

B E T
CO-OPERATIVE CREDIT UNION LTD.

FINANCIAL STATEMENTS
MARCH 31, 2022

PJC
Chartered Accountants
Barbados

“We reckon but people count”

B E T CO-OPERATIVE CREDIT UNION LTD.

FINANCIAL STATEMENTS
March 31, 2022

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Independent Auditors' Report

The Members

B E T Co-operative Credit Union Ltd.

Opinion

We have audited the financial statements of **B E T Co-operative Credit Union Ltd.**, which comprise the Balance Sheet as at March 31, 2022, and the Statement of Changes in Equity, Statement of Comprehensive Income 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 Credit Union as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

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

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

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Credit Union'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 judgment 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 risks, 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 entity'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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 entity to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other information

Management is responsible for any other information that is presented or distributed with the audited financial statements. Other information may comprise, for example, the content of a Company's Annual Report except for the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information appears to be materially misstated or inconsistent with the financial statements. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, then we are required to report that fact. At the time of reporting we have not seen the other information and so we cannot offer any comment thereon.

Other Matter

This report is made solely to the Members of **B E T Co-operative Credit Union Ltd.**, as a body, in accordance with Section 123 of the Co-operative Societies Act of Barbados. Our audit work has been undertaken so that we might state to the Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and its Members as a body, for our audit work, for this report, or for the opinion we have formed.



PETER J. CARTER & CO.
Chartered Accountants
Barbados

June 15, 2022

B E T CO-OPERATIVE CREDIT UNION LTD.

Balance Sheet


March 31, 2022

Expressed in Barbados dollars


	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and cash equivalents - Note 7	6,996,009	6,123,846
Accounts receivable and prepayments - Note 8	239,735	341,746
Current investments - Note 10	<u>5,226,909</u>	<u>9,650,000</u>
	12,462,653	16,115,592
Investment property - Note 9	2,187,494	2,187,494
Non-current investments - Note 10	11,082,593	7,132,200
Loans to members - Note 11	12,592,748	12,873,846
Property, plant and equipment - Note 12	<u>1,815,863</u>	<u>1,836,305</u>
Total assets	<u><u>40,141,351</u></u>	<u><u>40,145,437</u></u>
Liabilities and equity		
Liabilities		
Accounts payable and accruals - Note 13	209,433	205,570
Deposits payable - Note 14	35,200,479	35,241,642
Qualifying shares - Note 15	<u>105,480</u>	<u>101,760</u>
Total liabilities	<u>35,515,392</u>	<u>35,548,972</u>
Equity		
Statutory reserve	4,045,246	4,044,991
Unrealised gain reserve - Note 10(b)	1,276,516	1,102,336
Accumulated deficit	<u>(695,803)</u>	<u>(550,862)</u>
Total equity	<u>4,625,959</u>	<u>4,596,465</u>
Total liabilities and equity	<u><u>40,141,351</u></u>	<u><u>40,145,437</u></u>

See notes to financial statements.

Approved by the Board of Directors, June 15, 2022, and signed on their behalf by:



President



Treasurer

B E T CO-OPERATIVE CREDIT UNION LTD.**Statement of Changes in Equity
Year ended March 31, 2022
Expressed in Barbados dollars**

	Statutory Reserve	Unrealised gain reserve	Undivided Earnings	Total
Balance – March 31, 2020	4,044,861	935,179	(579,951)	4,400,089
Entrance fees	130	0	0	130
Fair value gain on unquoted equity investments prior year adjustment	0	167,157	0	167,157
Net loss for year	0	0	29,089	29,089
Balance - March 31, 2021	4,044,991	1,102,336	(550,862)	4,596,465
Entrance fees	255	0	0	255
Fair value gain on unquoted equity investments prior year adjustment	0	174,180	0	174,180
Loan interest rebate	0	0	(53,768)	(53,768)
Net income for year	0	0	(91,173)	(91,173)
Balance - March 31, 2022	4,045,246	1,276,516	(695,803)	4,625,959

See notes to financial statements.

B E T CO-OPERATIVE CREDIT UNION LTD.**Statement of Comprehensive Income****Year ended March 31, 2022****Expressed in Barbados dollars**

	<u>2022</u>	<u>2021</u>
Interest income		
Loans to members	919,717	923,209
Investments	341,395	289,812
Cash and cash equivalents	2,706	2,577
	<u>1,263,818</u>	<u>1,215,598</u>
Interest expense		
Demand deposits -1% (prior year 1%)	70,346	72,950
Non-qualifying shares - 0.25% p.a. (prior year nil)	42,813	0
Mortgage deposits - 8.5% (prior year 8.5%)	12,699	18,362
Term deposits - 1.1% to 1.25% (prior year 1.1% to 1.25%)	112,896	126,087
	<u>238,754</u>	<u>217,399</u>
Net interest income	<u>1,025,064</u>	<u>998,199</u>
Other income		
Dividend income	50,200	29,532
Sundry income	12,006	5,880
Investment property net income - Note 9	57,404	63,496
	<u>119,610</u>	<u>98,908</u>
Other expenses		
Depreciation - non-rental property	48,979	48,570
Staff costs - Note 6	223,533	151,143
Write-down of Government securities - Note 10(d)	0	59,000
Other operating expenses	963,335	809,305
	<u>1,235,847</u>	<u>1,068,018</u>
Net (loss) / income for year	(91,173)	29,089
Other Comprehensive income		
Fair value gain on unquoted equity shares - Note 10(b)	174,180	167,157
Net comprehensive income for year	<u>83,007</u>	<u>196,246</u>

See notes to financial statements.

B E T CO-OPERATIVE CREDIT UNION LTD.

Statement of Cash Flows Year ended March 31, 2022 Expressed in Barbados dollars

	<u>2022</u>	<u>2021</u>
Cash provided / (used) by:		
Operating activities		
Net comprehensive income / (loss) for year	83,007	196,246
<i>Add item not involving cash</i>		
Depreciation - non-rental property	48,979	48,570
	<u>131,986</u>	<u>244,816</u>
 <i>Change in non-cash operating items</i>		
Accounts receivable and prepayments	102,011	(49,577)
Accounts payable and accruals	3,863	(43,578)
Deposits payable	(41,163)	718,747
Qualifying shares	3,720	1,440
	<u>200,417</u>	<u>871,848</u>
Net cash provided by operating activities		
 Investing activities		
Decrease in loans to members - net	281,098	313,658
Decrease / (increase) in investments	472,698	(1,640,988)
Purchase of plant and equipment	(28,537)	(2,650)
	<u>725,259</u>	<u>(1,329,980)</u>
Net cash provided / (used) by investing activities		
 Financing activities		
Loan interest rebate	(53,768)	0
Entrance fees	255	130
	<u>(53,513)</u>	<u>130</u>
Net cash (used) / provided by financing activities		
 Increase / (decrease) in cash and cash equivalents	872,163	(458,002)
Cash and cash equivalents - start of year	<u>6,123,846</u>	<u>6,581,848</u>
Cash and cash equivalents - end of year	<u>6,996,009</u>	<u>6,123,846</u>

See notes to financial statements.

B E T CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2022

Expressed in Barbados dollars

1. Registration

B E T Co-operative Credit Union Ltd. was registered on September 16, 1966 in accordance with the Co-operative Societies' Act, Cap 378. The Credit Union was continued on July 26, 1994 under the Co-operative Societies Act 1990. The principal place of business is located at Corner 5th Avenue Belleville and Pine Road, St. Michael, Barbados.

2. Principal Activities

The principal activities are as follows:

- (a) The provision of means whereby savings can be effected by members and whereby shares in the Credit Union can be purchased;
- (b) The education of members in Co-operative principles and methods and the efficient management of the Credit Union's affairs;
- (c) The creation, out of savings of members and otherwise, of a source of credit available to members on reasonable terms and conditions.

3. Significant accounting policies

(a) *Basis of accounting*

These financial statements are stated in Barbados dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) *Critical accounting judgments and key sources of estimation uncertainty*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Key sources of estimation uncertainty include impairment of loans, determination of appropriate rates for depreciation of plant and equipment, estimation of the fair value of unquoted equity investments and computation of the amortized cost of long-term securities. The credit union's critical accounting policies and estimates, and their application, are reviewed periodically by management.

B E T CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2022

Expressed in Barbados dollars

3. Significant accounting policies - continued

(d) Changes in accounting standards

Management has reviewed the new standards, amendments and interpretations to published standards that are not yet effective and which the Credit Union has not adopted early. Management has assessed the relevance of all such new standards, amendments and interpretations and has concluded that no such amendments are likely to have a material effect on its financial statements.

(e) Taxation

The Credit Union is not required to pay taxes on its net income under Section 7(g) of the Income Tax Act of Barbados.

(f) Depreciation

Depreciation is provided on plant and equipment on a straight line basis at a rate designed to reduce the cost of assets to their residual value at the end of their useful lives in the business. The annual rates being used are: Buildings - 2%, Furniture -10% and Equipment - 12.5% and 33.33%.

(g) Investment property

Investment property is property held to earn rentals. Investment property is initially measured at cost, including transaction costs, and remeasured at fair value which is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The carrying amount of the investment property is the fair value of the property as determined as at each balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in the Statement of Comprehensive Income or Loss for the period in which it arises.

(h) Investments

Investments are initially recorded at cost. For subsequent measurement, investments that are classified as being held to maturity are recorded at cost or amortized cost. Available-for-sale equity investments are shown at fair value. All investments are subject to adjustment for any impairment of value. Impairment occurs where the estimated recoverable amount of an asset is less than its carrying value. Management makes an assessment of whether any assets are impaired in value as at each Balance Sheet date.

(i) Statutory reserve

The credit union is required to establish and maintain reserves consisting of the greater of one half of one per cent (0.5%) of assets or twenty-five per cent (25%) of surplus until the capital of the Society equals ten percent (10%) of the total assets of the Society, in accordance with the Co-operative Societies' legislation. Similarly, Entrance Fees are taken to a Reserve Account.

B E T CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2022

Expressed in Barbados dollars

3. Significant accounting policies - continued

(j) Education Fund

A provision is made for Education as stipulated by the Barbados Co-operative & Credit Union League Ltd. The amount provided is three percent (3%) of net income or \$15,000, whichever is the lesser.

(k) Impairment provision

The level of impairment of the loan portfolio is determined using an Expected Credit Loss (ECL) Model. All outstanding loans are taken into account, as well as loan commitments.

(l) Income recognition

Income is recognized on the accrual basis of accounting. Dividend income is recognized when it is declared by the investee company.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits and call deposits.

4. Fair value of Financial Instruments

(a) Financial instruments

Financial instruments consist of financial assets and liabilities. Financial assets include cash and cash equivalents, accounts receivable, loans to members and investments. Financial liabilities include accounts payable and accruals, deposits payable and qualifying shares.

(b) Fair Value

Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is best evidenced by a quoted market value. An estimate, based on assumptions, is made of the fair value of each class of financial instrument for which it is practical to make an estimate. The fair values of the financial instruments are estimated to be not materially different from their carrying values in the financial statements.

(c) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As part of the risk management process, deposits are placed only with reputable financial institutions. Loans limits are established and approved by Management and security is generally required for loans granted. Credit risk on accounts receivable is limited by the provision made for doubtful debts.

B E T CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2022

Expressed in Barbados dollars

4. Fair value of Financial Instruments - continued

(d) *Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. It arises because of the possibility that the entity could be required to pay its liabilities earlier than expected. Management reviews the liquidity position of the Credit Union periodically to assess the availability of cash resources as compared to the projected cash outflows.

(e) *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk. Interest rate risk is the risk of fluctuations in interest rates. The Credit Union's exposure to market risk on its financial instruments is disclosed in Notes 7, 10 and 11.

5. Related parties

(a) Related parties exist where one party has the ability to control or exercise significant influence over the financial or operating decisions of another party. Transactions with related parties may be entered into in the normal course of business. Any such transactions are undertaken on commercial terms and conditions and are conducted at market rates.

(b) The Credit Union has a related party relationship with its directors and its key management personnel. As at the Balance Sheet date, related parties' balances were as follows:

	<u>2022</u>	<u>2021</u>
Loans	706,880	706,880
Shares and deposits payable	723,469	559,627

(c) Honoraria paid to related parties is included in Operating Expenses, as follows:

Honoraria	<u>35,000</u>	<u>35,000</u>
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(d) Key management personnel compensation is included in Staff Costs, as follows:

Employee benefits	<u>91,466</u>	<u>22,277</u>
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B E T CO-OPERATIVE CREDIT UNION LTD.**Notes to Financial Statements****March 31, 2022****Expressed in Barbados dollars**

6. Staff costs	<u>2022</u>	<u>2021</u>
	<u>223,533</u>	<u>151,143</u>

The average number of employees during the year was four (prior year three).

7. Cash and cash equivalents	<u>2022</u>	<u>2021</u>
Bank account - 0.05% p.a. (prior year 0.05%)	5,567,708	4,844,076
Bank accounts - no interest	1,404,072	1,255,540
Demand deposit - Barbados Co-operative & Credit Union League Ltd.	23,980	23,980
Petty cash	<u>250</u>	<u>250</u>
	<u>6,996,009</u>	<u>6,123,846</u>

8. Accounts receivable and prepayments	<u>2022</u>	<u>2021</u>
Interest receivable	348,279	435,709
Other accounts receivable	213,992	213,442
Less: Impairment provision	(354,000)	(338,444)
Prepayments and security deposits	<u>31,464</u>	<u>31,039</u>
	<u>239,735</u>	<u>341,746</u>

(a) Impairment provision	<u>2022</u>	<u>2021</u>
Balance - start of year	338,444	401,734
Bad debts recovered	0	(72,290)
Increase in provision	<u>15,556</u>	<u>9,000</u>
Balance - end of year	<u>354,000</u>	<u>338,444</u>

B E T CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2022

Expressed in Barbados dollars

9. Investment property	<u>2022</u>	<u>2021</u>
Land - cost	145,257	145,257
Building	<u>1,713,794</u>	<u>1,713,794</u>
Cost - before revaluation	1,859,051	1,859,051
Unrealized gain on investment property revaluation	<u>328,443</u>	<u>328,443</u>
Fair value - end of year	<u><u>2,187,494</u></u>	<u><u>2,187,494</u></u>
(a) Investment property income / (expenses)	<u>2022</u>	<u>2021</u>
Rent income	84,000	87,284
Expenses	<u>(26,596)</u>	<u>(23,788)</u>
	<u>57,404</u>	<u>63,496</u>

(b) Investment property comprises land and building located at #6 Pine Road, Belleville, St. Michael, Barbados. The land was revalued from its original cost to \$473,700 based on the valuation made by the Government's Valuers as at March 20, 2020 in accordance with the Land Valuation Act 1969-20. The building is recorded at cost which is considered a reasonable estimate of its fair value since it was only recently completed. The carrying value of the investment property is considered by the directors to be a reasonable estimate of its fair value as at the Balance Sheet date.

B E T CO-OPERATIVE CREDIT UNION LTD.**Notes to Financial Statements****March 31, 2022****Expressed in Barbados dollars**

10. Investments	<u>2022</u>	<u>2021</u>
<i>(a) Current investments</i>		
<i>Held-to-maturity</i>		
Barbados Workers Union Co-operative Credit Union Ltd. - 1.5% p.a. (prior year 1.5%)	0	1,700,000
Capita Financial Services Inc. - 2.15% p.a. (prior year 1.9% to 2.65%)	1,000,000	3,750,000
First Citizens Investment Services Inc. - 2% to 2.1% p.a. (prior year 2%)	4,150,000	3,450,000
Barbados Port Inc. Bonds, 4.2% p.a. (prior year 7.5%), maturing 2024	76,909	0
Barbados Public Workers Co-operative Credit Union Ltd. - prior year 1.75%	<u>0</u>	<u>750,000</u>
	<u>5,226,909</u>	<u>9,650,000</u>
<i>Non-current investments</i>		
<i>Held-to-maturity</i>		
Barbados Port Inc. Bonds, 4.2% p.a. (prior year 7.5%), maturing 2024	346,091	423,000
Capita Financial Services Inc. - 2.15% to 2.25% p.a. (prior year 2.15%), maturing 2022	4,803,073	1,000,000
Government securities – net – Note (c), (d)	3,900,143	3,900,143
<i>Available-for-sale</i>		
Co-operators General Insurance Co. Ltd. - 5,163 common shares (prior year 5,020)	2,033,086	1,808,857
Barbados Co-operative & Credit Union League Ltd.: - 20 membership shares	<u>200</u>	<u>200</u>
	<u>11,082,593</u>	<u>7,132,200</u>
Total investments	<u><u>16,309,502</u></u>	<u><u>16,782,200</u></u>

B E T CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2022

Expressed in Barbados dollars

10. Investments - continued

- (b) The fair value of unquoted equity investments is based on a valuation done by the Consulting Division of the Cave Hill School of Business (CHSOB). CHSOB performed a valuation as at May 31, 2021 for each of these unquoted investments, using a range of generally accepted valuation models. The “best estimate” of the fair market value was estimated as the median value of the fair market values generated from the various models used. The valuation models used were Book Value, Market to Book, Trailing Price Earnings, Price to Sales, Price to Earnings Before Tax and Dividend Growth, Price to Earnings Before Tax, Depreciation and Amortization, Dividend Growth Model and Free Cash Flows to Equity. The Directors consider that the valuation of the unquoted equity investments arrived at by the process described above reflects their fair value as at the balance sheet date.
- (c) Government restructured securities are Series B securities, consisting of eleven (11) amortizing strips with maturities ranging from five (5) to fifteen (15) years. Interest is payable at the end of each calendar quarter. Interest rates are 1% per annum for the first three (3) years beginning October 01, 2018 and ending September 30, 2021; 2.5% per annum for year four (4) beginning October 01, 2021 and ending September 30, 2022; and 3.75% per annum starting October 01, 2022 until maturity on September 30, 2033. The principal of each strip will be repaid in four equal quarterly instalments commencing one year prior to the maturity date of that strip. In keeping with generally accepted accounting policies and standards, Management has applied a Net Present Value (NPV) calculation to its holdings of these securities which has resulted in a write-down of value as shown below.
- (d) The maturity profile of the government securities is as follows:

<i>Maturity Profile</i>	<u>2022</u>	<u>2021</u>
<i>Barbados Optional Savings Scheme bonds</i>		
One to 5 years	500,000	500,000
<i>Series B securities</i>		
One year	70,802	0
One to 5 years	1,210,817	961,734
Greater than 5, up to 10 years	1,790,938	1,725,335
Greater than 10, up to 15 years	<u>708,586</u>	<u>1,094,074</u>
Government securities - gross	4,281,143	4,281,143
Net present value adjustment	<u>(381,000)</u>	<u>(381,000)</u>
Government securities - net	<u><u>3,900,143</u></u>	<u><u>3,900,143</u></u>

B E T CO-OPERATIVE CREDIT UNION LTD.**Notes to Financial Statements****March 31, 2022****Expressed in Barbados dollars**

11 Loans to members	<u>2022</u>	<u>2021</u>
Gross loans	14,692,748	14,547,212
Less: Impairment provision	<u>(2,100,000)</u>	<u>(1,673,366)</u>
Net value of loans	<u>12,592,748</u>	<u>12,873,846</u>
<i>(a) Impairment provision</i>	<u>2022</u>	<u>2021</u>
Balance - start of year	1,673,366	1,273,366
Increase in provision	<u>426,634</u>	<u>400,000</u>
Balance - end of year	<u>2,100,000</u>	<u>1,673,366</u>
<i>(b) As at the Balance Sheet date, the maturity profile of loans to members was as follows:</i>		
	<u>2022</u>	<u>2021</u>
<i>Amounts due in:</i>		
Less than one year	191,495	166,362
One to five years	2,498,123	2,227,444
Over five years	<u>12,003,130</u>	<u>12,153,406</u>
Total	<u>14,692,748</u>	<u>14,547,212</u>
<i>(c) Loans are generally granted at an interest rate of 12% per annum. Mortgage loans are repayable at either a variable interest rate of 5.75% per annum for a minimum of three years, or at a fixed interest rate of 8.50% per annum. Mortgage loans are secured by legal charges as first or second mortgages over the relevant properties. All interest is charged on the reducing balance basis.</i>		
<i>(d) A Line of Credit is granted at an interest rate of 16% per annum and is limited to a repayment period of twenty-four months.</i>		
<i>(e) The impairment provision in respect of loans receivable was calculated using an Expected Credit Loss (ECL) model developed by a professional services firm. The model was designed to enable compliance with the requirements of International Financial Reporting Standards (IFRS 9).</i>		
<i>(f) Commitments</i>	<u>2022</u>	<u>2021</u>
Loans approved but not yet disbursed as at the balance sheet date	<u>226,655</u>	<u>206,634</u>

B E T CO-OPERATIVE CREDIT UNION LTD.**Notes to Financial Statements****March 31, 2022****Expressed in Barbados dollars****12. Property, plant and equipment**

	<u>Total</u>	<u>Furniture and equipment</u>	<u>Property</u>
As at March 31, 2020			
Cost	2,541,970	369,837	2,172,133
Accumulated depreciation	<u>(659,745)</u>	<u>(324,860)</u>	<u>(334,885)</u>
Net book value	<u>1,882,225</u>	<u>44,977</u>	<u>1,837,248</u>
Year ended March 31, 2021			
Net book value - start of year	1,882,225	44,977	1,837,248
Purchases	2,650	2,650	0
Depreciation charge	<u>(48,570)</u>	<u>(11,327)</u>	<u>(37,243)</u>
Net book value - end of year	<u>1,836,305</u>	<u>36,300</u>	<u>1,800,005</u>
As at March 31, 2021			
Cost	2,544,620	372,487	2,172,133
Accumulated depreciation	<u>(708,315)</u>	<u>(336,187)</u>	<u>(372,128)</u>
Net book value	<u>1,836,305</u>	<u>36,300</u>	<u>1,800,005</u>
Year ended March 31, 2022			
Net book value - start of year	1,836,305	36,300	1,800,005
Purchases	28,537	28,537	0
Depreciation charge	<u>(48,979)</u>	<u>(11,736)</u>	<u>(37,243)</u>
Net book value - end of year	<u>1,815,863</u>	<u>53,101</u>	<u>1,762,762</u>
As at March 31, 2022			
Cost	2,573,157	401,024	2,172,133
Accumulated depreciation	<u>(757,294)</u>	<u>(347,923)</u>	<u>(409,371)</u>
Net book value	<u>1,815,863</u>	<u>53,101</u>	<u>1,762,762</u>

- (a) Property consists of land and building at 5th Avenue, Belleville, St. Michael, Barbados. The property was valued at \$1,750,000 as at March 20, 2020 by the Government's Valuers in accordance with the Land Valuation Act 1969-20. The valuation is considered by the directors to be a reasonable estimate of the fair value of the property as at the Balance Sheet date.

B E T CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2022

Expressed in Barbados dollars

13. Accounts payable and accruals	<u>2022</u>	<u>2021</u>
Interest payable	29,656	34,890
Other accounts	<u>179,777</u>	<u>170,680</u>
	<u>209,433</u>	<u>205,570</u>

(a) Other accounts include a provision of \$40,000 in respect of a claim made against the Credit Union by a former staff member. As at the balance sheet date, the directors are of the opinion that any additional claim is not likely to be immaterial.

14. Deposits payable	<u>2022</u>	<u>2021</u>
Demand deposits and non-qualifying shares	25,126,430	25,163,361
Mortgage deposits	186,303	417,013
Term deposits	<u>9,887,746</u>	<u>9,661,268</u>
	<u>35,200,479</u>	<u>35,241,642</u>

(a) There is no pre-determined rate of interest payable on the demand deposits and non-qualifying shares. The rates are set from time to time by the Board of Directors.

B E T CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2022

Expressed in Barbados dollars

15. Qualifying shares	<u>2022</u>	<u>2021</u>
	<u>105,480</u>	<u>101,760</u>

(a) There is no limit to the number of shares that the Credit Union is authorized to issue. The number of shares held by a member does not determine the member's voting rights since each member is entitled to one vote only at any general meeting.

(b) The Credit Union amended its By-Laws to create a new class of shares called 'Qualifying Shares', in accordance with the requirements of the Co-operative Societies Amendment Act 2007-39. Each member is required to maintain a specified number of qualifying shares in order to maintain membership. These qualifying shares are redeemable if the member chooses to close the account.

(c) Qualifying shares are classified in the Balance Sheet as liabilities instead of equity in accordance with the requirements of the International Financial Reporting Standards (IFRS). The IFRS require such shares to be classified as a liability as their terms provide for withdrawal at the option of the member. The IFRS require that for shares to be classified as equity, either the Credit Union must have an unconditional right to refuse redemption of such shares or the Credit Union is prohibited by Law or by its governing charter / By-Laws from redeeming such shares.

16. Comparative amounts

Certain of the comparative amounts have been reclassified to conform to the current year's presentation.

B E T CO-OPERATIVE CREDIT UNION LTD.**Schedule of Other Operating Expenses
Year ended March 31, 2022
Expressed in Barbados dollars**

	<u>2022</u>	<u>2021</u>
Advertising and marketing	35,919	9,991
Bank charges	8,092	6,664
Computer expenses	19,796	19,638
Co-operative and anniversary celebrations	7,493	1,356
Donations	2,150	1,368
Education Fund provision	2,600	7,500
Financial Services Commission annual fee	20,063	35,970
Honoraria	35,000	35,000
Impairment provision - increase	442,190	336,710
Insurance	11,654	11,654
League membership dues	23,552	26,263
Meetings - members	32,146	28,602
Meetings - other	1,824	310
Mutual Benefits Plan assessments	69,106	68,052
Miscellaneous	332	66
Office expenses	37,952	25,620
Postage and courier services	5,879	3,736
Professional and legal fees	108,026	95,656
Property expenses	15,764	8,514
Property tax	14,962	14,962
Repairs and maintenance	7,528	4,001
Security	5,305	7,913
Software maintenance	4,803	4,611
Stationery	8,341	12,397
Training - members	1,293	3,445
Utilities - electricity	21,872	17,974
Utilities - telephone	16,198	17,868
Utilities - internet	2,405	2,520
Utilities - water	1,090	944
	<u>963,335</u>	<u>809,305</u>