- 6.2 The Minutes of the 37<sup>th</sup> Annual General Meeting of the Light & Power Employees Co-operative Credit Union Ltd. (Credit Union) were taken as read on a motion moved by Mr. Omar Hunte and seconded by Mr. Kelvin Whittaker. The motion was carried.

## **6.3 ERRORS AND OMISSIONS**

There were no errors or omissions recorded.

- 6.4 A motion for the adoption of Minutes the 37<sup>th</sup> Annual General Meeting was moved by Mr. Grantley Haynes and seconded by Mr. Anthony Callender. The motion was carried.

## **7. MATTERS ARISING**

- 7.1 **(8.3.17)** Mr. Anthony Callender questioned if credit unions were governed under the same regulations as commercial banks that protected their investments in periods of adversity. **The President indicated that although lobbying was done through the Barbados Cooperative and Credit Union League Ltd (BCCULL), this was not a reality. He further cited that to his knowledge, legislation was drafted but not rolled out.**

Mr. Callender queried the process of dealing with unclaimed monies at the credit union in relation to how it is handled with the commercial banks. **The President indicated that the same procedures used by commercial banks do not relate to credit unions.**

Mr. Kelvin Whittaker reiterated that the processes to protect the credit union movement were being advocated for by the BCCULL, but decision making was completely in the hands of the Government of Barbados.

- 7.2 **(14.4)** Mr. Anthony Callender requested an update on the credit union's involvement in the Barbados Optional Savings Scheme (BOSS) programme. **The President indicated that the matter was discussed at the Board level, and it was decided that given the level of exposure of approximately \$8.9M, the Board was not willing to invest members' monies into the BOSS Programme.**

Mr. Callender also queried the President, if there were other investment opportunities being discussed by the Board. The President confirmed that investments were an on-going discussion item with the Board, and once any investment was finalised, it would be brought to the membership. Mr. Callender advised the President and Mr. Kelvin Whittaker to come to the general body for any investments in the renewable energy sector.

Mr. Lionel Maxwell indicated that discussions on significant investments need to be had especially into a new sector that would take major sums of money. He felt it necessary for members to support such types of investments while understanding potential gains and losses.

**The President ensured that the Board would have an interactive meeting with the general membership to discuss investment opportunities.**

7.3 (14.8) Mr. Anthony Callender informed that he was in total agreement with the updating of membership Know Your Customer (KYC) information. He noted that to his knowledge, Member Services Team did not contact the membership; he was surprised to see a notice published alerting members that if they did not come into the Credit Union to update their information, their account would be suspended. He felt the situation was not handled properly.

Mr. Callender also had a concern with how the Application Form was structured as there were no provisions made for beneficiaries. **The GM, Mr. Eric Trotman noted that beneficiaries were no longer applicable on a form as financial institutions were guided by the Succession Act.**

## 8. REPORTS

The President highlighted that a couple of weeks ago, there was a glitch in the automated system which generates monthly statements; this affected 23 persons. As soon as the mistake was highlighted, the staff reached out to the affected members, and the service provider was called upon to produce a report. Since then, the issue has been corrected. On behalf of the Board of Directors, Management and Staff of the credit union, the President apologised for the mishap and noted that everything was being done in their favour to ensure that there was no recurrence of this glitch.

### Board of Directors

#### 8.1 The report was found on pages 22-25 of the Annual Report.

8.1.1 The report of the Board of Directors was taken as read on a motion moved by Mr. Anthony

Callender and seconded by Mr. Omar Hunte. The motion was carried.

8.1.2 Mr. Howard Griffith noted that while he observed the report gave an overview of the last year, there was no evidence of what the credit union was doing going forward. He wished to hear next steps in the Annual General Meeting.

- **The President advised that at this point, although the Board decisions on next steps were not concretised, development in the following areas continued:**
- **Improving the systems that affect turn-around times;**
- **Reviewing and defining processes in the credit union;**
- **Investigating the advent of social media;**
- **Reviewing emerging technology.**

8.1.3 Mr. Griffith also expressed concern with the stagnant growth of the membership. He wondered if members were keen on joining the organisation based on the suite of services offered.

8.1.4 Mr. Griffith mentioned that on numerous occasions, during the lockdown due to the covid-19 pandemic in 2020, members were unable to gain access to funds. He expressed that he felt that the credit union failed some of the members at that time with some of the decisions made towards the members. **Mr. Griffith appealed with the Board to urgently reach out to the needs of the membership. The President noted the concerns and ensured that the Board was working diligently to update some processes within the credit union.**

8.1.5 Mr. Trevor Williams noted that the Chairman's message gave a synopsis of Covid-19 and then he went onto the Board Report. He did not get the punch he was looking for. He noted that new membership base decreased. He noticed a decline in loan growth and questioned the Board's plans for growing the credit union especially using technology. **The President indi-**

**cated that a long-term vision of the credit union was to assist in diversifying the digital landscape and leveraging it in such a way to have greater efficiency. He expected the incoming Board of Directors to continue the trend.**

The President noted the operating system was being upgraded to offer a range of services. Internal processes were being streamlined, paper statements were being replaced with e-statements and the development of online services were eminent.

Membership growth was a work in progress.

8.1.6 Mr. Lionel Maxwell asked if there were any timeframes for the deliverables mentioned as he would like to track efficiencies or deficiencies.

8.1.7 Ms. Sheena Edwards suggested the cost-effective ways of utilising social media and the membership sharing their experiences to help grow the membership. She questioned if members were educated to help recruit members. Ms. Edwards noted that the Covid-19 pandemic was a way for the cooperative societies to bond and felt the credit union could partner with others to increase the membership base. **The President highlighted that the GM and his Team were currently working on a social media plan to be rolled out.**

**The President indicated that although, in this period, minimal growth was recorded in the credit union movement, the credit union was committed to being more assertive in driving new members into the credit union.**

8.1.8 Mr. Howard Griffith reminded that there was a time when the credit union reached out to the Graydon Sealy School, and that was a means of recruiting younger members and asked for this method to be reconsidered.

8.1.9 Mr. Griffith also reminded the President it was customary to give thanks to all Committees and Directors who exited in the President's report. He made special acknowledgement to Rochelle Bowen, who, although she relocated overseas, continues to perform the work of the credit union. **On behalf of the Board of Directors, the Chair expressed thanks to Rochelle Bowen for the work she continues to do for the credit union from a remote location.**

8.1.10 A motion for the adoption of the report of the Board of Directors was moved by Mrs. Cindy Callender and seconded by Mr. Lionel Maxwell. The motion was carried.

## **8.2 Auditor's Report and Financial Statements**

8.2.1 The Auditor's Report was found on pages 29-31 of the Annual Report.

8.2.2 Mr. Mark Hall of Drayton J. Carter & Co. presented the Auditor's Report.

8.2.3 Mr. Hall indicated that the financial statements, which comprised the statement of financial position for the year ended December 31, 2020, and the financial statements presented fairly, in all material respects, the financial position of the Light & Power Employees Co-operative Credit Union Limited as at the same date.

8.2.4 The Auditor's Report and Financial Statements were adopted on a motion moved by Mr. Kelvin Whittaker and seconded by Ms. Sheena Edwards. **The motion was carried.**

## **8.3 Treasurer's Report and Financial Statements**

8.3.1 The Treasurer's Report and Financial Statements were found on pages 32-60 of the Annual Report.

8.3.2 Mr. Reginald Parris presented the Treasurer's Report and the Financial Statements.

8.3.3 The Treasurer's Report and Financial Statements were taken as read on a motion moved by Mr. Trevor Williams and seconded by Mr. Howard Griffith. The motion was carried.

- 8.3.4 For the period under review, the credit union saw both growth and decline. Loans to members continued to decrease, which appears to be a common trend nationally.
- 8.3.5 Expenditure for the year continued to be a challenge, but the Treasurer was satisfied that expenses continued to be managed by the credit union.
- 8.3.6 Assets and investments continued to grow, which was a positive sign.
- 8.3.7 Mr. Anthony Callender expressed thanks for being able to review the annual budget as it proved useful. **President Anderson Henry reminded the membership that 30 days after the AGM, it was mandatory that a budget be presented to the Financial Services Commission (FSC). He informed the membership that at any time, they could visit the credit union and obtain a copy of the budget.**
- 8.3.8 Ms. Sheena Edwards wondered what product development was being considered to combat the decline in loan growth. The Treasurer noted investment and savings were encouraged among the membership.
- 8.3.9 Mr. Howard Griffith noted that the net income could be better explained in relation to the PEARLS analysis. He also noticed that up to December 2020, almost all the PEARLS benchmarks were unreachable.
- 8.3.10 The Treasurer noted that the credit union continues to concentrate on investments, but under the current climate, return on investments remained non-existent.
- 8.3.11 Mr. Griffith expressed concern that in 2019 cash and bank balances showed 6.7M in the bank, and in 2020 approximately 7.9M was in the bank. He noted that a good way for the credit union to capitalise on this was through loans to member and advised that creative ways to encourage members to borrow should be considered. He suggested lowering interest rates to increase the loan growth rate.
- 8.3.12 Mr. Trevor Williams requested clarification on page 59 on 2020 net income being \$8,712. The Treasurer clarified that the figure should be \$0.008712.
- 8.3.13 Mr. Williams noted he understood the under-performance during the year in review and questioned if the interest rate policy had changed. **The Treasurer noted that occasionally the interest rate was reviewed, but the interest did not change.**
- 8.3.14 Mr. Williams noted that in reviewing the Balance Sheet, **Liabilities and Members' Equity** was reported at \$936,693 and in note 10; **Interest Payable** was recorded at \$253,826. He requested clarity on if the amount had been paid. **The Treasurer indicated that provisions for the amount were made**
- 8.3.15 Mr. Williams also requested standardisation in reporting formats. He also wanted to see ideas on the Board's intentions to restore the credit union to a profitable state. The Treasurer ensured that short-term measures for improvement were being discussed by the Board.
- 8.3.16 Mr. Trevor Williams requested an explanation for **Members Clearing**, which was reported under note 10 at \$86,050. **The Treasurer informed that those were funds that were sent to the bank with no identification or listing, which were subsequently reversed.**
- 8.3.17 Mr. Kelvin Whittaker observed that an identical chart was presented on pages 50 and 51 and wondered why losses were incurred under **Term Deposits**.
- Mr. Eric Trotman noted that in 2018 when government debt was restructured, provisions for expected losses were made under IRFS-9. He noted the Term Deposits listed were investments from the credit union.
  - Mr. Trotman noted that the identical chart issued was an error from the printery.
  - The Treasurer's Report was adopted on a motion by Mr. Kelvin Whittaker and sec-

onded by Mrs. Tracia Seifert-Licorish. The motion was carried.

#### 8.4 Report of the Supervisory Committee

8.4.1 The report was found on pages 61-62 of the Annual Report.

8.4.2 The report of the Supervisory Committee was presented by Mr. David Lawrence, Chairman of the Committee.

8.4.3 A motion that the report of the Supervisory Committee be taken as read was moved by Mr. Kelvin Whittaker and seconded by Mrs. Cindy Callender. The motion was carried.

8.4.4 Mr. Lawrence highlighted that the last paragraph on page 62 did not form part of the report of the Supervisory Committee and was part of the report of the Credit Committee.

8.4.5 Mr. Lawrence indicated that during the year under review, there was no evidence of misstatements or misdirection on the books of the credit union, neither were there any contraventions of the By-Laws or Act.

8.4.6 Mr. Anthony Callender noted that the report lacked substance and should be a bit more in depth. He noted that he realised that the Supervisory Committee reviewed accounts during the period under review and asked him to clarify what exactly was the Committee looking for. **Mr. Lawrence informed that the Supervisory Committee were reviewing for accuracy and legitimacy and that all requirements were met.**

- Mr. Callender asked if an investigation was done when accounts were closed and if recommendations were made. **Mr. Lawrence noted that unless dissatisfaction was expressed by the past member, they did not review why the account was closed.**

8.4.7 Mr. Callender requested a breakdown of the type of queries from the members to the Supervisory Committee and what was the responses and recommendations.

- Mr. Lawrence noted that some queries were about travel of Directors, sanitisation regarding Covid-19 protocols, meeting places for the Annual General Meeting and confidentiality in discussing business in the credit union. He noted that he spoke directly with Mr. Trotman regarding an area where members' business can be kept confidential.
- Mrs. Samantha Hazelwood-Ermay felt it would be a good idea to see the type of queries in the Supervisory Committee report. She also wanted to know what would be put in place to alleviate such an incident where statements were sent to incorrect parties again. **Mr. Lawrence noted that he spoke to the President and the GM on this matter, and there is a report pending, and then the Committee will carry out their investigations. Recommendations will be made thereafter.**
- Mr. Callender noted that although the President noted that apologies were sent to the members, his wife was very concerned that she did not receive any apology on the matter, and he sincerely hopes that it does not occur again.
- A motion for the adoption of the report of the Supervisory Committee as amended was moved by Mrs. Samantha Hazelwood-Ermay and seconded by Mrs. Tracia Seifert-Licorish. **The motion was carried.**
- Mr. Lawrence expressed special thanks to Mia Ward and Erwin Jones for their assistance over the years in servicing the Supervisory Committee.

#### 8.5 Report of the Credit Committee

8.5.1 The report of the Credit Committee was found on page 63 of the Annual Report.

8.5.2 The Credit Committee Report was presented by Ms. Janiel Yearwood, Secretary of the Credit Committee.

- 8.5.3 A motion that the report of Credit Committee be taken as read was moved by Mr. Omar Hunte and seconded by Mrs. Cindy Callender.
- 8.5.4 Ms. Yearwood mentioned a noticeable decrease in the loan portfolio, but despite the decrease, business and property portfolios increased as members tried to increase their overall income. It was noticed that people were very cautious about applying for loans.
- 8.5.5 Ms. Sheena Edwards suggested that the loan portfolio be presented in a chart for enhancement purposes.
- 8.5.6 A motion for the adoption of the Credit Committee Report was moved by Mr. Erwin Jones and seconded by Mr. Kelvin Whittaker. The motion was carried.
- ### 8.6 The Report of the Delinquency Committee
- 8.6.1 The Delinquency Committee Report was found on pages 65-66 of the Annual Report.
- 8.6.2 The report was presented by Ms. Janiel Yearwood.
- 8.6.3 A motion that the report be taken as read was moved by Mr. Anthony Callender and seconded by Mr. Lionel Maxwell. The motion was carried.
- 8.6.4 Ms. Yearwood noted that during the year under review, an overall reduction in delinquencies was observed. This was in the amount of \$2.3M. What was found was that there was an increase in the number of delinquent members; the main cause attributable to persons losing their jobs due to the Covid-19 pandemic. It was noted that a concerted effort was made by the staff of the credit union to recover those debts. In instances, debt collectors and legal counsel were engaged.
- 8.6.5 Mr. Anthony Callender questioned the criteria to members in obtaining the moratorium.
- 8.6.5.1 The President stated that members who indicated a direct need came into the credit union and met with the Loans Officer and management. A review was done, and arrangements were made for a moratorium to be considered. The moratorium period was 3 months. During the period, the interest was not delayed.
- 8.6.5.2 Mr. Eric Trotman noted that during the period of the moratorium, members were updated on exactly what they were executing, and they were also given options to pay interest alone over the period; or to pay nothing at all for the 3 month period. The interest for the moratorium period was still accrued on the loan and expected to be paid.
- 8.6.5.3 Mr. Callender questioned if the moratorium was related to the level of delinquency observed. **The President did not see evidence for the correlation.**
- 8.6.5.4 Mr. Callender questioned if it was against the legislation of the credit union to stop interest payments during the moratorium period as he felt it put the member at a greater disadvantage. He implored the Board to review it going forward.
- 8.6.6 Ms. Sheena Edwards agreed that the credit union should cater to the needs of the members as the world was still in a pandemic. She stated that from her observation the credit union was acting like commercial banks. She reminded of the mandate of the credit union movement, of people helping people.
- Mr. Anderson Henry reminded that deferral of interest for any year, resulted in deferred income for that year. Depending on the scope of the deferrals, it could mean substantial losses for the credit union. He informed of noticeable impacts on the financial statements.
- 8.6.7 Mr. Victor Callender indicated that it could be considered that if interest is not collected, it would affect the earnings of the credit union.

He noticed the number of shares for delinquent loans, but he did not see collateral listed.

- Ms Yearwood noted that normally the credit union will reach out to persons as soon as they become delinquent to negotiate the amount that they can pay. After no improvement, reach out is done to the bailiff or Attorney.

8.6.8 Ms. Sheena Edwards noted that from experience, customers normally stay loyal to institutions that treat them with respect in their periods of adversity. She understood, considering the bottom line, but the members still needed to be assisted.

8.6.9 Mr. Willis Hall noted that from personal experience, care must be taken when allowing breaks as it could be a means to take advantage.

8.6.10 A motion for the adoption of the Delinquency Committee Report was moved by Mrs. Cindy Callender and seconded by Mrs. Tracia Seifert-Licorish. The motion was carried.

8.6.11 Ms. Yearwood expressed special thanks to Mr. Corey Shockness and Mrs. Rochelle Bowen.

## 9. ALLOCATION OF SURPLUS

9.1 Mr. Reginald Parris, Treasurer, highlighted that after the Board reviewed its position, a top up of 1.5% was proposed. This proposal was seconded by Ms. Sheena Edwards. The motion was carried by majority vote.

9.2 Mr. Kelvin Whittaker proposed that 20% interest be paid on fixed shares which equated to approximately \$38,000.00. This proposal was seconded by Mrs. Tracia Seifert-Licorish. The motion was carried.

## 10. ELECTION OF OFFICERS

10.1 The Chairperson of the Credentials Committee, Mrs. Cindy Callender, gave the report. She indicated that along with herself, the Credentials Committee comprised Ms. Gloria Grant

and Mr. Tyrone Jones. All applicants and information provided were vetted. The Committee found all applicants in good standing and eligible for elections at this AGM.

10.2 The segment was handed over to the Chairman of Elections, Mr. Howard Griffith. He noted that the Committee, while able to find the required nominations for the vacancies on the Board of Directors, were unable to do the same for the Supervisory and Credit Committees.

10.3 Mrs. Cindy Callender notified that of the three vacancies on the Board of Directors, five nominations were received.

10.4 Mr. Erwin Jones expressed willingness to run for both Board of Directors and the Supervisory Committee.

10.5 Mr. Corey Shockness expressed willingness to serve on the Credit Committee

10.6 Ms. Sheena Edwards also applied for a position on the Credit Committee if she is not guaranteed a place on the Board of Directors.

10.7 The three vacancies on the Board of Directors were conditional to:

Mr. Omar Hunte served his full term and was not eligible for re-election.

Mr. Reginald Parris served his full term and was not eligible for re-election.

**Mr. Jason Bowen resigned and relocated.**

**10.7.1 Three seats were declared vacant on the Board of Directors. Sixty-three persons were eligible to vote.**

10.7.2 Candidates for the Board of Directors are:

- Ms. Sheena Edwards
- Mrs. Samantha Hazelwood-Ermay
- Mr. Erwin Jones
- Mrs. Tracia Seifert-Licorish
- Mr. Kelvin Whittaker

10.7.3 Members could vote for a maximum of three persons otherwise, the ballot would be considered invalid.

10.7.4 At the end of the vote, the following results were recorded:

Ms. Sheena Edwards - 39  
Mrs. Samantha Hazelwood-Ermay - 17  
Mr. Erwin Jones - 32  
Mrs. Tracia Seifert-Licorish - 26  
Mr. Kelvin Whittaker - 37

**10.7.5 Ms. Sheena Edwards, Mr. Kelvin Whittaker and Mr. Erwin Jones were duly selected to serve on the Board of Directors.**

10.7.6 The Directors were elected to serve in the capacities for periods as follows:

**Mrs. Sheena Edwards – 3 Years**  
**Mr. Kelvin Whittaker – 3 years**  
**Mr. Erwin Jones – 2 Years**

At the end of the respective periods, they will be eligible for re-election.

10.7.7 Mr. Griffith extended thanks to Mrs. Tracia Seifert-Licorish and Mrs. Samantha Hazelwood-Ermay for their eagerness to serve and advised them to return.

10.8 There were still two vacancies available on the Supervisory Committee and according to the By-Laws, the Chairman can select two individuals to serve for one year each.

10.9 Corey Shockness indicated a willingness to serve on the Credit Committee. There were two vacancies available on the Committee. Since Mr. Shockness was elected one spot for a period of three years, the other spot will be appointed by the Board of Directors until the next Annual General Meeting.

## 11. RESOLUTIONS

11.1 There were no Resolutions to be presented to the membership.

## 12. THE APPOINTMENT OF EXTERNAL AUDITORS

12.1 Mr. Reginald Parris, the Treasurer, led on this agenda item.

12.2 The Board recommended the reappointment of Drayton J. Carter and Co. as external auditors for the year 2021.

12.3 The motion for Drayton J. Carter & Co to be reappointed as auditors for the Financial Year 2021 was moved by Mr. Victor Callender and seconded by Mrs. Tracia Seifert-Licorish. The motion was carried by majority vote.

12.4 Mr. Mark Hall, representative of Drayton J. Carter & Co., accepted the appointment on behalf of the company.

## 13. SETTING OF THE MAXIMUM LIABILITY

13.1 Mr. Reginald Parris, the Treasurer, proposed that the maximum liability remain at twenty-five million dollars.

13.2 A motion was moved by Mr. Kelvin Whittaker and seconded by Mr. Lionel Maxwell for the maximum liability to remain at twenty-five million dollars. The motion was carried.

## 14. ANY OTHER BUSINESS

14.1 Mr. Anthony Callender raised the concern of a perceived disconnect between the membership and management of the credit union, more so the lack of communication offered to members. He stressed the belief that the credit union be managed based on core values and not emotion.

14.1.1 Mr. Callender noted that directly after the last Annual General Meeting, the passbooks were discontinued without notice. He noted inconsistencies within the credit union that continues to concern him.



- 14.1.2 A motion was moved by Mr. Anthony Callender for the immediate restoration of credit union passbooks until better systems were put in place for the members to monitor their accounts. This motion was seconded by Bonita Medford. There were 13 members for the motion, 19 members were against the motion, and 5 members abstained. **The motion was defeated.**
- 14.1.3 Mr. Callender indicated that he could not rely on monthly statements alone as he needed to always cross-reference his accounts.
- 14.1.4 Mr. Callender indicated that he held a letter from the Board of Directors at Light & Power Employees Co-operative Credit Union Ltd., which assured him the use of a passbook. The letter was dated June 22, 2011 and signed by Past President Mr. Kelvin Whittaker. He noted the contents of the letter were not maintained, and he would be seeking a legal opinion.
- 14.2 Mr. Victor Callender noted that he would prefer for processes to be put into place where members could check their records in real-time. He also noted that to his knowledge, unless any Board rescinded the letter to Mr. Anthony Callender, it was still valid.
- 14.2.1 The President noted that although this was an urgent matter, the operating system needed to be developed. He added that a process that is comfortable to all must be rolled out. There was also a cost factor involved.
- 14.3 Mr. Victor Callender noted that he did not observe a strategic plan in the Annual Report.
- 14.3.1 The President indicated that one would be rolled out and put to the membership in short order.
- 14.4 Mr. Victor Callender mentioned another challenge of members not having access to funds, and the Board needed to come up with an immediate solution to the issue. He noticed these happenings during the lockdown caused by the Covid-19 pandemic.
- 14.4.1 The President informed that the BPCCULL along with Capita Financial Services was devising a debit/credit and upload card which could alleviate part of the issues outlined.
- 14.5 Ms. Sheena Edwards queried the joining process and the possibility of persons gaining same-day access to a new account if all documents were executed and presented and if the Secretary was available to sign off on documentation. She stated that could be a deterrent in people wishing to join the credit union due to the turnaround times.
- 14.5.1 The President noted that the Board has approved that once the situation allowed, the process can be completed in one day, and the Manager will be able to sign off on the form as opposed to the Secretary.
- 14.6 Mr. Lionel Maxwell implored the Board to suggest an interim solution where the members would be able to view their account balances in real-time whilst working toward a long-term goal as an immediate priority.
- 14.6.1 The President reiterated that the Covid-19 pandemic made the Board realise the impacts and would be working assiduously to alleviate any further issues.
- 14.7 Mr. Lionel Maxwell questioned if, to the knowledge of the President, any unclaimed monies were ever sent to the Central Bank of Barbados on behalf of any credit union.
- 14.7.1 The President was not aware of any such incidences.
- 14.8 Mr. Maxwell enquired how long would it take for funds to be deemed unclaimed.
- 14.8.1 The President reiterated that the credit union does not remit funds to the Central Bank of Barbados.
- 14.8.2 Mr. Maxwell asked the board to consider how to treat to the situation if it arises.
- 14.9 Mr. Kelvin Whittaker noted that the Compliance and Internal Audit services will be

launched later in the month for Compliance Officers.

14.10 Mr. Whittaker noted that the first tranche of credit unions had finalised their credit cards with Capita Financial and would be rolled out soon. The debit card should follow shortly by the end of September 2021.

14.11 Mr. Whittaker informed that legislation was in the final stages for a credit bureau to be brought on stream.

14.12 Mrs. Samantha Hazelwood-Ermay reminded that under the Data Protection Act, all members must be notified and permission granted before their information is shared.

14.13 Mrs. Hazelwood-Ermay also mirrored the thoughts to grow the credit union's membership but reminded of quality over quantity.

14.14 Mr. Wesley Trotman, in response to concerns by Mr. Anthony Callender and Mr. Lionel Maxwell with respect to treating to unclaimed funds, noted that the response was found in Section 11 (4) of the Regulations.

14.14.1 Mr. Anthony Callender thanked Mr. Wesley Trotman for the information shared.

14.15 Mr. Anthony Callender recommended that since there were so many issues being dealt with at the Annual General Meeting, what was the possibility of having a half-yearly meeting.

14.15.1 The President noted it was very possible.

14.16 Mrs. Bernadine Daniel presented tokens of appreciation to three members who demitted office.

**Mr. Reginald Parris**  
**Mr. Omar Hunte**  
**Ms. Mia Ward**

14.17 The members of the Credentials Committee were offered a token of appreciation.

**Mrs. Cindy Callender**  
**Ms. Gloria Grant**  
**Mr. Tyrone Jones**

14.18 Mr. Howard Griffith, Chairman of Elections, was issued with a token of appreciation.

14.19 The Door Prize of \$250.00 towards vehicle insurance at Co-operators General Insurance Company Ltd. was won by Mr. Kelvin Whittaker.

## **15. VOTE OF THANKS**

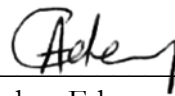
15.1 Mr. Omar Hunte delivered the Vote of Thanks.

15.2 On the lead of Mr. Anthony Inniss, all incoming officers took the Officer's Pledge.

## **16. TERMINATION**

16.1 The President thanked everyone for attending the 38th Annual General Meeting of the Light & Power Employees Co-operative Credit Union Ltd. He advised them that in their welcome package, they would find two vouchers which they could redeem.

16.2 There being no further business to be discussed, the meeting was terminated at 6:21 p.m.



Andrea Edey  
Secretary, Board of Directors

**ATTENDANCE**  
AT THE 38<sup>TH</sup> ANNUAL GENERAL MEETING

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**MEMBERS**

- |                              |                                  |
|------------------------------|----------------------------------|
| 1. ALLEYNE Dylana            | 37. JORDAN Linda                 |
| 2. ALLEYNE Waveney           | 38. KING May                     |
| 3. BANCROFT Glendine         | 39. LAWRENCE David               |
| 4. BLACKMAN Paul             | 40. LAWRENCE Pedro               |
| 5. BLADES-JONES Janna        | 41. LICORISH Curt                |
| 6. BRATHWAITE Kris           | 42. MARKS Roxanne                |
| 7. CALLENDER Anthony         | 43. MASON Hazelana               |
| 8. CALLENDER Cindy           | 44. MAXWELL Lionel               |
| 9. CALLENDER Jason           | 45. MAYERS Malcolm               |
| 10. CALLENDER Jerry          | 46. MAYERS-GODDARD Cheryl        |
| 11. CALLENDER Victor         | 47. MEDFORD Bonita               |
| 12. CLARKE Harriet           | 48. MOORE Ricardo                |
| 13. CLARKE Jennifer          | 49. MORRIS Keisha                |
| 14. COPPIN James             | 50. NIGHTINGALE Dion             |
| 15. CUMBERBATCH Rommell      | 51. NILES-MAPP Rhe-Ann           |
| 16. DANIEL Bernadine         | 52. PALMER Paula                 |
| 17. DANIEL Candace           | 53. PARRIS Reginald              |
| 18. EDEY Andrea              | 54. POLIUS-ALLEYNE Rawle         |
| 19. EDWARDS Sheena           | 55. REIFER Ria-Ashlee            |
| 20. FENTY Uylesses           | 56. SEIFERT-LICORISH Tracia      |
| 21. GILL Grantley            | 57. TAYLOR Demario               |
| 22. GOODRIDGE Allana         | 58. THORPE Clovena               |
| 23. GRANT Charles            | 59. TROTMAN Eric                 |
| 24. GRANT Gloria             | 60. TROTMAN Wesley               |
| 25. GRIFFITH Howard          | 61. WHITTAKER Kelvin             |
| 26. HALL Willis              | 62. WILKINSON-BRADSHAW Claudette |
| 27. HAREWOOD Charsley        | 63. WILKINSON-GITTENS Tracey     |
| 28. HARRIS Yvette            | 64. WILLIAMS Trevor              |
| 29. HAYNES Grantley          | 65. YEARWOOD Janiel              |
| 30. HAZLEWOOD-ERMAY Samantha |                                  |
| 31. HENRY Anderson           |                                  |
| 32. HOLDER Charles           |                                  |
| 33. HOLDER Colin             |                                  |
| 34. HUNTE Omar               |                                  |
| 35. JONES Erwin              |                                  |
| 36. JONES Kimoi              |                                  |

**ATTENDANCE**  
AT THE 38<sup>TH</sup> ANNUAL GENERAL MEETING

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**VISITORS**

1. GIBSON Daidreann
2. HALL Mark - Drayton J. Carter & Co. Chartered Accountants
3. INNISS Anthony – Lifetime Credit Union
4. JONES Keith – Bartel Credit Union Ltd.
5. LOVELL Anton – Co-operators General Insurance Company
6. TEMPRO Vincent – Temprow Photography Services

## **TENURE OF OFFICE - 2021**

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### **BOARD OF DIRECTORS**

			Remaining Years
President	-	Sheena Edwards	- 2
Vice President	-	Cindy Callender	- Nil- Eligible for re-election
Secretary	-	Andrea Edey	- Nil- Eligible for re-election
Treasurer	-	Reginald Parris	- Ex-officio
Assistant Secretary	-	Gloria Grant	- 1
Assistant Treasurer	-	Erwin Jones	- 1
Member	-	Kelvin Whittaker	- 2
Member	-	Anderson Henry	- Nil- Ineligible for re-election

### **SUPERVISORY COMMITTEE**

			Remaining Years
Chairperson	-	David Lawrence	- 1
Secretary	-	Kimoi Jones	- 1
Member	-	Keisha Morris	- Nil - Eligible for re-election
Member	-	Tracia Seifert-Licorish	- Nil - Appointed
Member	-	Rhe-Ann Niles-Mapp	- Nil - Appointed

### **CREDIT COMMITTEE**

			Remaining Years
Chairperson	-	Janiel Yearwood	- Nil - Eligible for re-election
Secretary	-	Corey Shockness	- 2
Member	-	Rommel Cumberbatch	- Nil - Appointed

## THE BOARD OF DIRECTORS



Sheena Edwards  
President



Cindy Callender  
Vice President



Andrea Edey  
Secretary



Reginald Parris  
Treasurer



Erwin Jones  
Assistant Treasurer



Gloria Grant  
Assistant Secretary



Kelvin Whittaker  
Member



Anderson Henry  
Member

## SUPERVISORY COMMITTEE



David Lawrence  
Chairperson



Kimoi Jones  
Secretary



Keisha Morris  
Member



Rhe-Ann Niles-Mapp  
Member



Tracia Seifert-Licorish  
Member

## CREDIT COMMITTEE



Janiel Yearwood  
Chairperson



Corey Shockness  
Secretary



Rommel Cumberbatch  
Member

## CREDIT UNION STAFF

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Eric R Trotman  
Manager



Hazelana Mason  
Accountant



Bernadine Daniel  
Member Services  
Supervisor



Ria-Ashlée Reifer  
Administrative Assistant



Harriet Clarke  
Accounting 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, 2021

### Introduction

The Board of Directors of The Light & Power Employees Co-operative Credit Union takes the opportunity to report on its activities during the period of review January 1, 2021 to December 31, 2021.

This year has proven to be a challenging one, as we entered year 2 of the coronavirus pandemic. The economic growth for the year appeared daunting as the first quarter saw a major hike in covid-19 cases and related deaths, further curfews and other state of emergency measures which affected businesses nationwide. To that end, reduced economic activity coupled with increased unemployment contributed to the inability of some members to service their loans.

As part of our efforts to assist members facing challenges in meeting their obligations to the Credit Union, some loans were restructured to ease the financial burden. The aim to support the membership wherever we can is an ongoing exercise and is administered on a case by case basis.

### Financial Highlights

Although the year started rockier and more uncertain than we would have wanted, the credit union saw a vast improvement in its net income, reporting a year end \$.37M compared to previous year \$8,172. Assets under management increased by 4.25%, crossing the sixty million threshold to \$60.9Million.

Total investments ended the year at \$21.14M and contributed \$0.29M to revenue. Expenses were effectively restricted to \$2.08M, a decline of \$0.43M from the previous year, as we try to curtail controllable costs wherever possible.

Loan demand continues to be suppressed, evidenced by the change in the net balance of Loan to Members declining for fiscal 2021 to end the year at \$27.11M, down from \$27.63M previously, contributing \$2.02M to revenue. Loan loss provisioning declined by \$0.10M from the 2020 level of \$0.64M to \$0.54M. Members must be commended for continuing to consider the credit union to gain higher returns on their savings. However, we would like members to also consider the credit union when seeking funding to support their financial needs.

Members' Share Savings increased by \$0.45M or 1.68%, to \$ 27.27M from \$26.82M in 2020; Deposits increased by 5.33% to \$23.40M from \$22.22M. Capital adequacy remains healthy at 14.87%, above the regulatory requirement of 10%.

### Governance

It is the role and main responsibility of the Board of Directors to develop and ensure that there is an efficient and effective corporate governance policy that the credit union and its operations are guided by, this is accompanied by the Co-operative Principles that governs the co-operative movement. To that end, during the period of review your Board of Directors held 36 meetings, as illustrated in the accompanying tables.



Attendance for the Period January 01 to May 04				
DIRECTOR	POSITION	MEETINGS	ATTENDED	EXCUSED
Anderson Henry	President	10	10	
Omar Hunte	Vice-President	10	10	
Reginald Parris	Treasurer	10	10	
Andrea Edey	Secretary	10	10	
Cindy Callender	Asst. Secretary	10	10	
Jason Bowen	Asst. Treasurer	10	3	7
Gloria Grant	Director	10	10	

Attendance for the Period May 13 to December 31				
DIRECTOR	POSITION	MEETINGS	ATTENDED	EXCUSED
Sheena Edwards	President	26	26	
Cindy Callender	Vice-President	26	19	7
Reginald Parris	Treasurer (Ex-Officio)	26	11	
Andrea Edey	Secretary	26	25	1
Gloria Grant	Asst. Secretary	26	21	5
Erwin Jones	Asst. Treasurer	26	25	1
Anderson Henry	Director	26	22	4
Kelvin Whittaker	Director	26	23	3

## Compliance

An independent AML/CFT & PF audit was conducted to assess the adequacy of the credit union's policies and procedures. The audit highlighted some improvements in processes were necessary and that some policies needed strengthening. In this aspect, the Board and management saw the need to recruit an external Compliance Officer, where the combined efforts saw the development of a stronger policy and processes to ensure the viability of the Credit Union. However, it must be noted that members' non-conformity in updating their KYC information is hindering the Credit Union's retrospective due diligence efforts and is an area of significant concern as it impacts the Society's compliance with regulatory mandates.

The use of technology-based solutions to enhance compliance efforts widened with an upgrade of the member onboarding platform as key forms have been added to our website for ease of access to our members whether at home or abroad. These enhancements plus additional investment in software will increase the capabilities of due diligence screening of current and prospective members and enhance due diligence of politically exposed persons (PEPs) and beneficial owners of accounts.

## Education & Training

Guided by our co-operative principle #5, Ongoing Education, the Credit Union continues to emphasize the value education and continued training plays in the success of the organisation. As such, committees' members and staff attended training provided by the Barbados Co-operative Credit Union League Ltd. (BCCUL), Caribbean Confederation of Credit Unions (CCCU) and other individual partners. Areas covered were as follows:

- Anti-Money Laundering/ Countering of Financing of Terrorism & Proliferation Financing
- Digital Fraud
- Digital Marketing Copywriting
- Making Safety Committees Work
- Cyber Security Threats
- Debt Collection

The Co-operative League of Trinidad and Tobago's hybrid Annual Leadership Conference was attended virtually by Hazelana Mason and Ria-Ashlee Reifer. Whilst, the Caribbean Confederation of Credit Unions' virtual Annual Convention was attended by Directors Sheena Edwards, Gloria Grant and Erwin Jones.

## Human Resource

As the country continues to be affected by the impact of the various strains of the coronavirus, our Credit Union was not spared and was required to be closed for business on two occasions due to staff's exposure. During such occasions we remained guided by the Ministry of Health and COVID-19 Unit as to the necessary protocols to ensure the safety of all of our shareholders.

We continue to place the health and safety of our staff, members and other partners as priority as we maintain the prescribed COVID-19 protocols.

The staff complement of the credit union remains at ten permanent employees. During the year, temporary staff were utilised to ensure adequate operational coverage and we wish to thank Allana Goodridge and Andrina Daniel for their much appreciated contribution during this time and wish them well in their future endeavors.

## Membership Relations

During the period under review, we were regrettably unable to host our annual youth forum, the Julie Alleyne 11+ and Trevor Browne Scholarship Awards for another year. But we look to the coming year as we seek to interact with our youth.

There was no significant growth in membership over the period. As of year end, we reported a membership roll of 1,921 registered members, a net increase of 18. At this time, we wish to extend our deepest condolences to the relatives and colleagues of those who departed the earth during the year.

## Property Management

Repairs and maintenance continue to be carried out on the Bush Hill and Collymore Rock properties. The tenant that occupied the top floor of the Collymore Rock Building vacated the unit during the second quarter of the year. The Board opted not to relet the unit but instead incorporate the space into the credit union's business continuity plan framework. The other units at the property remained tenanted.

The status of Horseshoe Manor remained unchanged. The grounds are maintained on a periodic basis.

## Industry Matters

According to the Central Bank of Barbados, the Barba-

dos financial sector, inclusive of credit unions, weathered the challenging environment of the last two years. Credit unions' assets grew modestly during the year in terms of loans and savings, though the savings growth outperformed loans growth. There was a notable increase in non-performing loans in the sector to above 13%.

The financial sector remains highly liquid due to softened economic activity and tempering investment opportunities. A result of high levels of liquid assets in the sector is the reduction of interest on deposits. On the positive end, lower rates on deposits translate into reduced rates on most credit related products.

The anticipated launch of the card services initiative spearheaded by the BCCULL for small to medium-sized credit unions did not materialise during the year due to unforeseen challenges. However, we eagerly await the finalizing of these discussions as we believe this would greatly benefit our membership.

Director Kelvin Whittaker is currently a sitting Board member of the Barbados Co-operative & Credit Union League. He also represents the Credit Union on the Board of Co-operators General Insurance Management Co. Ltd. and holds the post of Chairman.

## Outlook

Governments around the world are moving away from the strict COVID-19 restrictions imposed during the past two years, causing the gears of the world economy to start moving again. Economic activity has started to gain traction in the latter part of the year, raising expectations of growth in various sectors.

The tourism sector, regarded as one of the pillars of the Barbados economy, has started to experience increased occupancy. The level of activity in this sector is much-welcomed and is expected to expand over the coming period, contributing further to the economy. There is an expected spillover of activity into other sectors, with tourism rebounding. Thereby, it is our hope that those most affected are able to recoup some of the losses they endured during the pandemic.

As the curtains close on 2021 and move on to the ensuing fiscal period, we reaffirm our commitment to ensuring the continued success of our credit union. Though the current environment has placed greater pressure on

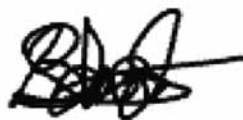
us as we strive to maintain financial growth, we will stand steadfast in our resolve. The financial landscape has become very competitive, and market participants continue their focus on gaining their share of a limited pie. We recognise that there are challenges that stand before us, but regardless of those challenges, we intend to prevail in providing for our members' needs.

#### Acknowledgments

On behalf of the Board of Directors, we take this time to extend heartfelt thanks to the Manager and his staff for the tireless contribution they have made to the organisation over the years, with this year being no different. We also thank the Supervisory and Credit Committee members whom volunteered their time and skills to making this year a success. It is important to note the sacrifices that you have made to working together for

the benefit of our members and Credit Union. I urge you to remember why we do this and to continue to be of service to our Credit Union as we embrace the changes ahead. We say a huge thanks to the Barbados Light & Power Co. Ltd for the support and partnership provided over the years and look forward to future endeavors. To our service providers, sister credit unions, the BCCUL, and all other stakeholders we offer our thanks and look to continued partnerships.

To our membership, saying thank you is not enough for you have placed your trust and hopes in this credit union to be your financial service provider, and to that we are humbled and vow to meet or exceed your expectations in the coming years. We look forward to your ideas and suggestions as we seek to carry this Credit Union to greater successes.



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**Sheena Edwards**  
President, Board of Directors

### PEARLS Analysis

Pearls is an analysis of a Credit Union's performance. PEARLS is the acronym for Protection, Earnings, Asset Quality, Rate of Growth, Liquidity and Structure. Following is a comparison of our position as represented by the PEARLS analysis for the period ended December 2021 as compared to December 2020.

Description	Ratios	December 2021	Pearls Attained	December 2020	Pearls Attained	Pearls Benchmark
<b>Capital/Total Assets</b> A measure of the Credit Union's ability to absorb losses	<u>Capital</u> Total Assets	9,057,582 60,902,899	14.87%	8,445,839 58,422,594	14.46%	8% or greater
<b>Net Income/Average Assets</b> Measures the Credit Union's ability to generate capital.	Average Assets	647,730 59,662,747	1.09%	208,611 57,036,307	0.37%	1% or greater
<b>Operating Expense/Income</b> Measures the Credit Union's ability to generate capital.	Total Income	1,525,558 2,449,510	62.28%	1,805,689 2,511,153	71.91%	50% or less
<b>Net Loans/Total Assets</b> Indicates the Credit Union's ability to meet short-term cash obligations.	<u>Net Loans</u> Total Assets	27,114,094 60,902,899	44.52%	27,628,913 58,422,594	47.29%	70% to 80%
<b>Net Loans/Savings</b> Indicates the Credit Union's ability to meet short-term cash obligations.	<u>Net Loans</u> Savings	27,114,094 50,675,015	53.51%	27,628,913 49,040,062	56.34%	70% to 85%
<b>Delinquent Loans/Total Loans</b> Indicates the quality of the loan portfolio.	<u>Delinquent Loans</u> Total Loans	3,307,708 27,650,754	11.96%	3,267,910 28,271,583	11.56%	5% or less
<b>Non-earning Assets/Total Assets</b> A high ratio that will have an adverse effect on the Credit Union's profitability.	<u>Non-Earning Assets</u> Total Assets	4,529,159 60,902,899	7.44%	2,992,860 58,422,594	5.12%	6% or less
<b>Savings Growth Rate</b> Indicates the success of the Credit Union in providing services to its members.	<u>Net Growth</u> P/Y Savings	1,634,953 49,040,062	3.33%	2,349,765 46,690,297	5.03%	10% to 20%
<b>Loan Growth Rate</b> Indicates the success of the Credit Union in providing service its members.	<u>Net Growth</u> P/Y Loan Balance	(514,819) 27,628,913	-1.86%	(2,330,441) 29,959,354	-7.78%	8% to 15%

The Light & Power Employees Co-operative  
Credit Union Limited  
Report and Financial Statements  
December 31<sup>st</sup>, 2021  
(Expressed in Barbados Dollars)

*DJC & Co.*

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**Drayton J. Carter & Co.**  
Chartered Accountants  
Bridgetown  
Barbados

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*DJC & Co.*

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**Drayton J. Carter & Co.**  
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Barbados, W. Indies  
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# **Drayton J. Carter & Co.**

*Chartered Accountants*



## **Independent Auditors' Report**

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

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **The Light & Power Employees Co-operative Credit Union Limited** (the "Society") which comprise the statement of financial position as at December 31, 2021, 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, 2021, 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's 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 or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



Drayton J. Carter & Co.

**BARBADOS**

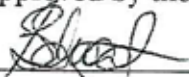
**March 28<sup>th</sup>, 2022**

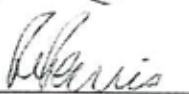
The Light & Power Employees Co-operative Credit Union Limited  
Statement of Financial Position  
As of December 31, 2021

	Notes	2021 \$	2020 \$
<b>Assets</b>			
Cash and bank balances	4	9,451,483	7,913,583
Amounts receivable	5	366,021	340,838
Investments	6	21,139,168	19,621,768
Loans to members	7	27,114,094	27,628,913
Investment property	8	845,240	868,367
Property, plant and equipment	9	1,986,893	2,049,125
<b>Total Assets</b>		<u>60,902,899</u>	<u>58,422,594</u>
<b>Liabilities and Members' Equity</b>			
Accounts payable	10	1,170,302	936,693
Demand deposits	11	23,400,676	22,216,904
		<u>24,570,978</u>	<u>23,153,597</u>
Non-qualifying shares	12	27,274,339	26,823,158
<b>Total liabilities</b>		<u>51,845,317</u>	<u>49,976,755</u>
<b>Members' Equity (Pages 7 and 8)</b>			
Equity shares		192,100	190,300
Statutory reserves		5,356,195	5,356,045
Other reserves		2,038,031	1,759,874
Undivided surplus		1,471,256	1,139,620
<b>Total members' equity</b>		<u>9,057,582</u>	<u>8,445,839</u>
<b>Total Liabilities and Members' Equity</b>		<u>60,902,899</u>	<u>58,422,594</u>

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

Approved by the Board on March 28<sup>th</sup>, 2022 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, 2021

	Notes	2021 \$	2020 \$
<b>Interest income</b>			
Loan interest		2,017,346	2,166,895
Other interest		2,726	2,583
		<u>2,020,072</u>	<u>2,169,478</u>
<b>Interest expenses</b>			
Interest on deposits		223,181	225,254
Interest on non-qualifying shares		331,198	471,498
		<u>554,379</u>	<u>696,752</u>
Net interest income		1,465,693	1,472,726
<b>Other income</b>			
Rental income		43,880	62,042
Dividends received		76,357	54,699
Investment income		293,077	209,579
Other income		16,124	15,355
		<u>1,895,131</u>	<u>1,814,401</u>
<b>Net income after interest expense</b>			
<b>Expenses</b>			
Staff cost (Schedule 1)		833,629	778,210
Operating and administrative (Schedule 1)		387,526	412,361
Depreciation	8 & 9	135,630	138,915
Membership security		213,126	237,729
Meetings		109,576	117,696
Conventions and conferences		-	7,361
(Decrease)/ increase/ in loss allowance on investments	6	(48,319)	97,256
Provision for credit losses	7	(106,010)	15,611
Youth community and social outreach		400	550
		<u>1,525,558</u>	<u>1,805,689</u>
<b>Total other expenses</b>			
Net operating income for the year		<u>369,573</u>	<u>8,712</u>

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, 2021

	Notes	2021 \$	2020 \$
Net operating income for the year		369,573	8,712
		-----	-----
Items that will not be reclassified subsequently to profit and loss:			
Fair value gain on investments in equity instruments designated as at FVTOCI	6	278,157	199,899
		-----	-----
Other comprehensive income for the year		278,157	199,899
		-----	-----
Total comprehensive income for the year		647,730	208,611
		=====	=====

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, 2021**

	Share Capital	Statutory Reserve	Other Reserves	Undivided Surplus	Total
<b>Balance at January 1, 2020</b>	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
<b>Balance at December 31, 2020</b>	<u>\$ 190,300</u>	<u>5,356,045</u>	<u>1,759,874</u>	<u>1,139,620</u>	<u>8,445,839</u>
<b>Balance at January 1, 2021</b>	190,300	5,356,045	1,759,874	1,139,620	8,445,839
Net Income	-	-	-	369,573	369,573
Other comprehensive gain	-	-	278,157	-	278,157
Net increase in share capital	1,800	-	-	-	1,800
Entrance fees & fines	-	150	-	-	150
Dividends paid	-	-	-	(37,937)	(37,937)
<b>Balance at December 31, 2021</b>	<u>\$ 192,100</u>	<u>5,356,195</u>	<u>2,038,031</u>	<u>1,471,256</u>	<u>9,057,582</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, 2021

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	2021 \$	2020 \$
Other reserves comprise:		
Fair value reserves	<u>2,038,031</u>	<u>1,759,874</u>

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, 2021

	2021	2020
	\$	\$
<b>Cash flows from operating activities</b>		
Net operating income for the year	369,573	8,712
Adjustments for non-cash income and expenses		
Depreciation	135,630	138,915
Loss on disposal of asset	3,296	185
Change in provision for credit losses	(106,010)	15,611
Loss allowance on impairment of financial assets	(48,319)	97,256
Changes in operating assets and liabilities		
Decrease (increase) in amounts receivable	(25,183)	30,045
Decrease in amounts due from affiliate	-	-
Increase in accounts payable	233,609	212,839
Net cash from operating activities	562,596	503,563
<b>Cash flows from investing activities</b>		
Loans to members	620,829	2,314,830
Investments	(1,190,924)	(3,967,153)
Additions to property and equipment	(53,672)	(27,406)
Proceeds from sale of fixed asset	105	-
Net cash used in investing activities	(623,662)	(1,679,729)
<b>Cash flows from financing activities</b>		
Members' deposits	1,183,772	1,549,311
Non-qualifying shares	451,181	800,454
Share capital	1,800	1,200
Dividends paid	(37,937)	-
Entrance fees and fines	150	160
Net cash from financing activities	1,598,966	2,351,125
Net change in cash and cash equivalents	1,537,900	1,174,959
Cash and cash equivalents, beginning of year	7,913,583	6,738,624
Cash and cash equivalents, end of year	9,415,483	7,913,583

## 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 new requirements 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 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 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 depends 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

	2021	2020
Cash holdings	\$ 116,977	147,619
Savings account	5,769,887	5,887,790
Current account	3,564,619	1,878,174
	-----	-----
	\$ 9,451,483	7,913,583
	=====	=====

The Society earned interest on its RBBL savings account at 0.0125% (2020: 0.0148%) during the financial year.



The Light & Power Employees Co-operative Credit Union Limited  
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**5. Amounts Receivable**

	2021	2020
Trade receivables and accrued interest	\$ 90,830	72,781
Prepayments	98,769	85,281
Rent receivable	8,659	20,343
VAT refundable	167,763	162,433
	<u>\$ 366,021</u>	<u>340,838</u>

**6. Investments**

	2021	2020
	\$	\$
<b>Investments in equity instruments designated as at FVTOCI</b>		
Barbados Co-operative and 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.-5,722 shares	2,253,210	2,004,877
Co-operators General Management Co. Inc.-4,710 shares	907,334	771,660
Insurance Corporation of Barbados - 50,000 shares	89,000	89,000
	<u>3,385,308</u>	<u>3,001,301</u>

The Light & Power Employees Co-operative Credit Union Limited  
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6. Investments (continued)	2021 \$	2020 \$
<b>Investment assets measured at amortised cost</b>		
Government of Barbados bonds series B	8,995,091	8,995,091
Term deposits	8,639,298	7,508,850
Mortgage loan	247,517	292,891
	<u>17,881,906</u>	<u>16,796,832</u>
Loss allowance	(128,046)	(176,365)
	<u>17,753,860</u>	<u>16,620,467</u>
<b>Total Investments</b>	<u>21,139,168</u>	<u>19,621,768</u>

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, 2020	Shares ac- quired	Unrealised gain/(loss)	Fair value at Dec 31, 2021
Co-operators General Management Co. Inc.	771,660	50,550	85,124	907,334
Co-operators General Insurance Co. Ltd.	2,004,877	55,300	193,033	2,253,210
Insurance Corporation of Barbados	89,000	-	-	89,000
Barbados Co-operative & Credit Union League Ltd.	59,370	-	-	59,370
Cable & Wireless (Bar- bados) Ltd	76,394	-	-	76,394
<b>Total</b>	<u>3,001,301</u>	<u>105,850</u>	<u>278,157</u>	<u>3,385,308</u>

## 6. Investments (continued)

During the year ended 31 December 2018, the Government of Barbados offered to exchange treasury notes and debentures and debentures totaling \$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 3	1.0%
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 installments 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  
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The following table show the movement in expected credit losses that have been decognized for financial assets at amortised cost and loans and receivables:

**Investments**

	<i>12-month Expected Credit Losses</i>		<i>Lifetime Expected Credit Losses</i>		
	Government Savings Bonds \$	Term Deposits \$	Government Bonds-Other \$	Loans to other entities \$	Total \$
<b>Balance as at 31 December 2019</b>	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
<b>Balance as at 31 December 2020</b>	-	43,305	132,093	967	176,365
Increase (decrease) in allowances	-	5,217	(53,386)	(150)	(48,319)
<b>Balance as at 31 December 2021</b>	-	48,522	78,707	817	128,046

The Light & Power Employees Co-operative Credit Union Limited  
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**7. Loans to members**

	2021	2020
Loan portfolio	\$ 27,650,754	28,271,583
Expected credit losses	(536,660)	(642,670)
	<u>\$ 27,114,094</u>	<u>27,628,913</u>
	<i>12-month Ex- pected Credit Losses</i>	<i>Lifetime Expected Credit Losses</i>
	<b>Loans to members</b>	<b>Loans to members</b>
	<b>\$</b>	<b>\$</b>
		<b>Total</b>
		<b>\$</b>
<b>Balance as at 31 December 2019</b>	156,376	470,683
(Decrease)\ increase in allowances	(27,337)	42,948
	<u>129,039</u>	<u>513,631</u>
<b>Balance as at 31 December 2020</b>	129,039	513,631
(Decrease)\ increase in allowance	(15,173)	(90,837)
	<u>113,866</u>	<u>422,794</u>
<b>Balance as at 31 December 2021</b>	<u>113,866</u>	<u>422,794</u>

The Society offers ordinary loans to members at rates varying from 5% to 10% (2020: 6% to 10%) 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 \$25,000 (2020: \$15,000) at the interest rate of 15% (2020: 15%) per annum. Interest charged by the Society is computed on the reducing balance basis.



The Light & Power Employees Co-operative Credit Union Limited  
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**8. Investment property**

		2021	2020
<b><u>Cost</u></b>			
Balance at start	\$	1,367,955	1,367,955
Balance at end		1,367,955	1,367,955
<b><u>Depreciation</u></b>			
Balance at start		499,588	476,461
Additions		23,127	23,127
Balance at end		522,715	499,588
Net book value	\$	845,240	868,367
Direct rental income from investment property	\$	43,880	62,042
Operating expenses		(28,192)	(35,294)
Net profit on investment property	\$	15,688	26,748

Investment property shown at the net cost of \$845,240 (2020: \$ 868,367) as at December 31, 2021 has a current valuation of \$ 2,200,000 as determined by the Barbados Revenue Authority. The appraisal excess of \$1,354,760 is not accounted for in these financial statements.

**9. Property, Plant & Equipment**

2021	Total	Land & Buildings	Furniture & Equip.	Computer Equip.	Motor Vehicle
	\$	\$	\$	\$	\$
<b><u>Cost</u></b>					
Balance at start	3,363,009	2,761,845	251,693	307,471	42,000
Additions	53,672	-	10,589	43,083	-
Disposals	(17,052)	-	(1,500)	(15,552)	-
Balance at end	3,399,629	2,761,845	260,782	335,002	42,000
<b><u>Depreciation</u></b>					
Balance at start	1,313,884	908,041	153,821	214,922	37,100
Additions	112,503	46,083	15,978	45,542	4,900
Disposals	(13,651)	-	(393)	(13,258)	-
Balance at end	1,412,736	954,124	169,406	247,206	42,000
Dec 31, 2021	1,986,893	1,807,721	91,376	87,796	-

The Light & Power Employees Co-operative Credit Union Limited  
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**9. Property, Plant & Equipment (continued)**

<u>2020</u>	<b>Total</b> \$	<b>Land &amp; Buildings</b> \$	<b>Furniture &amp; Equip.</b> \$	<b>Computer Equip.</b> \$	<b>Motor Vehicle</b> \$
<b><u>Cost</u></b>					
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
	-----	-----	-----	-----	-----
<b><u>Depreciation</u></b>					
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
	-----	-----	-----	-----	-----
<b>Dec 31, 2020</b>	<u>2,049,125</u>	<u>1,853,804</u>	<u>97,872</u>	<u>92,549</u>	<u>4,900</u>

Lands and buildings shown at the net cost of 1,807,721(2020: \$ 1,853,804) as at December 31, 2021 have a current valuation of \$ 4,500,000 as determined by the Barbados Revenue Authority. The appraisal excess of \$ 2,692,279 is not accounted for in these financial statements.

**10. Accounts Payable**

	<b>2021</b>	<b>2020</b>
Trade payables	\$ 81,626	45,528
Interest payable	170,841	253,826
Non-members payables	791,571	529,773
Members clearing	102,552	86,050
National insurance payable	12,407	10,918
PAYE payable	11,305	10,598
	-----	-----
	<u>\$ 1,170,302</u>	<u>936,693</u>

## 11. Demand Deposits

	2021	2020
Savings deposits	\$ 17,736,079	16,089,348
Term deposits	125,030	180,964
Fixed deposits	5,539,567	5,946,592
	-----	-----
	\$ 23,400,676	22,216,904
	=====	=====

Interest paid on deposits varied between 0.35% and 1.35% per annum (2020: 0.50% 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, 2021 were \$ 2,851,206 (2020: \$1,805,713).

## 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

	2021	2020
Bank balances	\$ 9,451,483	7,913,583
Amounts receivable	366,021	340,838
Investments	21,139,168	19,621,768
Loans to members - net	27,114,094	27,628,913
	<u>\$ 58,070,766</u>	<u>55,505,102</u>

#### 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, 2021 based on contractual undiscounted payments.

		2021	2020
Accounts payable	\$	1,170,302	936,693
Demand deposits		23,400,676	22,216,904
		-----	-----
		24,570,978	23,153,597
Non-qualifying shares		27,274,339	26,823,158
		-----	-----
Total liabilities	\$	51,845,317	49,976,755
		=====	=====

##### 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.

#### 17. Prior year restatements

Certain prior year figures have been restated to conform with the current year's presentation.

The Light & Power Employees Co-operative Credit Union Limited  
Details of Operating and Administrative Expenses  
December 31, 2021

(Schedule 1)

	2021	2020
<b>Staff cost</b>		
Salaries and wages	\$ 693,046	647,958
National insurance	68,108	61,866
Pension fund	31,642	30,033
Uniforms	3,305	4,278
Medical insurance	11,910	11,680
Group life insurance	1,104	1,196
Education/training	12,220	10,470
Staff well-being	12,294	10,729
	<u>\$ 833,629</u>	<u>778,210</u>
Number of employees	<u>10</u>	<u>10</u>
<b>Office Expenses</b>		
Stationery, office expenses and advertising	\$ 71,631	73,723
Cleaning	16,223	11,636
Utilities	24,381	26,286
Insurance	8,492	6,794
Security	8,933	7,105
	<u>\$ 129,660</u>	<u>125,544</u>
<b>Property Management</b>		
Repairs and maintenance	\$ 23,342	55,165
Utilities	2,423	2,140
Insurance	18,355	17,865
Land tax	56,527	58,649
	<u>\$ 100,647</u>	<u>133,819</u>
<b>Motor Vehicle Expenses</b>	<u>\$ 3,897</u>	<u>5,386</u>

The Light & Power Employees Co-operative Credit Union Limited  
Details of Operating and Administrative Expenses  
December 31, 2021

(Schedule 1)

	2021	2020
<b>Other Administrative Expenses</b>		
Audit fees	\$ 36,400	36,400
Bank charges	7,788	9,086
Donation and subscriptions	3,308	2,571
Education fund	261	100
League dues	41,377	39,758
(Profit)/loss on disposal of fixed assets	3,296	(185)
Member relations	4,048	2,810
Miscellaneous	10,540	19,667
Professional fees	17,400	15,000
Regulatory fees	28,904	22,405
	-----	-----
	\$ 153,322	147,612
	-----	-----
 <b>Total Operating and Administrative Expenses</b>	 \$ 387,526	 412,361
	=====	=====

# TREASURER'S REPORT

For the Year Ended December 31, 2021

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## Overview

For the fiscal year under review, the credit union's financial performance improved in contrast to the previous two periods. 2021 was a year of challenges, given the environment in which the credit union currently operates. The adverse impact of the COVID-19 pandemic continues to be felt in all walks of life, leaving none, including our membership, untouched. Notwithstanding these challenges, we are prepared to do our best to rise above these difficulties.

## Net Income

Net income for the year totalled \$0.37M relative to \$8,712 in 2020. Revenue from loans to members generated \$2.02M compared to \$2.17M, a decline of \$0.15M or 6.9% for the previous year. The decline resulted mainly from members' continued skittish approach to borrowing. The recent pick up in economic activity is expected to provide benefits throughout most of the economy. Generally, increased economic activity drives demand for credit.

## Expenditure

Expenses for the year was \$2.08M compared to 2020 of \$2.50M, a decline of \$0.423M or 16.88%. Expenditure continues to be led by staff costs and interest expenses on members' holding in the credit union. Staff costs totalling \$0.83M, increasing marginally by \$0.05M or 7.12%, from \$0.78M. The increase was due primarily to an incremental rise in salary and wages and the utilisation of temporary staff during the year. Interest expenses declined by \$0.14M or 20.43% to \$0.55M from \$0.70M. Operating and administrative expenses decreased slightly by \$0.02M or 6.0% to \$0.39M from \$0.41M for 2020.

## Loans

Loans to members declined to \$27.11, from \$27.63M, a contraction of \$0.51M or 1.86% in 2021. Many of our members who are eligible to access loans from the credit union are not doing so. This is a situation we look forward to improving during the coming year. In the latter part of the year, interest rates on mortgages, real estate and home improvement loans were reduced for members seeking funding in those categories. Loss provisioning was reduced to reflect the expected credit position status of the loan portfolio. Provision for non-performing loans stood at \$0.54M, a decline of \$0.10M from \$0.64M for 2020.

## Assets

Total assets increased by \$2.48M or 4.25%, to \$60.90M, relative to 2020 of \$58.42M. The credit union's liquid assets remained high for the year, with total cash on hand and held with commercial banks increasing by \$1.54M or 19.43% to \$9.45M, from \$7.91M for the previous period. Investments opportunities were sought to realise some manner of return by employing excess liquidity. Total investments stood at \$21.13M, an increase of \$1.52M or 7.73% from \$19.62M.

## Liabilities

Members' savings in the credit union increased by \$1.64M or 3.34%, to \$50.68M from \$49.04M for 2020. Members continue the option of utilising saving as a source of funding in place of accessing the credit union's loan products. Members' reliance on funding from savings instead of loans has stymied the savings growth rate over the past few years.

## Equity

The credit union's capital adequacy remained well above the regulatory level of 10% of net assets, at 14.87%. The current level put the credit union to endure adverse shocks resulting from financial losses. Under Section 197(2) of the Co-operative Societies Act, the credit union is required to 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 \$1.47M from \$1.14M in 2020, and Other Reserves ended at \$2.04M, from \$1.76M previously.

Year	Total Assets (\$000)	Loans (\$000)	Deposits (\$000)	Shares (\$000)	Net Income (\$000)	Capital (\$000)	Statutory Reserves (\$000)
2021	60,903	27,114	17,736	27,274	370	9,058	5,356
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



Treasurer, Board of Directors

**Reginald Parris**

# SUPERVISORY COMMITTEE'S REPORT

For the Year Ended December 31, 2021

## Attendance from January 01 to May 08, 2021

Name	Position	Meetings	Attended	Excused
David Lawrence	Chairman	2	2	-
Mia Ward	Secretary	2	2	-
Samuel Blades	Member	2	2	-
Erwin Jones	Member	2	2	-
Keisha Morris	Member	2	2	-

## Attendance from June 30 to December 31, 2021

Name	Position	Meetings	Attended	Excused
David Lawrence	Chairman	8	8	-
Kimoi Jones	Secretary	8	8	-
Keisha Morris	Member	8	7	1
Tracia Seifert-Licorish	Member	8	6	-
Rhe-Ann Niles	Member	8	5	1

### Overview

At the first meeting of the Supervisory Committee held on May 13, 2021, Mr. David Lawrence was elected to serve as Chairman & Ms. Kimoi Jones as Secretary. Mrs. Rhe-Ann Niles-Mapp & Mr. Rommel Cumberbatch, were also selected to fill the two (2) vacant positions on the committee. Mr. Cumberbatch however later declined.

At a meeting held on June 14, 2021, Mrs. Tracia Seifert-Licorish was selected by the Supervisory Committee to fill the remaining vacant position.

**NB. The vetting process for Mrs. Seifert-Licorish was previously completed. Mrs. Niles was now to carry out the process.**

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
- Verified the Assets of the Credit Union
- Sought clarification on matters arising

### **Conclusion**

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

### **Complaints, Queries & Suggestions Received Query**

A member queried the use of the Credit's Union bathroom by members transacting business at the organization.

### **Response**

Due to Covid-19 protocols established by Management of the Credit Union and in accordance with the Government of Barbados Protocols, use of the bathroom was restricted to staff personnel only.

### **Training Attended**

- AML CFT PF Training

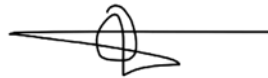
### **Member Reporting**

Draft process of response(s) from the Supervisory Committee to correspondence received by members and a form for filing complaints, queries and/or suggestions.

### **Acknowledgements**

The Supervisory Committee wishes to extend its appreciation to the Management and Staff of the Credit Union, along with the Board of Directors and the Credit Committee for their continuous support and corporation during the past year.

We will also like to 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**.



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**David Lawrence**  
Chairman



# CREDIT COMMITTEE'S REPORT

For the Year Ended December 31, 2021

Following the Annual General Meeting held on May 8, 2021, the Credit Committee met and Miss Janiel Yearwood was elected to serve as Chairperson while Mr Corey Shockness was elected to serve as Secretary. Mr Rommel Cumberbatch was appointed by the Board of Directors to serve as Member from July 6, 2021.

The Credit 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, to determine whether the loan sought is for provident or productive purposes, and endeavour diligently to assist applicants in solving their financial problems. The Committee is required to meet no less than once a month. However, in an effort to better serve members, this Committee has remained dedicated to meeting weekly to adjudicate loans.

In the fiscal year 2021, the Committee approved 286 loans, totalling \$4,865,975. This represented a decrease by 14 loans (4.7%) over the 300 approved in 2020. Despite there being a decrease in the number of loans approved compared to the previous year, the overall loan portfolio increased by 1.7% when compared to the previous year's total of \$4,784,663. This was notable following a 17% decrease in 2020, a 10% decrease in 2019 and closure of the Credit Union for periods of national pause due to the Covid-19 pandemic.

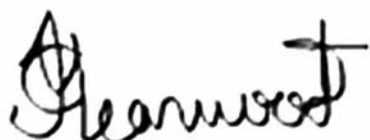
The Committee observed a pique in members' interest in the suite of Line of Credit (LOC) services during the year. This resulted in a 48% increase in the amount disbursed for LOCs, which totalled \$770,700. Additionally, there were significant increases in the amounts disbursed for Vehicle Repairs 181%, Real Estate 93%, Education 53% and Debt Consolidation 33%. Despite overall growth, a decline was observed in some key loan categories, including Medical 63% and Vehicle Purchase 42%.

The Covid-19 pandemic has amplified hesitancy about borrowing due to the lack of job security in many fields. As a result, members and potential members require increased efforts to attract them to the Credit Union's offerings, to advise them to make the best financial decisions and to support them along their journey. It is against this backdrop that we must embrace innovative and creative thinking, and leverage solid strategic planning to meet our goals.

After 4 years of serving on the Credit Committee, most recently as Chairperson, I wish to express thanks for the support, guidance and encouragement rendered by the management and staff. I owe immense appreciation to Mr Corey Shockness and Mr Rommel Cumberbatch for their unparalleled contributions and sacrifices towards serving this Committee. Lastly, heartiest thanks to the members for the opportunity to serve, and I encourage you to continue to support this Credit Union as we endeavour to improve.

ATTENDANCE JANUARY TO JULY - 2021				
NAME	POSITION	MEETINGS HELD	ATTENDED	EXCUSED
ROCHELLE BOWEN	CHAIRPERSON	17	14	3
JANIEL YEARWOOD	SECRETARY	17	17	0
COREY SHOCKNESS	MEMBER	17	17	0

ATTENDANCE JULY - DECEMBER 2021				
NAME	POSITION	MEETINGS HELD	ATTENDED	EXCUSED
JANIEL YEARWOOD	CHAIRPERSON	25	24	1
COREY SHOCKNESS	SECRETARY	25	23	2
ROMMEL CUMBERBATCH	MEMBER	25	24	1



**Janiel Yearwood**  
Chairperson- Credit Committee

LOANS COMPARISON FOR ANNUAL REPORT FOR YEAR ENDED 31 DECEMBER 2021						
CATEGORY	AMOUNT	AMOUNT	VOLUME	VOLUME	DIFFERENCES	
	2021	2020	2021	2020	AMOUNT	VOLUME
AGRICULTURE		30,873		2	-30,873	-2
ATTORNEY FEES	38,492	18,000	4	1	20,492	3
BILL PAYMENT	13,014	45,600	5	9	-32,586	-4
BUSINESS	21,000	76,000	2	4	-55,000	-2
CHRISTMAS EXPENSES	2,000	14,450	1	5	-12,450	-4
CHRISTMAS L.O.C	260,800	108,300	38	30	152,500	8
COMPUTER LOAN		4,500		2	-4,500	-2
DEBT CONSOLIDA- TION	225,439	169,430	7	19	56,009	-12
EDUCATION	195,250	127,300	10	11	67,950	-1
EQUIPMENT	64,209	225,500	3	5	-161,291	-2
FEES/DUTIES/NIS		6,000		1	-6,000	-1
FUNERAL EXPENSES	33,500	41,000	5	7	-7,500	-2
GENERAL EXPENSES	47,100	20,600	6	5	26,500	1
HOME CONSTRUC- TION	468,000	558,000	3	2	-90,000	1
HOME FURNISHING	16,265	18,399	5	6	-2,134	-1
HOME IMPROVEMENT	443,120	419,800	40	39	23,320	1
HOME MAINTENANCE	2,500		1		2,500	1
HOUSE REPAIRS		6,000		3	-6,000	-3
INSURANCE - HOME	4,160	4,572	2	3	-412	-1
INSURANCE - VEHICLE	14,360	14,309	9	7	51	2
INSURANCE- GEN- ERAL	1,086		1		1,086	1
INVESTMENT	12,000	1,600	1	1	10,400	0
MEDICAL	34,650	93,600	8	16	-58,950	-8
REAL ESTATE	1,149,000	596,000	6	3	553,000	3
RE-FINANCE	244,500	262,752	3	5	-18,252	-2
REGULAR L.O.C	269,000	184,000	31	22	85,000	9
SCHOOL SUPPLIES	5,500	8,000	2	3	-2,500	-1
SETTLEMENT	190,000	150,000	1	1	40,000	0
SUMMER L.O.C	240,900	228,400	46	45	12,500	1
TAXES	631	1,662	1	2	-1,031	-1
TRAVEL/VACATION	28,500	19,000	5	3	9,500	2
VEHICLE PURCHASE	744,499	1,287,716	22	27	-543,217	-5
VEHICLE REPAIRS	86,500	30,800	17	10	55,700	7
WEDDING EXPENSES	10,000	12,500	1	1	-2,500	0
<b>TOTALS</b>	<b>4,865,975</b>	<b>4,784,663</b>	<b>286</b>	<b>300</b>	<b>81,313</b>	<b>-14</b>

# DELINQUENCY COMMITTEE'S REPORT

For the Year Ended December 31, 2020

The Delinquency Committee for the year ending 31 December 2021 comprised The Credit Committee, and the Member Services Supervisor.

The aims and objectives of the Delinquency Committee are:

1. To recover all outstanding loan payments and/or overdue balances.

2. To provide financial counseling to members
3. To offer guidance to members who are experiencing financial difficulties, due to economic conditions or personal commitments.
4. To liaise with delinquent members, with a view to reaching amicable payment arrangements.
5. To ensure that the exposure to the Credit Union, is kept to the minimum.

The following table provides a comparative analysis of Delinquent Loans:

CATEGORIES	2020	2021	CHANGE
Total loans outstanding at year end	28,271,583	27,650,753	(620,830) (decrease)
Shares held for outstanding delinquent loans	369,437	419,990	50,553 (increase)
Total principal outstanding delinquent loans	3,267,910	3,307,708	39,798 (increase)
Total exposure (loans at risk)	2,898,473	2,887,718	10,755 (decrease)
Percentage exposure compared to total loans	9.75%	9.57%	(0.18%) (decrease)
Number of delinquent members	72	79	7 (increase)
Accounts Written Off	0	0	0

During the year under review, the Covid-19 pandemic continued its impact on the economic landscape of Barbados and this Credit Union. This was evidenced by the continued high levels of delinquency.

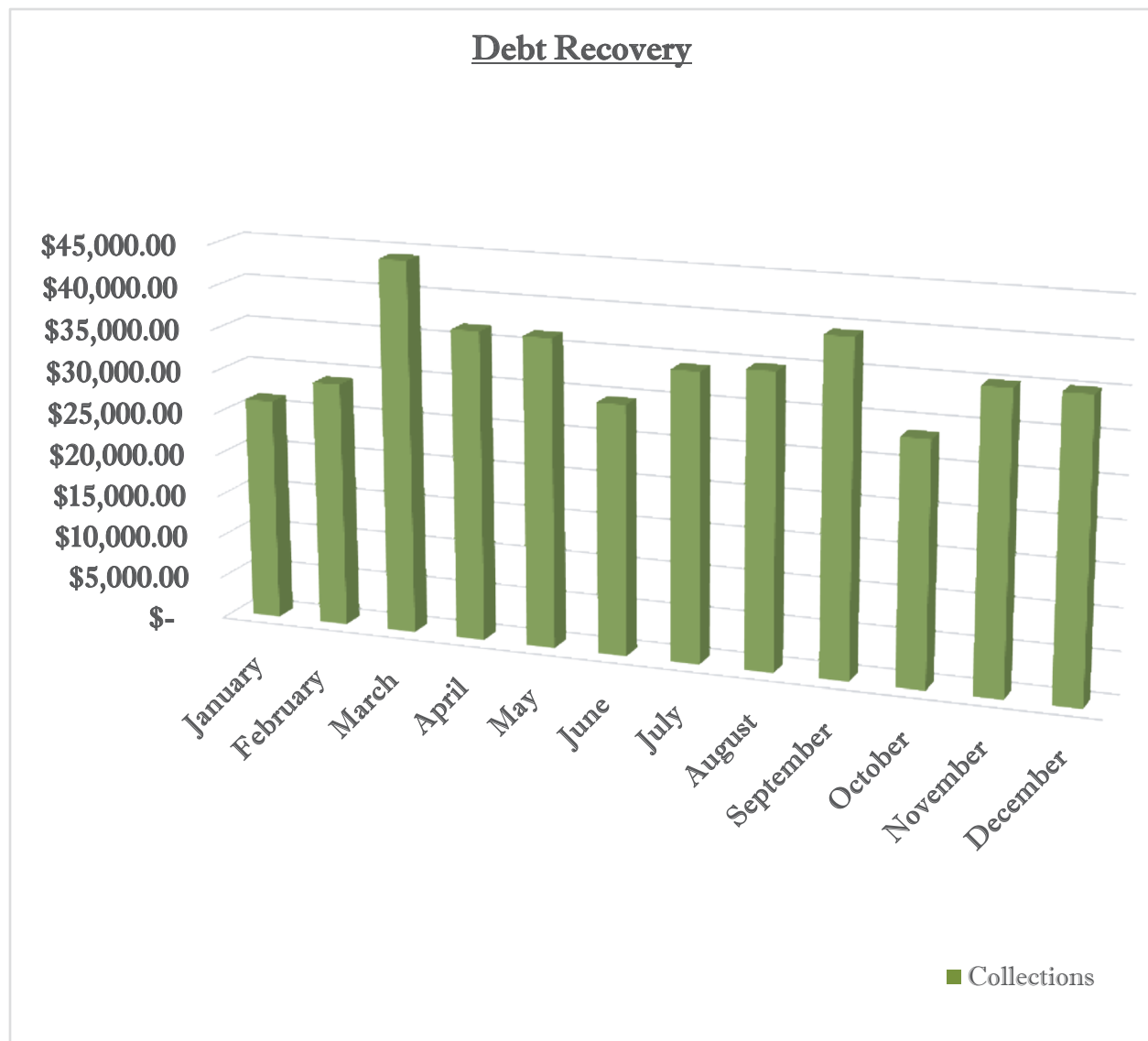
The IFRS9 standard which was adopted globally in 2018, stipulates that delinquency is recognised 30 days after a missed payment, instead of 90 days as in previous years. Delinquency is therefore monitored on a monthly basis in an attempt to curtail its impact.

Delinquency management aims to keep delinquency levels within the PEARLS standard while working closely with our members. Members who experienced difficulty in fulfilling their loan obligations were contacted regularly and at least once monthly to remind them of their loan obligations.

## Delinquency Review

At the end of the financial year there were 79 delinquent loans with a total balance of \$3,307,708. Total exposure namely "Loans at Risk" equated to 9.57% of total loans outstanding.

The increase in delinquency is however not an indication that all these loans are unproductive as some members are actively repaying their loans. In some instances, payments have been sporadic and in others there have been steady repayments to 'catch-up' on late payments. It has only been in extreme cases that accounts were referred for debt collection.



Our sincere appreciation is extended to the team of professionals that manage delinquency on a daily basis. They are members of the Credit Union staff, the Credit Committee the Attorneys-At-Law and the Bailiff. It has been a pleasure working with you.

**Janiel Yearwood**  
Chairperson- Credit Committee

## OFFICERS' PLEDGE

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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.



# 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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