

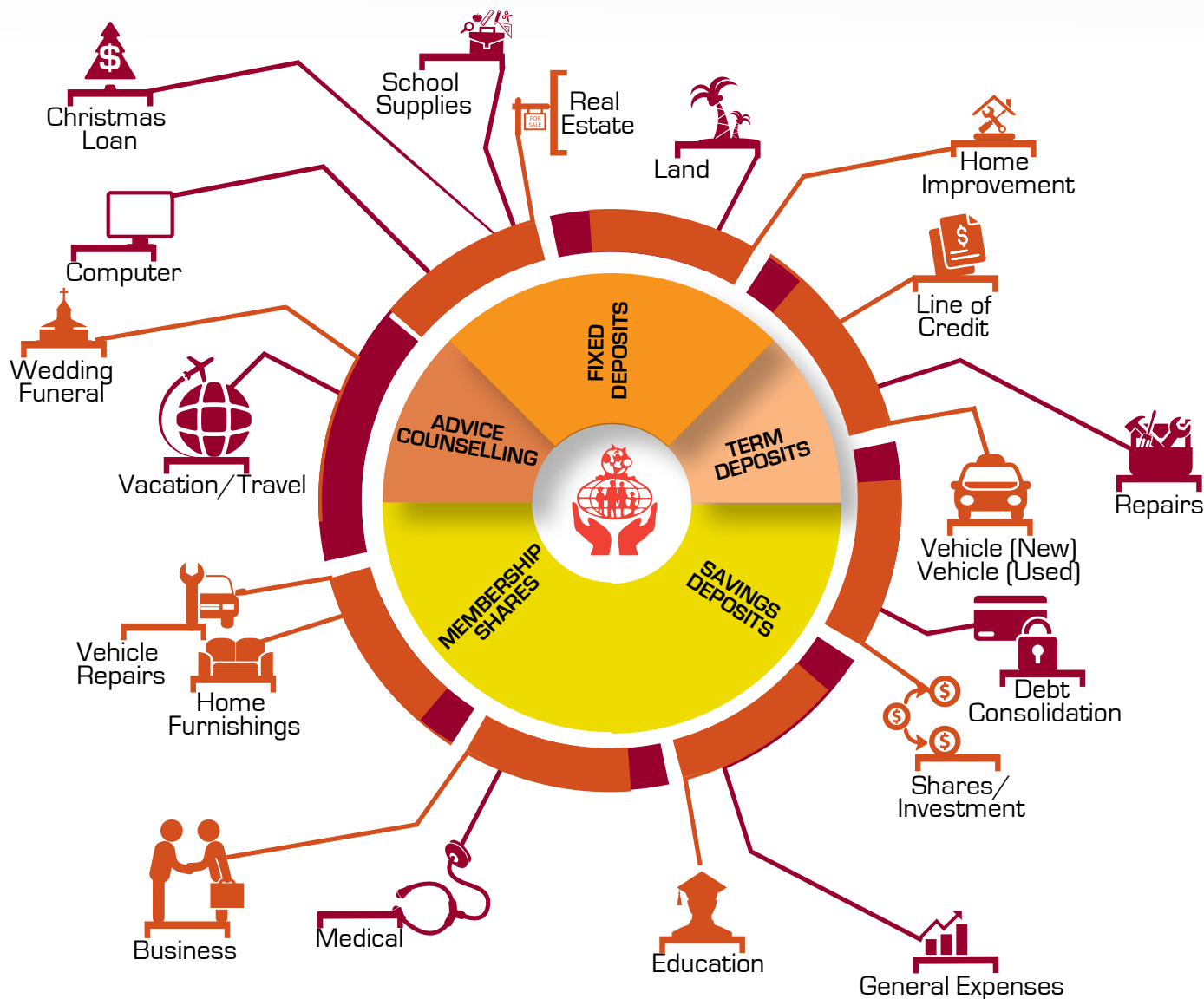


**The Light & Power Employees  
Co-operative Credit Union Ltd.**



# **ANNUAL REPORT 2023 SUSTAINABILITY**

# Products and Services Suite





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

**ANNUAL REPORT  
2023**

## OUR VISION

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

## OUR MISSION

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

## OUR CORE VALUES

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

# CORPORATE INFORMATION

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

BANKERS Republic Bank (Barbados) Ltd  
Wildey,  
St. Michael

CIBC Caribbean  
Michael Mansoor Building,  
Warrens,  
St Michael, BB 22026

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

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

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

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

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

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

President: Mr. Reginald Parris

Telephone: (246) 431-1400

Secretary: Ms. Keisha Morris

Fax: (246) 228-4643

Treasurer: Mrs. Tracia Seifert-Licorish

Email: [lp.creditunion@caribsurf.com](mailto:lp.creditunion@caribsurf.com)

Web: [www.lpecu.bb](http://www.lpecu.bb)

NOTICE is hereby given that the 41st Annual General Meeting of The Light & Power Employees Co-operative Credit Union Ltd. is scheduled to be held on Saturday, 4 May 2024, at the Radisson Aquatica Resort, Aquatic Gap, Bay Street, 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. President’s Message
7. Minutes of the 40th Annual General Meeting
8. Matters Arising from the Minutes of the 40th Annual General Meeting
9. Reports of:
  - i. Board of Directors
  - ii. Auditors and Financial Statements
  - iii. Treasurer
  - iv. Supervisory Committee
  - v. Credit Committee
  - vi. Delinquency Committee
10. Allocation of Surplus
11. Election of Officers
12. Resolutions
13. Appointment of External Auditors
14. Setting of the Maximum Liability
15. Any Other Business
16. Vote of thanks
17. Termination



Keisha Morris

*Secretary*

# PRAYER OF ST. FRANCIS OF ASSISI

LORD, make me an instrument of thy peace,  
Where there is hatred, let me sow love,  
Where there is injury, pardon;  
Where there is doubt, faith;  
Where there is despair, hope;  
Where there is darkness, light; and  
Where there is sadness, joy.  
O Divine Master, grant that I may not  
So much seek to be consoled as to console;  
To be understood as to understand;  
To be loved as to love:  
For it is in giving that we are pardoned;  
And it is in dying that we are born to eternal life.

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

## STANDING ORDERS

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

# International Credit Union Operating Principles

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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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As we approach our 40<sup>th</sup> year of celebration at the turn of the new year January 11, 2024, the theme for the 41<sup>st</sup> Annual General Meeting (AGM) is “Sustainability – the need to improve our standards for a brighter future”. This refers to the strategic direction of the organization measured against economical, environmental, social and governance metrics. As an organisation approaching its fortieth year in the financial industry, what does sustainability look like for the years ahead? How is this translated in our products and services to our members?

Our main focus which is entwined throughout all our decisions remains: ‘creating wealth and stability for members, whilst providing quality products and services that align with their needs and convenient access to these services.’ This may look familiar as this phrase was published in the 2022 AGM booklet.

Sustainability is especially an even more important objective of any organisation given the unpredictability of the world these past five years, from climate changes, rise in pandemics, disruption in operation and supply chains, increasing demands on our food and energy supply and numerous warfares around the globe. Benefits of including a sustainable strategy within our overall organisational objectives are:

- Competitive advantage – being known as a sustainable brand increases awareness and attracts new members.
- Stay in compliance or be the benchmark for ESG results.
- Resilient transformation
- Talent acquisition
- Revenue growth - focus on expense management, product development, optimization of operational efficiencies.

### How to create a sustainable organisation?

At the end of the financial year 2023, we have realized net income after tax of \$0.44 million, an increase of 36% when compared with prior year. Despite this growth, we look towards the years ahead with intention to increase our loan revenue through targeted marketing alongside effective risk management. In building a sustainable organisation, it is crucial that education at

all levels permeates all initiatives, where we inform our members, team members and volunteer officers of their responsibility in this process. Infusing digital transformation is another major key to this success as the world around us has welcomed the introduction of artificial intelligence (AI) especially in the financial industry. We at the The Light & Power Employees Co-operative Credit Union Ltd (LPECCU) are looking to integrate technological improvements in our processes and systems to enhance the quality of products and services on offer to the member.

Engagement of both our team members and member-owners is needed to reach our key objectives, where the member-owners invest in LPECCU through increased utilization of the loan products made available and other services. Having a motivated and empowered team, where improving operational efficiencies and satisfying members are paramount goals, aligns with the overall organisational sustainability strategy. This will aid in the delivery of member service, enriching our rich family-like characteristic that we want as our legacy for the next 40 years and beyond.

### What are the plans for the fortieth year ahead?

We are positioning ourselves on a stronger foothold as we make some necessary staffing changes to improve member relations, operational efficiencies and to align with the transformative vision we have for the credit union. An inclusive environment that promotes innovation and collaboration amongst staff is the focus of management for the year ahead.

Plans for our year of celebrations are under way and we look forward to the full participation of all our members. There will be forums and discussion panels, a family fun day, sporting activities, culminating with an awards and gala dinner. Inclusion of the younger and more mature membership has been at the center of our preparations as we know it is integral to infuse new thoughts with distinguished school of thoughts. Being reminded that inclusivity is a core segment of a sustainable strategy for an organisation. Creating an imperative framework that allows for product & services refinement, membership engagement and an infusion of education is the overall goal for our credit union.

The practice of sustainability must be embedded into the framework or fabric of the business model. It allows for optimal operation efficiencies, increased innovative opportunities, improved member service and compliance with regulatory requirements. With one of the organisational objectives being improved member relations through positive and professional delivery, it reminds us that YOU, our members, are the heart of the credit union and for that we are so guided in all business decisions. We look towards the strengthening of existing relationships and the development of new beneficial partnerships taking the LPECCU to new and improved levels. As we look to celebrate chapter 4.0 in our legacy, I pray the Father above, continues to bless this credit union for another forty plus years increasing in strength, prosperity and financial soundness, improving the lives of our members. Remember to stay safe and always trust in God.



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**Reginald Parris**

President (Ag)

Board of Directors

**Minutes of the 40th Annual General Meeting of the Light & Power Employees Co-Operative Credit Union Ltd., held Saturday April 22nd, 2023, at 1:00 p.m. at The Radisson Aquatica Resort, Aquatic Gap, Bay Street, St. Michael, Barbados**

1. **ASCERTAINMENT OF QUORUM AND CALL TO ORDER**
  - 1.1 Upon a quorum being ascertained, the President, Ms. Sheena Edwards, called the meeting to order at 1:13 p.m. President Edwards also chaired the AGM.
  - 1.2 Members stood for the playing of the Barbados National Anthem.
2. **PRAYERS**
  - 2.1 Mrs. Hazelana Mason led the meeting in prayer. The prayer of St. Francis of Assisi was also recited.
  - 2.2 A moment of silence was recognized for those who had passed during the year. Condolences were extended to their families.
3. **WELCOME REMARKS**
  - 3.1 The Chairperson extended a warm welcome to the members and the specially invited guests.
4. **APOLOGIES FOR ABSENCE**
  - 4.1 Apologies were offered for the absence of the Treasurer; Mrs. Tracia Siefert-Licorish and for the tardiness of the Bro. Reginald Parris
5. **GREETINGS ORGANIZATIONS FROM OTHER**
  - 5.1 The President welcomed visitors from other organizations who were present at the Annual General Meeting.
6. **PRESIDENT’S MESSAGE**
  - 6.1 The President’s message, found on page 9 of the Annual Report, was presented by the President, Sis. Edwards.
  - 6.2 The President highlighted that the World Council of Credit Unions celebrated International Credit Union Day with the theme “*Empower Your Financial Future With a Credit Union*”, which caused the Credit Union to focus on strengthening its members for present and future successes, seeing the members develop individually along with the Credit Union through the effective utilization of the organization’s products and services and their full participation within the system. She acknowledged that the organization is member focused with the sole purpose being to service the members.
  - 6.3 The President informed that during the year under review, the objective was solely the needs of the membership by improving the products and services, member service relations, processes, systems and policies, to better serve the members.
  - 6.4 She listed the goals that were set to be accomplished during the year, namely:
    - Online services and processes
    - Easier accessibility
    - Reduced loan rates
    - Social Media presence, and
    - Improved member relations.
  - 6.5 Although all of the above were not yet achieved, she insisted that the accomplishment of these can only be done through member participation, one phase at a time. The President noted that the full digitization of the organization will be a costly venture that might require the organization to merge with a sister credit union or multiple credit unions. She stated that with the new regulations, some Credit Unions could not continue on their own, therefore mergers were the necessary future. The President noted that the newly purchased Transaction Monitoring System was regulated by the Financial Services Commission (FSC). The mentioned steps could only be realized through prudent due diligence, thorough discussions with potential partners along with the Barbados Co-operative & Credit Union League, and by engaging the membership.
  - 6.6 The President made the following highlights:
    - Net Income of \$0.3 million
    - A 3.3% reduction in the delinquency rate
    - A 4% increase in overall loans growth
  - 6.7 The above highlights put the Credit Union in a stronger financial position than it had been in the past three years.

- 6.8 The President informed of the intention to adopt the Risk-Based Lending during the upcoming financial year, to meet the needs and demands of members.
- 6.9 Another initiative for the upcoming year was the rebranding of the name of the organization which proved to be a hindrance to membership growth.
- 7. MINUTES OF THE 39<sup>TH</sup> ANNUAL GENERAL MEETING – APRIL 16, 2022**
- 7.1 The minutes of the 39<sup>th</sup> Annual General Meeting were found on pages 11 to 18 of the Annual Report.
- 7.2 The minutes of the Annual General Meeting held on April 16, 2022 were taken as read on a motion moved by Bro. Kelvin Whittaker and seconded by Mrs. Samantha Hazelwood-Ermay. The motion was carried.
- 7.3 Errors and/or Omissions**
- 7.4 It was noted by Mr. Grantley Haynes that ‘The President’s Message’ was omitted from the Agenda.
- 7.5 The President acknowledged the omission.
- 7.6 Change Alana Goodridge to Allana Goodridge throughout the minutes.
- 7.7 A motion was moved by Mrs. Rhe- Ann Niles-Mapp and seconded by Mrs. Samantha Hazelwood-Ermay, for the adoption of the minutes. The motion was unanimously carried.
- 8. MATTERS ARISING FROM THE MINUTES OF THE 39<sup>TH</sup> ANNUAL GENERAL MEETING**
- 8.1 There were no matters arising from the minutes of the Annual General Meeting held on April 16, 2022.
- 9. REPORTS**
- 9.1 Board of Directors**
- 9.1.1 The Board of Directors report was found on pages 24 to 26 of the Annual Report.
- 9.1.2 The President reported an increase in online traffic to the website and the online banking facilities. She added that the Credit Union partnered with PBS Technologies to install SurePay, facilitating an additional payment platform for members.
- 9.1.3 The President informed that the Information Technology expenses increased due to the purchase of the Transaction Monitoring System.
- 9.1.4 The President thanked staff and management for the continued delinquency management. She also thanked members for taking the time to come into the Credit Union to repay their outstanding amounts, which resulted in the decline in the delinquency portfolio. The President urged members to visit the Credit Union office to update their KYM as only 67% of members had already done so to date.
- 9.1.5 During the year under review, Ms. Harriet Clarke, Mr. Paul Blackman and Ms. Roxanne Marks, celebrated their 15 year tenure with the Credit Union. They were applauded for their support. The President highlighted that Mr. Rommell Cumberbatch and Mr. Corey Shockness of the Credit Committee attended Caribbean Development Education Program (CaribDE) held in St. Lucia last year.
- 9.1.6 The President spoke about the introduction of card services for small and medium sized credit unions, led by the Barbados Co- operative & Credit Union League Ltd. (BCCULL) was currently stalled as the service provider was experiencing challenges in bringing the project to fruition.
- 9.1.7 Mr. Erwin Jones was elected to the Board of Directors and Ms. Gloria Grant to the Supervisory Committee of the Barbados Co-operative & Credit Union League Ltd. Mr. Kelvin Whittaker was currently the Chairman of the Board of Co-operators General Insurance Co. Ltd.
- 9.1.8 After being suspended since 2019 due to the COVID-19 Pandemic, the Julie Alleyne 11-Plus Awards was held during the year where fifteen students were awarded prizes for successfully completing the Barbados Secondary School Entrance Examination. Ms. Julie Alleyne was recognized as a visitor at the Annual General Meeting.
- 9.1.9 The President reported that the buildings at the Horse Shoe Manor site were evaluated by an en-

gineer, in the presence of representatives from the Barbados National Trust and were found to be structurally unsound. Further reports from the Barbados National Trust would inform the decision regarding the next steps.

9.1.10 The President extended thanks to the members of staff for their contribution to the Credit Union during the year under review. Heartfelt thanks was also extended to the members for the continued patronage and partnership.

9.1.11 Mr. Anderson Henry queried whether there was any policy directive with regards to the Pearls Ratio. The President responded that only two of the requirements were met during the year since the other requirements were directly associated with loans growth and net growth of the organization. She reminded that the delinquency rate had decreased from 11% to 8.4% during the year under review, although members were still recovering from the COVID-19 fallout. She concluded that the loans growth needed to increase to meet the necessary requirements.

9.1.12 A motion was moved by Mr. Anderson Henry and seconded by Mr. Malcolm Mayers, for the adoption of the Board Report. The motion was unanimously carried.

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

9.2.1 On invitation of the President, Mr. Drayton Carter of Drayton J. Carter & Co., was invited to present the Auditor's report which was found on page 30 to 33 of the Annual Report. Mr. Carter reported that the financial statements presented fairly, in all material respects, the financial position of the Light & Power Employees Co-operative Credit Union Ltd. as at December 31, 2022 in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Co-operatives Societies Act and its accompanying regulations.

9.2.2 A motion was moved by Mr. Reginald Parris and seconded by Mr. Anderson Henry, for the adoption of the Auditor's report and Financial Statements. The motion was carried.

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

9.3.1 On invitation of the President, Assistant Treasurer, Mr. Erwin Jones presented the Treasurer's Report and Financial Statements, in the absence

of the Treasurer, Mrs. Tracia Seifert-Licorish. The report was found on page 60 to 61 of the Annual Report.

9.3.2 A motion was moved by Ms. Gloria Grant and seconded by Mr. Reginald Parris, to take the report as read. The motion was unanimously carried.

9.3.3 Mr. Jones reported that the overall performance for the year under review was recorded as flat with minimal growth through the period. He made the following highlights:

- Net surplus was \$0.33 million, a decline of 11.55% from \$0.37 million the previous year.
- The major revenue earners were loan interest with a marginal increase of \$0.03 million or 1.3% to \$2.04 million compared to \$2.02 million in the previous year. Also investment income which added \$0.5 million to the bottom line, compared to \$0.37 million the previous year.
- Expenses increase to \$2.28 million compared to \$2.08 million in the previous year, an increase of \$0.2 million or 9.62%. This was due to a rise in operational cost.
- Information Technology costs continued to increase as the Credit Union explored more efficient IT solution to better serve its members.
- Total loans increased by \$0.7 million or 3.2% to \$27.81 million from \$27.11 million in the previous. The Line-of-Credit was the fastest growing instrument in this category.
- The Credit Union was considering further reducing interest rates and eligibility criteria to make loans more attractive to members. Also being considered was employing the risk-based lending approach allowing the use of variable interest rates.

9.3.4 Mr. Anderson Henry queried which credit unions discussions were being held with, regarding possible mergers. Mr. Jones declined to share that information as negotiations were still ongoing. He shared that information was being reviewed to determine whether there was a suitable fit.

9.3.5 Ms. Bonita Medford requested that the Annual Reports be distributed in a more timely manner. Mr. Jones reminded members that the financial statements were available on line approximately

one month prior to the Annual General Meeting.

9.3.6 Ms. Medford made reference to page 58 of the Annual Report where the increase in office expenses was queried Mr. Jones noted that advertising and marketing expenses were also included in that category. He added that the Credit Union employed a marketing firm for support in the marketing efforts in addition to the implementation of pop-up shops.

9.3.7 In response to a query on investments, Mr. Jones informed that the Credit Union made a \$1 million investment in Barbados Workers Union Credit Union, \$1.2 million in Sagicor Funds Inc: Select Growth Fund, Preferred Income and Global Balance Fund and also \$1 million in Ansa Merchant Bank.

The information on investments was found on page 48 and 49 of the Annual Report.

9.3.8 A motion was moved by Mr. Anderson Henry and seconded by Mr. Pedro Lawrence, for the adoption of the Treasurer's Report and Financial Statements. The motion was unanimously carried.

#### **9.4 Supervisory Committee Report**

9.4.1 On invitation by the President, Chairman of the Committee, Mr. David Lawrence, presented the report, found on page 62 to 63 of the Annual Report.

9.4.2 A motion was moved by Mr. Kelvin Whittaker and seconded by Mr. Reginald Parris to take the report as read. The motion was unanimously carried.

9.4.3 Mr. Lawrence informed that there was one complaint during the year under review which had not been rectified as yet as investigations were still ongoing.

9.4.4 A motion was moved by Mr. Malcolm Mayers and seconded by Ms. Keisha Morris for the adoption of the Supervisory Report. The motion was carried.

9.4.5 Mr. Lawrence thanked the members of the Committee for their support during the year.

9.4.6 Mr. Lionel Maxwell requested the nature of the complaint. Mr. Lawrence revealed that a member thought that the stipulations put to their loan were unacceptable. The stipulations had since been removed.

9.4.7 Mr. Lawrence also thanked the members and staff and also the Board of Directors for the assistance handed down to the Committee.

#### **9.5 Credit Committee Report**

9.5.1 On invitation of the President, Secretary of the Credit Committee, Mr. Rommell Cumberbatch, presented the report in the absence of the Chairman, Mr. Corey Shockness, which was found on page 64 of the Annual Report.

9.5.2 Mr. Cumberbatch reported that during the year under review, the Credit Committee approved 324 loans an increase of 38 loans compared to the previous year.

9.5.3 A motion was moved by Ms. Cindy Callender and seconded by Ms. Bernadine Daniel, to take the report as read. The motion was carried.

9.5.4 Mr. Cumberbatch thanked fellow Committee members, Mr. Corey Shockness, Ms. Andrea Edey and Mrs. Cindy Callender for their dedication and support during the year. He also thanked the membership for affording them the opportunity to serve the Credit Union.

9.5.5 A motion was moved by Ms. Janiel Yearwood and seconded by Ms. Hazelana Mason for the adoption of the Credit Committee report. The motion was carried.

#### **9.6 Delinquency Committee Report**

9.6.1 The report was presented by Mr. Rommell Cumberbatch and was found on page 66 of the Annual Report.

9.6.2 Mr. Cumberbatch reported that 72 loans remained delinquent at year-end totaling \$2,440,716, a reduction of \$866,992 from the previous year. Seven delinquent loans were fully repaid during the period.

9.6.3 A total of \$685,745.56 was received in repayments towards delinquent loans during the year under review.

- 9.6.4 A motion was moved by Mr. Kelvin Whittaker and seconded by Mr. Wade Dottin for the report to be taken as read. The motion was carried.
- 9.6.5 There being no questions or concerns being posed at the meeting, a motion was moved by Mrs. Cindy Callender and seconded by Mr. Anderson Henry for the adoption of the Delinquency Committee Report. The motion was carried.
- 10. ALLOCATION OF SURPLUS**
- 10.1 On the invitation of the President, Assistant Treasurer, Mr. Erwin Jones made the proposal for the Allocation of Surplus.
- 10.2 Mr. Jones proposed an interest payment of 1% on members' secondary shares for the second half of the financial year.
- 10.3 Mr. Jones also made a proposal for 20% interest to be paid on permanent shares.
- 10.4 Manager of the Credit Union, Mr. Eric Trotman made a clarification that the 1% interest on secondary shares had already been allocated to members' account during the second half of the financial year in addition to the 0.5% that was allocated during the first half of the year, giving a total of 1.5% interest allocation. The dividend payment of 20% in the amount of approximately \$38,880, was now being proposed for member ratification.
- 10.5 Mr. Victor Callender asked for clarification regarding the Allocation Surplus. Mr. Trotman reiterated that the 1.5% interest was already allocated and paid for the period 2021-2022.
- 10.6 The proposal for 20% allocation was moved by Mr. Victor Callender and seconded by Ms. Gloria Grant. There were 46 votes in favour, none against and 1 abstention. The motion was therefore carried.
- 11. ELECTION OF OFFICERS**
- 11.1 The President handed over the meeting to the Credentials Committee, chaired by Mrs. Samantha Hazlewood-Ermay.
- 11.2 Mrs. Hazlewood-Ermay presented the report on behalf of fellow members Ms. Gloria Grant and Mr. Malcolm Mayers.
- 11.3 She reported that there were 2 vacancies on the Board of Directors for which four applications were received, namely Mr. Anderson Henry, Mr. Erwin Jones, Mr. David Knight and Mr. David Lawrence.
- 11.4 There were 3 vacancies on the Supervisory Committee with one application from Mr. Wade Dottin.
- 11.5 There were two vacancies on the Credit Committee with only one application received from Mr. Wade Dottin.
- 11.6 Mrs. Hazlewood-Ermay, on behalf of the Credentials Committee, proposed that the order of the elections be changed to Board of Directors, Credit Committee followed by the Supervisory Committee.
- 11.7 The President then handed the meeting over to the Chairman of Elections, Mr. Victor Callender.
- 11.8 Mr. Callender expressed disappointment that there was only one nominee for the Credit Committee who was also the nominee for the Supervisory Committee.
- 11.9 Two positions were declared vacant on the Board of Directors, namely, Ms. Gloria Grant and Mr. Erwin Jones who were both eligible for re-election.
- 11.10 Candidates for the Board of Directors were:
- Mr. Anderson Henry
  - Mr. Erwin Jones
  - Mr. David Knight, and
  - Mr. David Lawrence
- 11.11 Voting was tabulated both digitally and physically with the assistance of Mr. Lionel Maxwell, Mr. Ricardo Moore and Mr. Malcolm Mayers.
- 11.12 As a result of voting, the following persons were duly elected to serve on the Board of Directors 2023- 2024:
- Mr. Erwin Jones
  - Mr. David Lawrence
- 11.13 Mr. Wade Dottin was the sole candidate for the Credit and Supervisory Committee. Mr.

Dottin was therefore asked to decide which Committee he wished to serve.

11.14 Mr. Anthony Inniss from Lifetime Co-operative Credit Union and the BCCULL, clarified that based on the order of Committees, Mr. Dottin would automatically fall as the nominee to the Credit Committee as it was the first Committee in order of elections. Once elected and Mr. Dottin chose not to sit on the Credit Committee, the Board would appoint a suitable member to sit on the Credit Committee. Similarly, the Supervisory Committee must meet and choose a candidate to serve on that Committee as the Board could not legally make that decision.

11.15 Mrs. Cindy Callender queried why the order of Committees was changed and whether it was legal. The President reminded that it was a recommendation from the Credentials Committee, given the scope of responsibility given to the Committee. She also confirmed that it was legal. Mrs. Callender also expressed disappointment at the lack of persons interested in serving on the Committees. She suggested that the Board appoint a Committee with the role of encouraging members to serve.

11.16 Ms. Julie Alleyne thought that the Credentials Committee would search and select persons to sit on the Committees rather than waiting for persons to come forward. Mr. Callender reminded that there was a vetting process done prior to voting in a member. Ms. Alleyne suggested that the candidates be introduced to the members prior to the election process. It was confirmed that the nominated candidates were previously advertised on the organization's social media sites.

11.17 Mr. Victor Callender informed that the Board would convene a meeting to choose someone to sit on the Credit Committee while the Supervisory Committee would meet to fill the two vacancies.

11.18 Mr. Reginald Parris explained that the vacancies were advertised for some time, however, due to the time-consuming nature of the roles, persons declined the nominations.

11.19 Mr. Callender thanked the members for affording him the opportunity to serve in the election process.

11.20 The President thanked Mr. Callender for his service and encouraged members to volunteer for the positions on the Board and Committees with a view of learning and also assisting the organization.

11.21 Mrs. Cindy Callender noted the aging membership of the Credit Union. She suggested a drive to invite younger members to join the Credit Union so that they can eventually volunteer for the necessary positions. She added that the time of the AGM should be moved to 3:00 p.m. going forward.

## **12. RESOLUTIONS**

12.1 There were no Resolutions laid before the Annual General Meeting.

## **13. APPOINTMENT OF EXTERNAL AUDITORS**

13.1 The Board recommended the appointment of Drayton J. Carter & Co. as auditors for the financial year ending 2023.

13.2 The motion for the appointment of Drayton J. Carter & Co. to be re-appointed as auditors for the ensuing year was moved by Mr. Victor Callender and seconded by Mrs. Paula Palmer. The motion was carried.

13.3 Mr. Drayton Carter accepted the appointment.

13.4 Mr. Carter added that when persons see the challenges that arise from what a lack of attention creates, persons would pay more attention and should be more willing to volunteer for the protection of members' funds.

## **14. SETTING OF THE MAXIMUM LIABILITY**

14.1 The Board recommended that the Maximum Liability remain at \$25 million.

14.2 A motion was moved by Mr. Anderson Henry and seconded by Mr. Victor Callender for the Maximum Liability to remain at \$25 million for the ensuing year. The motion was carried.

**15. ANY OTHER BUSINESS**

15.1 Mrs. Jacqueline Mason-Todd queried why members were unable to access funds after hours in light of the technological upgrades. The President informed that ATM and card services was extremely costly, thereby the need to contemplate mergers with other credit unions. The President made a commitment that discussions would resume regarding the use of card services. She reminded that the Credit Union facilitated online transfers once a message was sent with the details.

15.2 Mr. Willis Hall queried why shared services was not encouraged in order to curb the high cost of each credit union having its own ATM services. The President noted the comments.

15.3 Mrs. Cindy Callender called for the reintroduction of the Education Committee as she thought it would assist members in understanding the role of the various Committees, thereby encouraging them to volunteer to serve. The President confirmed that the process had already started on the Credit Union’s Instagram and Facebook pages.

15.4 Mrs. Bernadine Daniel, assisted by the President, presented tokens of appreciation to the following Officers who demitted office during the period under review:

- Ms. Gloria Grant – Credit Committee (4 years), Board of Directors (3 years)
- Mr. David Lawrence – Supervisory Committee (6 years)
- Ms. Kimoi Jones – Supervisory Committee (3 years)
- Ms. Shanice Licorish – Supervisory Committee (1 year)
- Mr. Rommell Cumberbatch – Credit Committee (2 years)
- Mrs. Cindy Callender – Credit Committee (7 years) Board of Directors (3 years)

15.4.1 Mr. Reginald Parris presented Tokens of Appreciation to the Credentials Committee as follows:

- Ms. Gloria Grant
- Mrs. Samantha Hazlewood- Ermay
- Mr. Malcolm Mayers

15.4.2 Mr. Victor Callender received a Token of Appreciation for his contribution as Chairman of Elections.

15.5 A door prize of a \$100 savings voucher, presented by Ms. Keisha Morris, was won by:

- Ms. Julie Alleyne
- Mr. Colin Holder
- Ms. Candace Daniel
- Ms. Shermaine Bynoe
- Ms. Sandra Holder
- Mr. Malachi Hazlewood, and
- Mr. Trey Licorish

**16. VOTE OF THANKS**

16.1 The Vote of Thanks was delivered by Ms. Allana Goodridge.

16.2 The President invited the newly elected Officers to take the oath of office.

**17. TERMINATION**

17.1 There being no further business for discussion, the President declared the 40<sup>th</sup> Annual General Meeting terminated at 4:07 p.m.

17.2 The President then invited everyone present to remain for refreshments.



**Keisha Morris**  
Secretary

# ATTENDANCE

## AT THE 40th ANNUAL GENERAL MEETING

### MEMBERS

- |                              |                           |
|------------------------------|---------------------------|
| 1. ALLEYNE Jeanette          | 40. HOLDER Colin          |
| 2. ALLEYNE Julie             | 41. HOLDER Sandra         |
| 3. ARCHER Nneka              | 42. HOLDER Wendell        |
| 4. BANCROFT Glendeen         | 43. JONES Erwin           |
| 5. BLACKMAN Paul             | 44. JONES Kimoi           |
| 6. BLADES-JONES Janna        | 45. JORDAN Linda          |
| 7. BRADSHAW Veldene          | 46. KIGN May              |
| 8. BYNOE Shermain            | 47. LAWRENCE David        |
| 9. CALLENDER Ariyon          | 48. LAWRENCE Pedro        |
| 10. CALLENDER Cindy          | 49. LICORISH Curtis       |
| 11. CALLENDER Jerry          | 50. LICORISH Trey         |
| 12. CALLENDER Leslie         | 51. MARKS Roxanne         |
| 13. CALLENDER Suzanne        | 52. MASON Hazelana        |
| 14. CALLENDER Tony           | 53. MASON-PILE Jackie     |
| 15. CALLENDER Victor         | 54. MAXWELL Lionel        |
| 16. CALLENDER Zayden         | 55. MAYERS Malcolm        |
| 17. CLARKE Harriet           | 56. MAYERS-GODDARD Cheryl |
| 18. COPPIN James             | 57. MEDFORD Bonita        |
| 19. CUMBERBATCH Rommel       | 58. MOORE Ricardo         |
| 20. DANIEL Bernadine         | 59. MORRIS Keisha         |
| 21. DANIEL Candace           | 60. NILES-MAPP Rhe-Ann    |
| 22. DASH-BRATHWAITE Maylene  | 61. PALMER Paula          |
| 23. DOTTIN Wayde             | 62. PARRIS Reginald       |
| 24. EDWARDS Sheena           | 63. PAYNE Khalil          |
| 25. FENTY Uylesses           | 64. PILE James            |
| 26. FITT Hugh                | 65. PILE-WORRELL Jennifer |
| 27. FORDE Sandra             | 66. POPE-LAWRENCE Carla   |
| 28. GITTENS Trevor           | 67. REIFER Ria-Ashlee     |
| 29. GOODRIDGE Allana         | 68. ROACH Hamilton        |
| 30. GOODRIDGE Shern          | 69. SEIFERT Curt          |
| 31. GRANT Gloria             | 70. TAYLOR Demario        |
| 32. GRIFFITH Joan            | 71. THOMPSON Roger        |
| 33. HALL Willis              | 72. TROTMAN Eric          |
| 34. HARRIS Yvette            | 73. TROTMAN Wesley        |
| 35. HAYNES Grantley          | 74. WALCOTT Maureen       |
| 36. HAZLEWOOD Malachi        | 75. WALCOTT Willoughby    |
| 37. HAZLEWOOD-ERMAY Samantha | 76. WARD Bentley          |
| 38. HENRY Anderson           | 77. WHITTAKER Kelvin      |
| 39. HOLDER Charles           | 78. WILKINSON-BRADSHAW C  |
|                              | 79. YEARWOOD Janiel       |

**ATTENDANCE**  
AT THE 40th ANNUAL GENERAL MEETING

**VISITORS**

1. CADOGAN Michael D – Advocate
2. CARTER Drayton – Drayton J Carter
3. CORBIN Carlton
4. CORBIN Janine
5. CORBIN Maxine
6. GIBBS Stevenson
7. HAYNES Hally – Barbados Police Co-operative Credit Union
8. INNIS Anthony – Lifetime Co-operative Credit Union Ltd
9. INNIS Mary – Lifetime Co-operative Credit Union Ltd
10. JONES Keith – Bartel Co-operative Credit Union Ltd
11. LOVELL Anton – Co-operators General Insurance Company Ltd
12. TEMPRO Vincent – Temprow Photographic Services

## TENURE OF OFFICE – 2024

Position	Name	Remaining Years
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### BOARD OF DIRECTORS

President	Sheena Edwards	Resigned – eligible for election
Vice-President	Reginald Parris	1 year
Secretary	Keisha Morris	1 year
Treasurer	Tracia Seifert-Licorish	1 year
Assistant-Secretary	David Lawrence	2 years
Assistant-Treasurer	Erwin Jones	2 years
Member	Kelvin Whittaker	Nil – eligible for re-election

### SUPERVISORY COMMITTEE

Chairperson	Rhe-Ann Niles-Mapp	1 year
Secretary	Allana Goodridge	1 year
Member	Joan Griffith	Nil (Appointed) – eligible for election
Member	Carla Pope-Lawrence	Nil (Appointed) – eligible for election
Member	Lionel Maxwell	Nil (Appointed) – eligible for election

### CREDIT COMMITTEE

Chairperson	Wayde Dottin	2 years
Secretary	Corey Shockness	Nil – eligible for re-election
Member	Pedro Lawrence	Nil (Appointed) – eligible for election

## THE BOARD OF DIRECTORS



Reginald Parris  
President (Ag.)



Keisha Morris  
Secretary



Tracia Seifert-Locorish  
Treasurer



David Lawrence  
Assistant Secretary



Erwin Jones  
Assistant Treasurer



Kelvin Whittaker  
Member

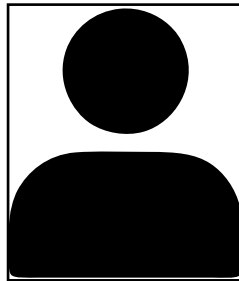
## SUPERVISORY COMMITTEE



Rhe-Ann Niles-Mapp  
Chairperson



Allana Goodridge  
Secretary



Carla Pope-Lawrence  
Member



Joan Griffith  
Member

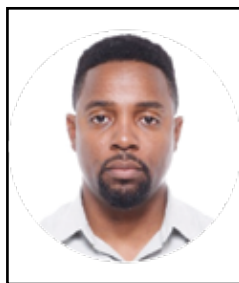


Lionel Maxwell  
Member

## CREDIT COMMITTEE



Wayde Dottin  
Chairperson



Corey Shockness  
Secretary



Pedro Lawrence  
Member

# CREDIT UNION STAFF

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Andrea Marshall-Harris  
Operations Manager



Hazelana Mason  
Accountant



Bernadine Daniel  
Member Services  
Supervisor



Ria-Ashlee Reifer  
Administrative Assistant  
to the  
Credit Union Manager



Sophia Boyce  
Assistant Accountant



Paul Blackman  
Accounts Clerk



Ricardo Moore  
Credit Officer



Roxanne Marks  
Member Services  
Representative



Malcolm Mayers  
Member Services  
Officer

# THE REPORT OF THE BOARD OF DIRECTORS

## For The Year Ending December 31, 2023

### Introduction

The Board of Directors of the Light & Power Employees' Co-operative Credit Union Limited (LPECCUL) take this time to report on another year of favourable performance. It is with much appreciation that we extend gratitude to all shareholders for their contribution towards a commendable financial year ended December 31, 2023. Given the challenges and obstacles we had throughout the year, the credit union rebounded through a dedicated team of staff and volunteers determined to fulfill our mission statement "Committed to total member satisfaction". At LPECCUL we continue to adapt and modify at all stages and aspects throughout the organisation in order to efficiently meet the needs of you, our members-owners.

The Barbadian economy has reported growth of 4.5% and the Governor Mr. Greenidge, of the Central Bank of Barbados expects it to continue on an upward trend over the next financial year, where the unemployment rate reached below pre-pandemic levels at 8.5%, higher job growth and lower international fuel prices contributed to the country's economic performance. However, the rising consumer price index (CPI) that was recorded at the end of year as 115.1, directly affects the inflation rate, and according to national statistics Barbados' inflation rate stands at 4.8%, resulting in increased commodity prices across the island. The continued increased food prices will further have a negative impact on our members' spending power and their credit habits. With a decline in the labour force participation rate, this indicates that there is a higher retirement demographic in Barbados, another reason why the Board's focus is on building a sustainable and resilient credit union through increased target marketing to the 35 year and under demographic as we look towards the next 40 years.

LPECCUL will be celebrating forty years as a registered financial cooperative society in January 2024, and it must be noted that this was not an easy feat. We have maintained a financially sound, reliable and trustworthy organisation, that our members have grown to depend on. Having seen the evidence of this trust through record-high levels of increased membership numbers, where we saw 67 new members-owners join our family for 2023 compared to 23 in 2022 and 18 during 2021.

### Financial Performance Highlights

At the end of the financial year 2023, our assets grew by 4.2% when compared to prior year's growth of 4%. This brought total assets to \$64.9 million, representing an additional \$2.7million. The two main contributors to this growth are cash balances increased by \$1.9million totaling \$7.8 million and the loans portfolio grew by \$1.05 million totaling \$28.8 million, a marginal improvement to prior year's total of \$27.8 million.

Net Operating Income before fair value reclassification reached \$0.444 million a 36.2% increase from prior year. After reclassification it totalled \$0.625 million or a 73.7% increase, one of the largest growth spikes recorded in the past three years.

Interest from loans increased by 7.9% to a total of \$2.2 million, a steady growth over the past three years. Investment income recorded \$0.539 million or a 16.7% increase from prior year's total of \$0.461 million.

The provision for loan losses declined by \$0.025 million from 2022 level and is recorded at \$0.413 million. We continue to closely monitor & manage our delinquent accounts and make the necessary efforts to work with our members during the challenging times they may face.

Growth in members' holdings deposits increased by \$1.5 million or 278.9% to reach \$25.4 million, the main contributor to this was our savings deposits product that grew by \$2.1 million during the period under review. Our capital adequacy remains above the regulated requirement standing at 15.42% ratio or \$10 million.

### Governance and Compliance

The Board of Directors continues to provide prudent attention to the operations of the credit union and by doing this the committee is guided by established corporate governance policy and the Co-operative Principles. The Board held regular meetings during the period under review to manage the business of the credit union. Board and management attended Corporate Governance training facilitated by the Barbados Co-operative & Credit Union League Ltd and the Financial Services Commission.

<b>Attendance for the Period January 01 to April 21 2023</b>				
<b>DIRECTOR</b>	<b>POSITION</b>	<b>MEETINGS</b>	<b>ATTENDED</b>	<b>EXCUSED</b>
Sheena Edwards	President	10	9	1
Reginald Parris	Vice President	10	10	
Keisha Morris	Secretary	10	8	2
Tracia Seifert-Licorish	Treasurer	10	9	1
Gloria Grant	Asst. Secretary	7	4	3
Erwin Jones	Asst. Treasurer	7	5	2
Kelvin Whittaker	Director	7	6	1

<b>Attendance for the Period April 23 to October 17 2023</b>				
<b>DIRECTOR</b>	<b>POSITION</b>	<b>MEETINGS</b>	<b>ATTENDED</b>	<b>EXCUSED</b>
Sheena Edwards	President	13	11	2
Reginald Parris	Vice President	13	13	
Keisha Morris	Secretary	13	12	1
Tracia Seifert-Licorish	Treasurer	13	11	2
David Lawrence	Asst. Secretary	13	13	
Erwin Jones	Asst. Treasurer	13	13	
Kelvin Whittaker	Director	13	7	6

<b>Attendance for the Period October 18 to December 31 2023</b>				
<b>DIRECTOR</b>	<b>POSITION</b>	<b>MEETINGS</b>	<b>ATTENDED</b>	<b>EXCUSED</b>
Reginald Parris	President (Actg)	4	4	
Keisha Morris	Secretary	4	4	
Tracia Seifert-Licorish	Treasurer	4	3	1
David Lawrence	Asst. Secretary	4	4	
Erwin Jones	Asst. Treasurer	4	4	
Kelvin Whittaker	Director	4	2	2

Wiltshire Consultancy International Inc. continued as the contracted entity to provide compliance services to the credit union during the year. The Financial Services Commission during the year under review published Corporate Governance Guideline that took effect on November 20, 2023. This framework looks to aid the movement in providing strong governance & effective oversight for the overall management of its operations. The guideline addressed the need to have independent directors, the duties & structure of an efficient Board, the nature of risk management and having additional committees such as audit and risk committee with qualified individuals attached to each.

At the end of the year, the RDD project remains ongoing as we look to have all members update their personal information, as is a requirement by both international and local regulators. We urge the remaining 30% of the membership that are non-compliant to reach out to the office or they can find the necessary forms on our website for download and completion.

#### **Human Resource**

During the year, we had one of our long-standing team members of sixteen years, Sis. Harriet Clarke retired mid year. Sis. Harriet has been a reliable and dedicated member of staff over the years and have made valuable contributions to the credit union. We extend to her, our deepest gratitude and wish her well on the next phase of her journey. We said farewell to Bro. Eric Trotman and wish him well in his future endeavors. Amidst the organisational changes, we employed a temporary staff – Miss Leanna Lynch to assist where needed. She has proven to be a valuable addition to the organisation during her time.

#### **Training & Education**

Ongoing skill and education enhancement forms one of the credit union's core pillars. And as such, worthwhile training opportunities are undertaken to achieve that goal. During the year, officers and staff participated in various sessions conducted in the following areas:

- Anti-Money Laundering/ Countering Financing of Terrorism & Proliferation Financing
- Corporate Governance
- Cyber Security
- Data Privacy
- Loan Underwriting
- Credit Risk Management
- Delinquency and Debt Collection
- Suspicious Activity Reporting
- SM – Strategy from Planning to Report
- Customer Service
- Communications

Sis. Keisha Morris and Tracia Seifert-Licorish of the Board of Directors and Sis. Ria-Ashlee Reifer from staff attended the Caribbean Development Education Program (CaribDE) held in St. Kitts & Nevis this year.

### **Sector Matters**

The movement has seen a reasonably good performance during the year. Reporting growth in membership of 3%, assets of 3.42% and loans of 3.33%. The sector crossed the \$2 billion levels by reaching \$2.75 billion in loans for the year. The sector has remained at high levels of liquidity during the year despite the increase in loans, where the industry is below the required loan savings ratio.

The introduction of card services for small and medium size credit unions being led by the Barbados Credit Union League appears stalled at this stage, as the service provider continues to face some challenges in bringing the project to fruition.

The theme for International Credit Union (ICU) Day this year was “Global Connections”. The LPECCUL joined the ICU celebration by providing health checks and treats to the members that came into the office.

Bro. Erwin Jones continues to represent the credit union as a member of the Board of Directors of the Barbados Co-operative & Credit Union League Ltd. Bro. Kelvin Whitaker has been selected as the Chairman of the Board of the Co-operative General Insurance Co. Ltd for another year.

Co-op Energy continues to engage the Board and the membership with a proposal as an additional investment opportunity having participated in an informative forum held end in the fourth quarter of the year. We look forward to additional talks with the team of Co-op Energy to ensure that our members are provided with adequate details to make an informative decision.

### **Youth Development**

In keeping with our annual summer internship programme, we welcomed two interns Dara Griffith and Shanice Smith

providing them the opportunity to learn the operations of the credit union. This opportunity lends to their studies at the University of the West Indies -Cave Hill campus. They made a valuable contribution during their tenure.

Our Educational Awards was greatly attended this year, providing achievement recognition to those in the Julie Alleyne Eleven Plus Awards group and also the sole recipient of the Trevor Browne Scholarship was. Seventeen junior members successfully completed the Barbados Secondary School Entrance Examination, whereas Shemariah Brathwaite received the scholarship award.

### **Property Management**

In the third quarter of 2023, the Bush Hill property which is the location of our headquarters received extensive environmental maintenance to ensure the health and safety of staff and members. Collymore Rock received maintenance as required to provide safe conditions for our tenants. Both properties – Bush Hill and Collymore Rock will receive reconstructive works in the new financial year as we enhance our brand and foster an environment that promotes growth, business and success.

There has been no change to the status of the Horseshoe Manor property, however, we expect to make some progress in the not so distant future.

### **Membership**

As mentioned earlier, sixty-seven persons became members-owners during the year, this growth brought the overall membership to 2,011, a 291% increase from previous year.

In the fourth quarter of 2023 we embarked on new marketing initiatives to bring awareness to the credit union. This included membership and loans pop-ups held at our headquarters and also in the Barbados Light & Power CO. Ltd Carpark. We hosted two vehicle and one mortgage loan pop-ups, promoted on our social media platforms and on two radio stations (Slam FM, Hitz FM). These events were moderately attended but received good feedback and brought increased awareness to our brand that extended beyond the initiative. Our social media consultant assisted us in the development of our very own jingle, which was introduced on various radio stations from October 2023.

Additionally, the credit union hosted a Christmas market targeted to small business owners/entrepreneurs for both members and non-members, this received a good turnout with stalls varying from plants and garden supplies, pastries, food, jewelry, juices and clothing – children and general. Persons in attendance ranged from individuals, mother & daughter, a charity and also a group of young individuals attached to the Youth Entrepreneurship Scheme.

The Christmas Market will be added as a staple to our calendar of events going forward as we continue to invest and promote our small business owners. Positioning members to increase their income generating opportunities.

Barbados National Oil Company Limited (BNOCL) extended an invitation to attend their open day, allowing LPECCUL to bring awareness to our brand and products & services via a membership drive. The initial event was not as fruitful as expected, however, it produced a strategic partnership with the potential for membership growth and new business.

Condolences are extended to the relatives and colleagues of the dearly departed who moved on to a higher calling during the year.

### **Outlook**

As we look to celebrate our 40th year, we are encouraging members to embrace our schedule of activities and events. We at LPECCUL will continue to work towards building a sustainable and dynamic financial organisation with the focal point being our members-owners. With a commitment to creating an environment that fosters change, efficiency and innovation, the Board will continue to review and update the credit union's policies, practices and systems regularly, whilst keeping up-to-date with any regulatory changes and requirements. As the Board of LPECCUL, our main function is to ensure that the credit union is soundly has committed to improving its corporate governance stance to ensure that the credit union is prudently and soundly managed.

### **Acknowledgements**

The Board of Directors would like to express our thanks and appreciation to the esteemed volunteer officers of the Credit, Supervisory, Human Resources and Marketing, Membership & Education Committee and the entire staff for their contribution to the organisation throughout the year 2023.

The Board of Directors, Management and Staff of the Light & Power Employees Co-operative Credit Union Ltd. extends their gratitude to our valued members, for your continued patronage and trust in us as your financial provider.



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**Reginald Parris**

President (Ag)  
Board of Directors

## The Light & Power Employees Co-operative Credit Union Limited PEARLS Analysis

Pearls is an analysis of a Credit Union's performance. PEARLS is the acronym for Protection, Earnings, Asset Quality, Rate of Growth, Liquidity and Structure. Following is a comparison of our position as represented by the PEARLS analysis for the period ended December 2023 as compared to December 2022.

Description	Ratios	December	<i>Pearls</i>	December	<i>Pearls</i>	Pearls Benchmark
		2023	<i>Attained</i>	2022	<i>Attained</i>	
<b>Capital/Total Assets</b> <i>A measure of the Credit Union's ability to absorb losses</i>	<u>Capital</u> Total Assets	9,888,015 64,951,630	<b>15.22%</b>	9,382,126 62,296,794	<b>15.06%</b>	8% or greater
<b>Net Income/Average Assets</b> <i>Measures the Credit Union's ability to generate capital.</i>	<u>Net Income</u> Average Assets	625,080 63,624,212	<b>0.98%</b>	359,784 61,599,847	<b>0.58%</b>	1% or greater
<b>Operating Expense/Income</b> <i>Measures the Credit Union's ability to generate capital.</i>	<u>Operating Exp.</u> Total Income	2,010,084 2,797,397	<b>71.86%</b>	1,855,703 2,605,926	<b>71.21%</b>	50% or less
<b>Net Loans/Total Assets</b> <i>Indicates the Credit Union's ability to meet short-term cash obligations.</i>	<u>Net Loans</u> Total Assets	28,868,187 64,951,630	<b>44.45%</b>	27,813,394 62,296,794	<b>44.65%</b>	70% to 80%
<b>Net Loans/Savings</b> <i>Indicates the Credit Union's ability to meet short-term cash obligations.</i>	<u>Net Loans</u> Savings	28,868,187 53,899,022	<b>53.56%</b>	27,813,394 51,747,369	<b>53.75%</b>	70% to 85%
<b>Delinquent Loans/Total Loans</b> <i>Indicates the quality of the loan portfolio.</i>	<u>Delinquent Loans</u> Total Loans	2,288,253 29,281,420	<b>7.81%</b>	2,440,716 28,251,477	<b>8.64%</b>	5% or less
<b>Non-earning Assets/Total Assets</b> <i>A high ratio that will have an adverse effect on the Credit Union's profitability.</i>	<u>Non-Earning Assets</u> Total Assets	2,354,937 64,951,630	<b>3.63%</b>	2,804,193 62,296,794	<b>4.50%</b>	6% or less
<b>Savings Growth Rate</b> <i>Indicates the success of the Credit Union in providing services to its members.</i>	<u>Net Growth</u> P/Y Savings	2,151,653 51,747,369	<b>4.16%</b>	1,072,354 50,675,015	<b>2.12%</b>	10% to 20%
<b>Loan Growth Rate</b> <i>Indicates the success of the Credit Union in providing services to its members.</i>	<u>Net Growth</u> P/Y Loan Balance	1,054,793 27,813,394	<b>3.79%</b>	699,300 27,114,094	<b>2.58%</b>	8% to 15%

**The Light & Power Employees Co-operative  
Credit Union Limited**  
Report and Financial Statements  
December 31st, 2023  
(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.**  
**Chartered Accountants**

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## **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, 2023, 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, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) 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.



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**Drayton J. Carter & Co.**

**BARBADOS**

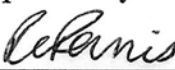
**April 23<sup>rd</sup>, 2024**

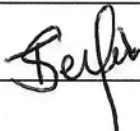
The Light & Power Employees Co-operative Credit Union Limited  
Statement of Financial Position  
As of December 31, 2023

	Notes	2023 \$	2022 \$
<b>Assets</b>			
Cash and bank balances	4	7,819,343	5,977,268
Accounts receivable	5	541,644	415,238
Due from affiliate		-	9,561
Investments	6	24,985,716	25,361,625
Loans to members	7	28,868,187	27,813,394
Investment property	8	798,986	822,113
Property, plant and equipment	9	1,937,754	1,897,595
<b>Total Assets</b>		<u>64,951,630</u>	<u>62,296,794</u>
<b>Liabilities and Members' Equity</b>			
Accounts payable	10	1,074,909	1,167,299
Due to affiliate		1,228	-
Demand deposits	11	25,443,346	23,939,752
		<u>26,519,483</u>	<u>25,107,051</u>
Non-qualifying shares	12	28,455,676	27,807,617
<b>Total Liabilities</b>		<u>54,975,159</u>	<u>52,914,668</u>
<b>Members' Equity (Pages 7 and 8)</b>			
Equity shares		201,100	194,400
Statutory reserves		5,356,940	5,356,450
Other reserves		2,251,763	2,071,333
Undivided surplus		2,166,668	1,759,943
<b>Total Members' Equity</b>		<u>9,976,471</u>	<u>9,382,126</u>
<b>Total Liabilities and Members' Equity</b>		<u>64,951,630</u>	<u>62,296,794</u>

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

Approved by the Board on April 23<sup>rd</sup>, 2024 and signed on its behalf by:

 Director

 Director

The Light & Power Employees Co-operative Credit Union Limited  
Statement of Income and Comprehensive Income  
Year ended December 31, 2023

	Notes	2023 \$	2022 \$
<b>Interest income</b>			
Loan interest		2,206,740	2,043,545
Other interest		1,390	2,134
		-----	-----
		2,208,130	2,045,679
		-----	-----
<b>Interest expense</b>			
Interest on deposits		156,794	156,367
Interest on non-qualifying shares		274,325	267,374
		-----	-----
		431,119	423,741
		-----	-----
<b>Net interest income</b>		1,777,011	1,621,938
<b>Other income</b>			
Rental income		42,638	42,638
Dividends received		66,946	38,511
Investment income		539,031	461,563
Other income		29,108	17,535
		-----	-----
<b>Net income after interest expense</b>		2,454,734	2,182,185
		-----	-----
<b>Expenses</b>			
Staff cost (Schedule 1)		793,169	884,850
Operating and administrative (Schedule 1)		725,190	578,800
Depreciation	8 & 9	118,484	128,552
Membership security		220,768	214,066
Meetings		169,421	136,724
(Decrease)\ increase in loss allowance on investments	6	(1,900)	6,040
(Decrease) in provision for credit losses	7	(24,850)	(98,577)
Youth community and social outreach		9,802	5,248
		-----	-----
<b>Total other expenses</b>		2,010,084	1,855,703
		-----	-----
<b>Net operating income for the year</b>		444,650	326,482
		=====	=====

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  
Year ended December 31, 2023

	Notes	2023 \$	2022 \$
<b>Net operating income for the year</b>		444,650	326,482
		-----	-----
<b>Items that will not be reclassified subsequently to profit and loss:</b>			
Fair value gain on investments in equity instruments designated as at FVTOCI	6	180,430	33,302
		-----	-----
<b>Other comprehensive income for the year</b>		180,430	33,302
		-----	-----
<b>Total comprehensive income for the year</b>		625,080	359,784
		=====	=====

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**  
**Year ended December 31, 2023**

		<b>Equity Shares</b>	<b>Statutory Reserve</b>	<b>Other Reserves</b>	<b>Undivided Surplus</b>	<b>Total</b>
<b>Balance at January 1, 2022</b>	\$	192,100	5,356,195	2,038,031	1,471,256	9,057,582
Net operating income		-	-	-	326,482	326,482
Other comprehensive gain		-	-	33,302	-	33,302
Net increase in share capital		2,300	-	-	-	2,300
Entrance fees & fines		-	255	-	-	255
Dividends paid		-	-	-	(37,795)	(37,795)
<b>Balance at December 31, 2022</b>	\$	<u>194,400</u>	<u>5,356,450</u>	<u>2,071,333</u>	<u>1,759,943</u>	<u>9,382,126</u>
<b>Balance at January 1, 2023</b>		194,400	5,356,450	2,071,333	1,759,943	9,382,126
Net operating income		-	-	-	444,650	444,650
Other comprehensive gain		-	-	180,430	-	180,430
Net increase in share capital		6,700	-	-	-	6,700
Entrance fees & fines		-	490	-	-	490
Dividends paid		-	-	-	(37,925)	(37,925)
<b>Balance at December 31, 2023</b>	\$	<u>201,100</u>	<u>5,356,940</u>	<u>2,251,763</u>	<u>2,166,668</u>	<u>9,976,471</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, 2023

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	2023	2022
	\$	\$
<b>Other reserves comprise:</b>		
Fair value reserves	2,251,763	2,071,333
	=====	=====

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

The Light & Power Employees Co-operative Credit Union Limited  
Statement of Cash Flows  
Year ended December 31, 2023

	2023	2022
	\$	\$
<b>Cash flows from operating activities</b>		
Net operating income for the year	444,650	326,483
Adjustments for non-cash income and expenses		
Depreciation	118,484	128,552
(Gain)/ loss on disposal of asset	(20)	5,297
Change in provision for credit losses	(24,850)	(98,577)
Loss allowance on impairment of financial assets	(1,900)	6,040
Changes in operating assets and liabilities:		
Increase in accounts receivable	(126,406)	(49,217)
Increase \ (decrease) in amounts due to affiliate	10,789	(9,561)
Decrease in accounts payable	(92,390)	(3,003)
	-----	-----
<b>Net cash from operating activities</b>	<b>328,357</b>	<b>306,014</b>
	-----	-----
<b>Cash flows from investing activities</b>		
Loans to members	(1,029,943)	(600,723)
Decrease \ (increase) in investments	558,239	(4,195,196)
Additions to property and equipment	(135,516)	(21,424)
Proceeds from sale of fixed asset	20	-
	-----	-----
<b>Net cash used in investing activities</b>	<b>(607,200)</b>	<b>(4,817,343)</b>
	-----	-----
<b>Cash flows from financing activities</b>		
Members' deposits	1,503,594	539,076
Non-qualifying shares	648,059	533,278
Share capital	6,700	2,300
Dividends paid	(37,925)	(37,795)
Entrance fees and fines	490	255
	-----	-----
<b>Net cash from financing activities</b>	<b>2,120,918</b>	<b>1,037,114</b>
	-----	-----
Net increase/(decrease) in cash and cash equivalents	1,842,075	(3,474,215)
Cash and cash equivalents, beginning of year	5,977,268	9,451,483
	-----	-----
<b>Cash and cash equivalents, end of year</b>	<b>7,819,343</b>	<b>5,977,268</b>
	=====	=====

## 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. 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 except for items carried at fair value.

New standards, amendments and interpretations mandatory for the first time for the financial year  
A number of new standards, amendments to standards and interpretations became effective during the current period but these did not have a material effect on the Society's financial statements. They are as follows:

- Amendments to IAS 1 - Classification of liabilities as current or non-current - effective January 1, 2023.
- Definition of Accounting Estimate (Amendments to IAS 8) - effective January 1, 2023.
- Income Tax Deferred Tax related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12) - effective January 1, 2023.
- IFRS 17 Insurance Contracts IFRS 17 Insurance Contracts (IFRS 17) is effective 1 January 2023.

### 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 and loss are recognized immediately in profit and 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. 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. 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. 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. 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.

## 2. Accounting policies *(continued)*

### Revenue recognition

Revenue is recognized on the accrual basis to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be measured reliably.

### 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

## 2. Accounting policies *(continued)*

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.

**The Light & Power Employees Co-operative Credit Union Limited**  
**Notes to the Financial Statements**  
**December 31, 2023**

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- 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**

	<b>2023</b>	<b>2022</b>
Cash holdings	\$ 158,795	176,565
Savings account	6,582,303	4,174,687
Current account	1,078,245	1,626,016
	-----	-----
	\$ 7,819,343	5,977,268
	=====	=====

The Society earned interest on its RBBL savings account at 0.0125% (2022: 0.0125%) during the financial year.

**5. Accounts receivable**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Trade receivables and accrued interest	242,663	139,327
Prepayments	77,572	92,270
Rent receivable	17,139	17,714
VAT refundable	204,270	165,927
	-----	-----
	541,644	415,238
	=====	=====

The Light & Power Employees Co-operative Credit Union Limited  
Notes to the Financial Statements  
December 31, 2023

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**6. Investments**

	<b>2023</b>	<b>2022</b>
	\$	\$
<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. (5,758 shares)	2,299,572	2,214,412
Co-operators General Management Co. Inc. (4,933 shares)	974,712	960,525
Insurance Corporation of Barbados (50,000 shares)	92,500	89,000
Sagicor Select Growth Fund	574,854	526,896
Sagicor Preferred Income Fund	267,689	254,398
Sagicor Global Balance Fund	558,170	519,766
	-----	-----
	4,903,261	4,700,761
	-----	-----
<b>Investment assets measured at amortised cost</b>		
Government of Barbados bonds series B	8,146,404	8,826,658
Term deposits	11,919,847	11,768,620
Mortgage loan	148,390	199,672
	-----	-----
	20,214,641	20,794,950
Loss allowance	(132,186)	(134,086)
	-----	-----
	20,082,455	20,660,864
	-----	-----
<b>Total Investments</b>	<b>24,985,716</b>	<b>25,361,625</b>
	=====	=====

The Light & Power Employees Co-operative Credit Union Limited  
Notes to the Financial Statements  
December 31, 2023

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**6. Investments** (continued)

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, 2022	Shares ac- quired	Unrealised gain/(loss)	Fair value at Dec 31, 2023
Co-operators General Management Co. Inc.	960,525	18,020	(3,833)	974,712
Co-operators General Insurance Co. Ltd.	2,214,412	-	85,160	2,299,572
Insurance Corporation of Barbados	89,000	-	3,500	92,500
Barbados Co-operative & Credit Union League Ltd.	59,370	-	-	59,370
Cable & Wireless (Barbados) Ltd	76,394	-	-	76,394
Sagicor Select Growth fund	526,896		47,958	574,854
Sagicor Global Balance fund	519,766		38,404	558,170
Sagicor Preferred Income Fund	254,398	4,050	9,241	267,689
<b>Total</b>	<b>4,700,761</b>	<b>22,070</b>	<b>180,430</b>	<b>4,903,261</b>

**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**  
**Notes to the Financial Statements**  
**December 31, 2023**

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

**Investments**

	<i>12-month Expected Credit Losses</i>		<i>Lifetime Expected Credit Losses</i>	
	<b>Term Deposits</b>	<b>Government Bonds-Other</b>	<b>Loans to other entities</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance as at 31 December 2021</b>	48,522	78,707	817	128,046
Increase (decrease) in allowances	37,462	(31,264)	(158)	6,040
<b>Balance as at 31 December 2022</b>	85,984	47,443	659	134,086
Increase (decrease) in allowances	1,925	(3,656)	(169)	(1,900)
<b>Balance as at 31 December 2023</b>	87,909	43,787	490	132,186
	=====	=====	=====	=====

The Light & Power Employees Co-operative Credit Union Limited  
Notes to the Financial Statements  
December 31, 2023

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**7. Loans to members**

	<b>2023</b>	<b>2022</b>
Loan portfolio	\$ 29,281,420	28,251,477
Expected credit losses	(413,233)	(438,083)
	<u>\$ 28,868,187</u>	<u>27,813,394</u>

	<i><b>12-month Ex- pected Credit Losses</b></i>	<i><b>Lifetime Expected Credit Losses</b></i>	<b>Total</b>
	<b>Loans to members</b>	<b>Loans to members</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance as at 31 December 2021</b>	113,866	422,794	536,660
(Decrease)\ increase in allowances	(28,038)	(70,539)	(98,577)
	<u>85,828</u>	<u>352,255</u>	<u>438,083</u>
<b>Balance as at 31 December 2022</b>	85,828	352,255	438,083
Increase\ (decrease) in allowance	7,482	(32,332)	(24,850)
	<u>93,310</u>	<u>319,923</u>	<u>413,233</u>
<b>Balance as at 31 December 2023</b>	<u>93,310</u>	<u>319,923</u>	<u>413,233</u>

The Society offers ordinary loans to members at rates varying from 5% to 8% (2022: 5% 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 (2022: \$25,000) at the interest rate of 15% (2022: 15%) per annum. Interest charged by the Society is computed on the reducing balance basis.

The Light & Power Employees Co-operative Credit Union Limited  
Notes to the Financial Statements  
December 31, 2023

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**8. Investment property**

	2023	2022
<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	545,842	522,715
Additions	23,127	23,127
	-----	-----
Balance at end	568,969	545,842
	-----	-----
Net book value	\$ 798,986	822,113
	=====	=====
Direct rental income from investment property	\$ 42,638	42,638
Operating expenses	(40,951)	(36,419)
	-----	-----
Net profit on investment property	\$ 1,687	6,219
	=====	=====

Investment property shown at the net cost of \$798,986 (2022: \$822,113) as at December 31, 2023 has a current valuation of \$ 2,200,000 as determined by the Barbados Revenue Authority. The appraisal excess of \$1,401,014 is not accounted for in these financial statements.

**9. Property, plant & equipment**

<b><u>2023</u></b>	<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	3,408,596	2,761,845	262,590	342,161	42,000
Additions	135,516	-	124,170	11,346	-
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
Balance at end	3,544,112	2,761,845	386,760	353,507	42,000
	-----	-----	-----	-----	-----
<b><u>Depreciation</u></b>					
Balance at start	1,511,001	1,000,207	185,565	283,229	42,000
Additions	95,357	46,083	16,427	32,847	-
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
Balance at end	1,606,358	1,046,290	201,992	316,076	42,000
	-----	-----	-----	-----	-----
<b>Dec 31, 2023</b>	<b>1,937,754</b>	<b>1,715,555</b>	<b>184,768</b>	<b>37,431</b>	<b>-</b>
	=====	=====	=====	=====	=====

The Light & Power Employees Co-operative Credit Union Limited  
Notes to the Financial Statements  
December 31, 2023

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**9. Property, plant & equipment (continued)**

<b>2022</b>	<b>Total</b>	<b>Land &amp; Buildings</b>	<b>Furniture &amp; Equip.</b>	<b>Computer Equip.</b>	<b>Motor Vehicle</b>
	\$	\$	\$	\$	\$
<b>Cost</b>					
Balance at start	3,399,629	2,761,845	260,782	335,002	42,000
Additions	21,424	-	2,292	19,132	-
Disposals	(12,457)	-	(484)	(11,973)	-
	-----	-----	-----	-----	-----
Balance at end	3,408,596	2,761,845	262,590	342,161	42,000
	-----	-----	-----	-----	-----
<b>Depreciation</b>					
Balance at start	1,412,736	954,124	169,406	247,206	42,000
Additions	105,425	46,083	16,485	42,857	-
Disposals	(7,160)	-	(326)	(6,834)	-
	-----	-----	-----	-----	-----
Balance at end	1,511,001	1,000,207	185,565	283,229	42,000
	-----	-----	-----	-----	-----
<b>Dec 31, 2022</b>	<b>1,897,595</b>	<b>1,761,638</b>	<b>77,025</b>	<b>58,932</b>	<b>-</b>
	=====	=====	=====	=====	=====

Lands and buildings shown at the net cost of \$1,715,555 (2022: \$ 1,761,638) as at December 31, 2023 have a current valuation of \$ 4,500,000 as determined by the Barbados Revenue Authority. The appraisal excess of \$ 2,784,445 is not accounted for in these financial statements.

**10. Accounts payable**

	<b>2023</b>	<b>2022</b>
Trade payables	\$ 132,760	74,372
Interest payable	189,516	175,317
Non-members payables	675,383	791,571
Members clearing	58,668	104,017
National insurance payable`	10,289	10,901
PAYE payable	8,293	11,121
	-----	-----
	\$ 1,074,909	1,167,299
	=====	=====

**11. Demand deposits**

	<b>2023</b>	<b>2022</b>
Savings deposits	\$ 19,879,324	17,736,292
Term deposits	146,395	117,655
Fixed deposits	5,417,627	6,085,805
	-----	-----
	\$ 25,443,346	23,939,752
	=====	=====

Interest paid on deposits varied between 0.35% and 1.35% per annum (2022: 0.35% and 1.35%).

**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, 2023 were \$ 2,052,201 (2022: \$1,828,740).

**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

	<b>2023</b>	<b>2022</b>
Bank balances	\$ 7,819,343	5,977,268
Accounts receivable	541,644	415,238
Due from affiliates	-	9,561
Investments	24,985,716	25,361,625
Loans to members - net	28,868,187	27,813,393
	-----	-----
	\$ 62,214,890	59,577,085
	=====	=====

**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, 2023 based on contractual undiscounted payments.

The Light & Power Employees Co-operative Credit Union Limited  
Notes to the Financial Statements  
December 31, 2023

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

	<b>2023</b>	<b>2022</b>
Accounts payable	\$ 1,074,909	1,167,299
Due to affiliate	1,228	-
Demand deposits	25,443,346	23,939,752
	-----	-----
	26,519,483	25,107,051
Non-qualifying shares	28,455,676	27,807,617
	-----	-----
Total liabilities	\$ 54,975,159	52,914,668
	=====	=====

**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.

**15. Change in policy on revenue recognition**

During the current financial year ended 31 December 2023, the Society changed the accounting policy relating to the recognition of loan interest income from a cash received basis to the accrual basis. The previous year's comparative information was not restated as the impact of this change is not material.

The Light & Power Employees Co-operative Credit Union Limited  
 Details of Operating and Administrative Expenses  
 December 31, 2023

(Schedule 1)

	2023	2022
<b>Staff cost</b>		
Salaries and wages	\$ 655,901	739,516
National insurance	60,752	66,233
Pension fund	38,007	29,945
Medical insurance	13,431	11,616
Staff well-being	12,031	14,028
Education/training	11,233	17,384
Group life insurance	1,104	1,104
Uniforms	710	5,024
	-----	-----
	\$ 793,169	884,850
	=====	=====
Number of employees	10	10
	-----	-----
<b>Office expenses</b>		
Stationery, office expenses and advertising	\$ 199,611	173,807
Utilities	25,612	24,651
Cleaning	18,718	13,687
Insurance	12,925	12,976
Security	8,406	9,252
	-----	-----
	\$ 265,272	234,373
	-----	-----
<b>Property management</b>		
Repairs and maintenance	\$ 60,691	36,425
Land tax	57,014	57,610
Insurance	18,965	19,031
Utilities	3,093	3,172
	-----	-----
	\$ 139,763	116,238
	-----	-----
<b>Motor vehicle expenses</b>	\$ 5,309	4,323
	-----	-----

The Light & Power Employees Co-operative Credit Union Limited  
 Details of Operating and Administrative Expenses  
 December 31, 2023

(Schedule 1)

	2023	2022
<b>Other administrative expenses</b>		
Professional fees	115,006	55,500
Audit fees	44,800	36,400
League dues	43,691	42,844
General expenses	34,711	23,063
Regulatory fees	31,037	30,014
Strategic planning	15,373	-
Bank charges	8,243	8,707
Education fund	6,530	6,477
Member relations	6,159	8,094
Donation and subscriptions	3,239	3,936
Fines	43	2,500
(Gain)/loss on disposal of fixed assets	(20)	5,297
	-----	-----
	\$ 314,846	223,866
	-----	-----
 <b>Total operating and administrative expenses</b>	 \$ 725,190	 578,800
	=====	=====

# TREASURER'S REPORT

## For the Year Ended December 31, 2023

For the financial year 2023, the credit union showed a slight improvement compared to flat projections outlined last year. This growth was stemmed from our most sought-after product, the Line of Credit facility.

### Net Income

Net operating Income for the year increased to \$0.444 million, compared to \$0.326 million in 2022, an increase of nine percent 9%. This increase was due to loans income which totalled \$2.2 million, a slight increase from \$2.0 million from the previous year. Income from investments during 2023 yielded a total of \$0.54 million compared to \$0.46 million in 2022, an overall yield of 18%.

### Expenditure

During the year expenses for the year surged to \$2.32 million in comparison to the previous financial period \$2.28 million for 2022, an increase of \$0.04 million. The increase resulted from a rise in operational costs mainly:

- Office expenses inclusive of advertising saw an increase of \$0.03 million, professional fees of \$0.05 million, strategic planning of \$0.015 million and property management of \$0.02 million. Overall, Operating and administrative expenses increased from \$0.58 million in 2022 to \$0.72 million. However, it must be noted that this was 19% below the budget of \$1.27 million. IT costs continue to increase as the credit union look to employ technological solutions as part of its operation to make it more easier for members to conduct financial transactions through the credit union.
- Savings & Loans Protection had a slight increase to \$0.22 million this year, in comparison to \$0.21 million, equating to a 3% difference.

### Loans (to Members) Portfolio

Total loans increased by \$1.05 million, from a total of \$28.86 million in 2022 compared to \$27.81 million. The largest contributors to the loan growth over this period were Vehicle purchases \$1.9 million, Real Estate of \$1.2 million and our Line of Credit facilities which totalled \$1.5 million disbursed during the period. The Line of Credit facility continues to be one of the fastest growing loan categories in the portfolio.

The loans portfolio has shown an incremental uptake over the past three years, and as such the Board of Directors has paid special attention to it given its integral role to the success of the organisation. We continue to review interest rates in keeping with industry trends amidst developing more attractive products and services to offer our members.

### Assets

Total assets increased from \$62.29 million in prior year to reach \$64.95 million, an increase of \$2.6 million.

- Cash and bank balances increased from \$5.97 million in 2022 to \$7.81 million. Excess funds were employed to take advantage of investment opportunities.
- Investments had a slight decrease from \$25.36 million to \$24.98 million. The decrease was primarily a result from a dip in long term investments; where prior year it totalled \$10.12 million, compared to \$9.54 million this year.
- Properties investment experienced an incremental decline in its growth dropping from \$0.82 million in 2022 to \$0.79 million in 2023.

### Liabilities & Members' Equity

The year under review saw overall liabilities by \$2 million which was mainly attributed to total members' holdings of \$53.9 million. Growth in the noted area was attributed to the regular deposits increasing from \$17.6 million in 2022 to \$19.7 million at the end of 2023. The year saw an increase in members utilising their savings to fund their financial needs, a major factor of the diminished loan growth rate. Equity Shares experienced a 3% hike compared to prior year records jumping from \$0.194 million to \$0.201 million this year. Non-qualifying shares (NQS) increased from \$27.80 million in 2022 to \$28.45 million in 2023. NQS is a form of collateral that can be used to secure a loan or can be later transferred to one of our investment options (Term Savings, Fixed Deposit).

Capital and Reserves totalled \$10 million at the end of the financial year, compared to \$9.7 million in 2022, a 3% increase. Retained Earnings at the end of the financial year 2023 saw an increase of 23% from \$1.75 mil-

lion in 2022 to \$2.16 million in 2023. Other Reserves grew by 8.7% or to \$2.25 million up from \$2.07 million the previous year.

Throughout the year, the Board of Directors and management assessed and implemented several processes and policies to align the credit union in the right direction to meet its strategic objectives. Special mention to the updated Compliance & AML policy and the Risk Based Loans policy. Regular review of our processes and policies is the main focus of the Board of Directors as we seek to strengthen our risk management plan and ensure the easy of access of our products and services by ALL members – existing and future.



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**Tracia Seifert-Licorish**

Treasurer, Board of Directors

# SUPERVISORY COMMITTEE'S REPORT

For the Year Ended December 31, 2023

## **INTRODUCTION**

In adherence to Sections 34(2)-(f) of the By-laws of Light and Power Credit Union, the Committee is delighted to submit its report for the fiscal year concluding on December 31, 2023. This report endeavours to offer you, our esteemed members, a comprehensive overview of our activities.

## **COMPOSITION**

Rhe-Ann Niles-Mapp – Chairperson  
Allana Goodridge – Secretary  
Joan Griffith – Member (appointed)  
Carla Pope-Lawrence - Member (appointed)  
Lionel Maxwell - Member (appointed)

Following the conclusion of the 40th annual general meeting of the credit union, three vacant positions on the Supervisory Committee needed to be filled. Joan Griffith, Carla Pope-Lawrence, and Lionel Maxwell expressed their willingness to serve and initiated the appointment process. In the interim, former committee member Kimoi Jones was requested to continue to provide assistance until the new appointments could be finalized.

During the initial meeting of the Supervisory Committee on April 26, 2023, Rhe-Ann Niles-Mapp and Allana Goodridge were elected as Chairperson and Secretary, respectively. The three appointed members assumed their roles on July 17th 2023.

### **Attendance from January 01 to April 22, 2023**

<b>Name</b>	<b>Position</b>	<b>Meetings</b>	<b>Attended</b>	<b>Excused</b>
David Lawrence	Chairperson	3	3	-
Kimoi Jones	Secretary	3	2	1
Allana Goodridge	Member	3	3	-
Rhe-Ann Niles Mapp	Member	3	2	1
Shanice Licorish	Member	3	2	1

### **Attendance from April 23 to December 31, 2023**

<b>Name</b>	<b>Position</b>	<b>Meetings</b>	<b>Attended</b>	<b>Excused</b>
Rhe-Ann Niles-Mapp	Chairperson	8	8	-
Allana Goodridge	Secretary	8	7	1
Joan Griffith	Member	5	4	1
Carla Pope-Lawrence	Member	5	4	1
Lionel Maxwell	Member	5	3	2
Kimoi Jones		3	3	

## **OVERVIEW**

The responsibilities of the committee include but are not limited to the following:

- Examine the books of the Society
- Appraise the policies and procedures of the credit union in order to make recommendations to the Board and the Credit Committee
- Confirm the credit union's cash instruments, property and securities
- Confirm the shares, deposits and other balances or holdings of members
- Monitor the management of the credit union
- Verify the assets of the credit union and confirm they are adequately protected
- Receive and investigate member complaints

Throughout the review period, the committee undertook the following activities:

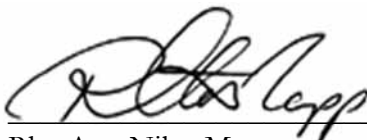
- Examined the monthly and quarterly financial statements, including bank reconciliations.
- Scrutinized open and closed accounts, ensuring accuracy and reliability.
- Assessed loan applications and verified disbursements.
- Carried out surprise cash audits to ensure financial integrity.
- Conducted an asset verification audit to validate the credit union's assets.
- Performed an audit of member account balances to ensure accuracy and consistency.
- Investigated and addressed member complaints received.
- Made recommendations where necessary for areas of improvement.

The Committee observed that there are several opportunities for implementing policies in areas where gaps exist. Such policy implementations would contribute to an overall enhancement in the security, integrity, reliability, and consistency of service delivery.

## **CONCLUSION**

After a thorough examination of the financial statements and related documents, the Supervisory Committee asserts that the internal controls of the Light & Power Credit Union are functioning satisfactorily. Furthermore, the committee is of the opinion that the presented financial statements accurately reflect the operations of the credit union during the period under review.

We the Supervisory Committee express our gratitude to all stakeholders inclusive of management and staff, committee members, and members alike for their co-operation and support throughout this period. We look forward to continued collaboration in the pursuit of excellence in financial governance within our credit union.



Rhe-Ann Niles-Mapp  
Chairperson

# CREDIT COMMITTEE'S REPORT

For the Year Ended December 31, 2023

## **OVERVIEW**

Subsequent to the Annual General Meeting held on Saturday, 22 April 2023, Mr. Corey Shockness volunteered to continue in the role of Secretary, and elected Mr. Wayde Dottin to the role of Chairperson as the vacancy for the third member of the committee was not filled as yet. Mr. Pedro Lawrence was later appointed to fill that role.

The Credit Committee's mandate as set out in the By-Laws, is to consider and approve applications for loans to members based on the financial condition of the applicant, the ability to repay fully and promptly any obligation incurred by them, to determine if the loan sought is for provident or productive purposes, and to endeavour diligently to assist applicants in solving their financial problems.

The Committee is required to meet no less than once a month, however, in order to maintain a high level of service delivery to members, this committee met at least once weekly to adjudicate on loans.

In the fiscal year 2023, the Credit Committee approved 323 loans which represents a decrease of 1 loan (0.3%) from 2022 (324) loans.

However, total disbursement was \$6,738,717.12 which represents an increase of 11.83% over 2022's total of \$6,026,038.00.

Growth was seen in Re-financed loans \$711, 279.11 (99%), Home Construction \$225,000.00 (87%), Business loans \$53,365.00 (81%) , and vehicle purchases \$1,936,458.11 (11%). The Regular Line of Credit continues to have a positive outlook as this facility provides a good financial lifeline for members. This category increased to \$1,487,500.00 which represents an increase of 24%.

Alternately, there was decline in some areas, notably the Christmas Line of Credit \$70,100.00 (-70%) and Real Estate \$1,172,750.00 (-34%). Regrettably, there were no applications for Investment nor Renewable Energy loans during this period.

As Chairperson, I wish to extend my gratitude to Messrs. Corey Shockness and Pedro Lawrence for their dedication to making the task of loan adjudication a pleasant one. Also, to the board, management, and staff of the Credit Union for insight and co-operation; and to the members for the opportunity to serve and strengthen the Credit Union.

**CREDIT COMMITTEE ATTENDANCE REPORT 2023**

<b>ATTENDANCE JANUARY 1st TO APRIL 19th 2023</b>				
<b>NAME</b>	<b>POSITION</b>	<b># OF MEETING HELD</b>	<b># OF MEETING ATTENDED</b>	<b># OF MEETING EXCUSED</b>
Rommel Cumberbatch	Chairperson	19	19	0
Corey Shockness	Secretary	19	15	4
Cindy Callender	Member	19	18	1

<b>ATTENDANCE MAY 2nd TO DEC 23rd 2023</b>				
<b>NAME</b>	<b>POSITION</b>	<b># OF MEETING HELD</b>	<b># OF MEETING ATTENDED</b>	<b># OF MEETING EXCUSED</b>
Wayde Dottin	Chairperson	43	43	0
Corey Shockness	Secretary	43	43	0
*Pedro Lawrence	Member	43	31	

\*Start date July 19, 2024



**Wayde Dottin**  
Chairperson- Credit Committee

# DELINQUENCY COMMITTEE'S REPORT

For the Year Ended December 31, 2023

The Delinquency Committee for the year ending December 31, 2023 comprised the Credit Committee, and the Member Services Supervisor.

The aim and objectives of the Delinquency Committee are:

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

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

The following table provides a comparative analysis of delinquent loans:

CATEGORIES	2022	2023	CHANGE	
Total loans outstanding at year end	\$28,251,477	\$29,280,650	\$1,029,173	Increase
Shares held for outstanding delinquent loans	\$349,006	296,747	\$52,259	Decrease
Total principal outstanding delinquent loans	\$2,440,716	\$2,287,798	\$152,918	Decrease
Total exposure (loans at risk)	\$2,091,710	\$1,991,050	\$100,660	Decrease
Percentage exposure compared to total loans	8.64%	7.81%	0.83%	Decrease
Number of delinquent members	72	74	2	Increase
Accounts Written Off	0			
Amounts Written Off	0			

## Introduction

During the year under review, some members continued to experience difficulty in meeting their repayment obligations.

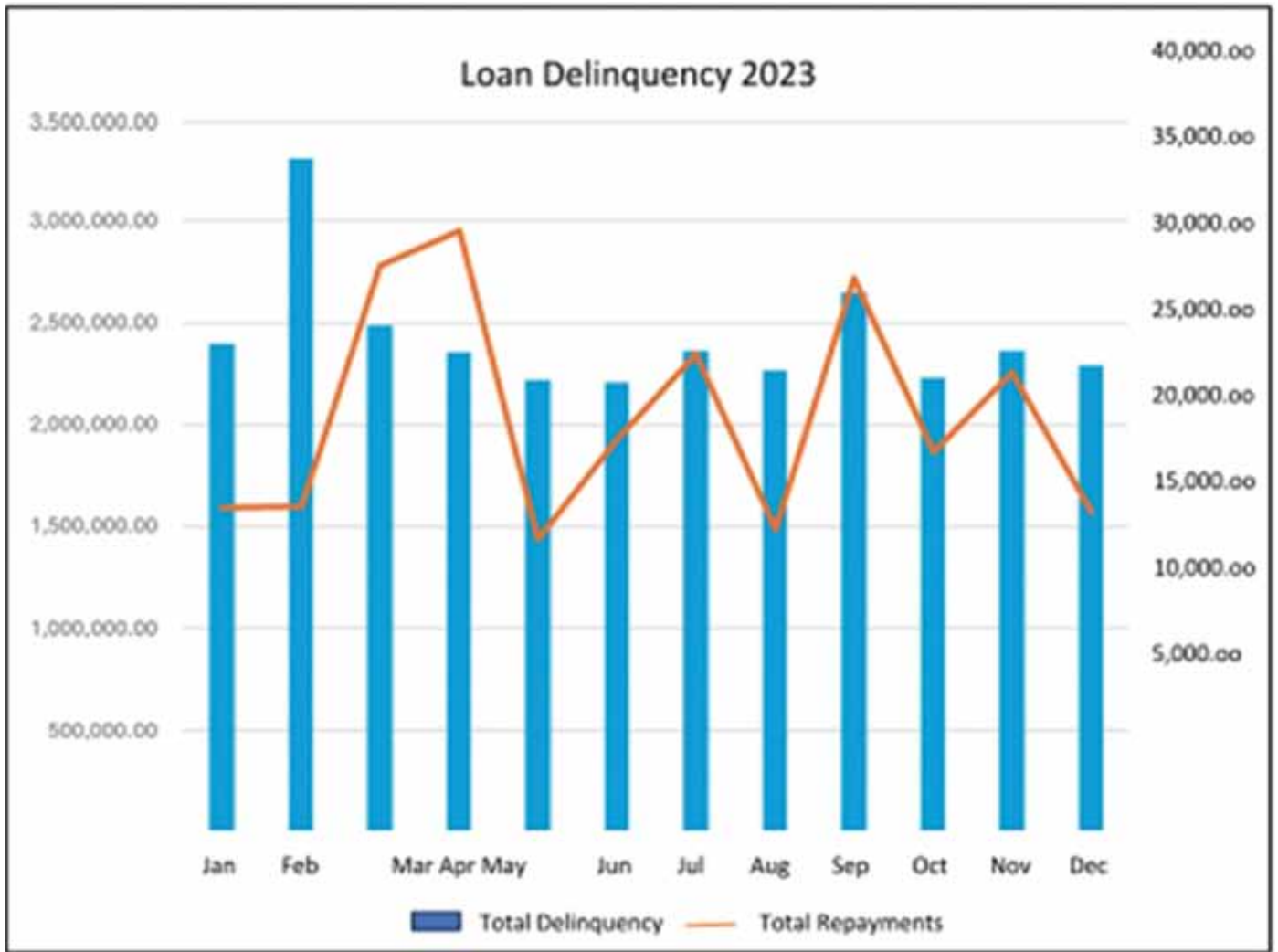
The Credit Union operated within the framework of the The International Financial Reporting Standard (IFRS9) which was adopted globally in 2018, and stipulates that delinquency is recognized 30 days after a missed payment, instead of 90 days as in previous years. Delinquency is therefore monitored monthly to mitigate its impact.

## Delinquency Review

As at the year ended December 31, 2023, there were 74 delinquent loans, totalling \$29,280,650.00, an increase

of \$1,029,172.58 from the year 2022, while total exposure moved from 8.64% to 7.81%, representing a 0.83% decrease. A total of 5 delinquent loans were repaid during this period.

While marginal exposure to risk has been realized, there is still much work to be done in assisting members to manage and meet their obligations, using various mitigation measures to determine courses of action to minimize the exposure of the loans portfolio. Additionally, we commend those members who have made concerted efforts to meet their obligations and are keeping up to date with their loans.



Sincerest appreciation is extended to the team of professionals who manage delinquency on a daily basis- The Credit Union staff, the Credit Committee, Attorneys-At-Law, and the Bailiff.

**Wayde Dottin**  
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.

# NOTES

# NOTES





## **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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