



**BET CO-OPERATIVE
CREDIT UNION LTD**
Strong Past, Secure Future.

**ANNUAL
REPORT** | **2020-2021**

Empowering Members,
Family and Community

VISION

**MISSION
STATEMENT**

Providing support, security and
stability for our members and
their communities.



**BET CO-OPERATIVE
CREDIT UNION LTD**

Strong Past, Secure Future.

CORE VALUES

We believe in the Co-operative philosophy and are guided by these Co-operative principles

- **Democratic** ownership.
- **Inspiring** and educating our members and employees.
- **Respectful** of all our business practices.
- **Ethical** in all our business practices.
- **Caring** about our members, our people, our credit union, our community, and our environment.
- **Team-oriented** in our approach to member solutions.
- **Respectful** to our member needs and to the environment we operate.
- **Community-based** in all our decisions.



**BET CO-OPERATIVE
CREDIT UNION LTD**

Strong Past, Secure Future.

BET

CO-OPERATIVE CREDIT UNION LIMITED

ANNUAL GENERAL MEETING

**Report to the
Annual General Meeting
Saturday, 26th June 2021
“Radisson Aquatica Resort Barbados”
Aquatic Gap, Bay Street, Barbados**

Annual Report 2020 – 2021

BET CO-OPERATIVE CREDIT UNION
ANNUAL REPORT 2021
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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 receive;
It is in pardoning 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 at the end of their meetings. It is even referred to in some places as the "Credit Union Prayer"



NOTICE OF ANNUAL GENERAL MEETING

All members are invited to attend the Annual General Meeting (AGM) 2021 of the BET CO-OPERATIVE CREDIT UNION LTD. at the **Radisson Aquatica Resort Barbados, Aquatic Gap, Bay Street, St. Michael on Saturday, June 26, 2021 at 3:00 p.m.**

AGENDA

1. Ascertainment of Quorum
2. Call to Order and Prayers
3. Welcome Remarks – President
4. Greetings from other organisations
5. Excuses for Absence
6. Minutes from previous Annual General Meeting:
 - a. Adoption and confirmation of Minutes of AGM of November 12, 2020
 - b. Matters arising from Minutes of AGM of November 12, 2020
7. Committee Reports for the Year 2020- 2021
 - a. Board of Directors
 - b. Credit Committee
 - c. Supervisory Committee
 - d. Delinquency Committee
8. Auditor's Report and Financial Statements
9. Budget 2021-2022
10. Fixing of Maximum Liability
11. Appointment of Auditors
12. Resolutions
13. Elections
 - a. Report of the Nomination's Committee
 - b. Elections of Officers
14. Any other business
15. Adjournment

Clifford A Bostic
Secretary

BET Co-operative Credit Union Limited**CORPORATE INFORMATION****MARCH 31, 2021****BOARD OF DIRECTORS**

Felton Burton	President
Michael Alleyne	Vice President
Julian Watson	Treasurer
Clifford Bostic	Secretary
Eric Alkins	Assistant Secretary

SUPERVISORY COMMITTEE

Andrew Collymore	Chairman
David Gittens	Secretary
Leandra Bishop	Member

CREDIT COMMITTEE

Shem Maxwell	Chairman
Philip King	Secretary
Carrie-Ann Morris-Searle	Member

OFFICE STAFF

Mr. Ryan Reece	Operations Manager
Mrs. Jennifer Maynard	Senior Accounts Clerk
Ms. Shanelle Estwick	Support Services Assistant
Ms. Toni Knight	Accounts Clerk

REGISTERED OFFICE

Cnr. 5th Ave. Belleville and Pine Road
Belleville, St. Michael

BANKERS

Republic Bank Barbados Limited	Scotiabank
Wildey	Haggatt Hall
St. Michael	St. Michael

AUDITOR

Peter J Carter & Co.
Professional Business Centre
29 George Street, Belleville, St. Michael

ATTORNEY-AT-LAW

Michael T Springer
Suite #3, Law Chambers
Marhill Street, Bridgetown

BOARD OF DIRECTORS 2020 - 2021



Felton Burton
PRESIDENT



Michael Alleyne
VICE PRESIDENT



Julian Watson
TREASURER



Clifford Bostic
SECRETARY



Eric Alkins
ASST. SECRETARY

SUPERVISORY COMMITTEE 2020 -2021



Andrew Collymore
CHAIRMAN



Leandra Bishop
SECRETARY



David Gittens
MEMBER



CREDIT COMMITTEE 2020 - 2021



Shem Maxwell
CHAIRMAN



Philip King
SECRETARY



Carrie Morris-Searle
MEMBER

BETCUL STAFF



Ryan Reece
**OPERATIONS
MANAGER**



Jennifer Maynard
**SENIOR ACCOUNTS
OFFICER**



Shanelle Estwick
**SUPPORT SERVICES
ASSISTANT**



Toni Knight
ACCOUNTS CLERK

MINUTES OF THE ANNUAL GENERAL MEETING
OF THE
BET CO-OPERATIVE CREDIT UNION LIMITED
HELD AT THE RADISSON AQUATICA RESORT BARBADOS
ON THURSDAY NOVEMBER 12TH, 2020

1.0 CALL TO ORDER

1.1 The Chairman, Bro. Rolric Branch, called the meeting to order at 6:32 p.m.

2.0 PRAYERS

2.1 At the Chairman's invitation, the prayer of St Francis of Assisi was repeated.

3.0 WELCOME REMARKS – PRESIDENT

3.1 The President, Bro. Rolric Branch, welcomed those in attendance. He introduced the members of the Board of Directors seated at the head table.

4.0 GREETINGS FROM OTHER ORGANISATIONS

4.1 There were no visitors.

5.0 EXCUSES FOR ABSENCE

5.1 The Chairman received excuses from Bro. Henderson Devere Callender, Sis. Judith Haynes, Sis. Rosemary Gibson, Bro. Jeffrey Gibson, Sis. Sharon Branch, Bro. Ian Wood, Sis. Brenda Watson and Bro. Calvin Watson.

5.2 The Chairman asked that members and guests stand and observe one minute's silence in respect of those who had passed during the year including Sis. Shirley Reid, the first Secretary, and Bro. Colbourne Walters, one of the founding members.

6.0 MINUTES OF THE ANNUAL GENERAL MEETING HELD ON JULY 25TH, 2019

6.0.1 The Chairman entertained a motion for the Minutes of the meeting of July 25th, 2019, to be 'taken as read'. The motion was moved by Bro. Michael Alleyne and seconded by Bro. Michael Thompson. This motion was unanimously carried.

6.1 ADOPTION AND CONFIRMATION OF THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON JULY 25TH, 2019

6.1.1 Errors and Omissions

There were no errors or omissions.

6.1.2 There being no errors or omissions, the minutes were adopted on a motion moved by Sis. Diana Brathwaite, seconded by Bro. David Gittens and unanimously carried.

6.2 MATTERS ARISING FROM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON JULY 25TH, 2019

6.2.1 Bro. Michael Alleyne queried whether any update was available regarding the credit union bank. Bro. Branch responded that there was no new information available.

6.2.2 Bro. David Gittens asked if there was any update on the mobile app for the credit union software. Bro. Julian Watson responded that this was still in the works but that other methods of allowing members access to their funds had been prioritised.

6.2.3 Bro. Michael Alleyne requested updates on the new approach to delinquency that was to be introduced. Bro. Rolric Branch said that the approach that had been being explored was one where management of potentially income generating properties would be assumed by the Credit Union. However due to unforeseen risks and challenges this plan was abandoned.

6.2.4 Bro. Michael Alleyne wanted an update on the strategic alliances being pursued. Bro. Branch informed that a committee to explore this had been formed. Coming out of this some initiatives were developed to pursue projects that would benefit the credit unions involved. Bro. Burton reported that four credit unions had come together but had been hampered by COVID-19. He said that the projects under consideration were a funeral home and investment in the renewable energy sector. He explained that for the renewable energy project ideas such as assisting members to access solar systems as well as leasing roof space had been explored. For the funeral home, budgets had been prepared and the laws relating to this area had been reviewed.

6.2.5 Bro. Michael Alleyne inquired why 32 loans during the 2018-2019 financial year had gone delinquent so quickly. Bro. Branch said that it would be difficult to answer that as the information was not available but that loans were now considered delinquent from the first day of missed payment rather than after thirty days.

7.0 REPORTS FOR THE FINANCIAL YEAR 2019 – 2020

7.1 REPORT OF THE BOARD OF DIRECTORS

7.1.1 Bro. Branch requested a motion that all the reports be taken as read. This was moved by Bro. Shem Maxwell and seconded By Bro. Michael Alleyne.

7.1.2 Bro. Branch presented the report of the Board of Directors.

7.1.3 Bro. Michael Alleyne congratulated the Board for its work during the challenging times. He asked how close the Board was to filling the position of Office Manager. Bro. Branch advised that a candidate had been identified and the process of engaging him was to be started. He added that a review was also being done of the office operations.

7.1.4 President Branch requested a motion to accept the report. The motion was moved by Sis. Deborah Crichlow, seconded by Bro. Shem Maxwell and unanimously carried.

7.2 REPORT OF THE CREDIT COMMITTEE

7.2.1 Bro. Philip King, Secretary of the Credit Committee, presented the report.

7.2.2 The President requested a motion for this report to be accepted which was moved by Bro. Jamel Layne and seconded by Sis. Sandra Sealy. It was unanimously carried.

7.3 REPORT OF THE SUPERVISORY COMMITTEE

7.3.1 Bro. Andrew Collymore, Secretary of the Supervisory Committee, presented the report.

7.3.2 Bro. Michael Alleyne queried the status with regard to an Internal Auditor. Bro. Branch advised that a firm had been identified to provide this service but due to the impact of COVID-19 a starting date had yet to be scheduled. Bro. Burton added that the firm, Burrowes Chartered Accountants, had been identified to provide the service and would hopefully be starting in the next few weeks. This was a requirement coming out of one of the onsite audits conducted by the Financial Services Commission.

7.3.3 The Chairman then requested a motion that the report be accepted. The motion was moved by Bro. Shem Maxwell, seconded by Sis. Carrie-Ann Morris-Searle and unanimously carried.

7.4 REPORT OF THE DELINQUENCY COMMITTEE

7.4.1 Sis. Carrie-Ann Morris-Searle presented the report.

7.4.2 Sis. Morris-Searle corrected the overdue balance on page 35 of the report from \$53,687.16 to \$637,077.

7.4.3 Bro. Michael Alleyne said that he noted that the Delinquency Committee was utilising the services of an attorney to assist with recovery of delinquent loans. He said that ultimately this would impact the bottom line as some portion of the funds recovered

would be used to pay the attorney. He noted that the delinquency had hampered the Credit Union's progress over the years. Sis. Morris-Searle queried if he had any alternatives to using the attorney. Bro. Alleyne suggested that the Credit Union may need to sell the property of delinquent members. Bro. Felton Burton explained that the attorney only came into play for those delinquent members who did not respond to the Credit Union's efforts to contact them. He added that as a result of IFRS-9, \$618K had been allocated to bad debt due to delinquency. Mrs. Jennifer Maynard said that the Credit Union encouraged delinquent members to come in and work out a payment plan to assist in settling their debts.

7.4.4 The Chairman requested a motion that the report be accepted. The motion was moved by Bro. Michael Alleyne, seconded by Bro. Andrew Collymore and unanimously carried.

8.0 AUDITOR'S REPORT AND FINANCIAL STATEMENTS

8.1 The Chairman invited Mr. Peter Carter of Peter J Carter & Company to present the auditor's report on the audited financial statements of the BET Co-operative Credit Union Ltd. for the year ended March 31, 2020.

8.2 Mr. Carter explained that there were external factors which would from time to time impact the financial status of the Credit Union and it was incumbent on management to make allowances for these as had been the case with the Government investment. He then reviewed the auditor's report.

8.3 The President then requested a motion for the acceptance of the Auditor's Report. It was moved by Bro. Shem Maxwell, seconded by Bro. Michael Alleyne and unanimously accepted.

8.4 The President then invited the Treasurer, Bro. Julian Watson, to present the Financial Statements.

8.5 In his opening remarks, the Treasurer highlighted the following key points of the financials:

- A decline in appetite for loans.
- Increased regulatory costs and bad debt provisions.
- Increase in cash and cash equivalents and deposits showing members continued trust in saving with the Credit Union.
- The write down of Government securities in the amount of \$322K, bad debt provisions of \$618K and outstanding VAT receivables of \$401K have contributed to the net deficit.
- Of note is the fact that Other Operating Expenses has not risen thanks in part to assistance from the staff in keeping costs down.

- 8.6 Bro. Michael Alleyne congratulated the Board on their performance under the circumstances. He queried whether the Credit Union had to pay the regulator to which Bro. Rolric Branch responded that they did but he was uncertain of the actual percentage of the assets.
- 8.7 Sis. Wendy Walcott queried the increase in Professional and Legal Fees. Bro. Julian Watson explained that a consultant had been engaged to address some issues raised by the FSC which required the preparation of policies and procedures.
- 8.8 Sis. Wendy Walcott queried the inclusion of the provision for bad debt in the Income statement. She said it should be in the balance sheet and then when it becomes bad debt, it should be on the income statement. This bad debt provision plus the \$400K in the balance sheet was causing the Credit Union to show a loss. Bro. Watson said that even though it was a provision it had to be included as an expense. He then invited the auditor to explain. Mr. Carter said that there are two sides to each accounting entry. The provision will affect both the balance sheet and the profit/loss account. In this case it increased provision on the balance sheet and expenses. Both entries have to be made. Bro. Felton Burton added that if the loans were paid back in full, the provision would be reversed so income would then be seen.
- 8.9 The Chairman then invited a motion that the Financial Statements be accepted. This was moved by Sis. Deborah Crichlow and seconded by Bro. David Gittens. The motion was unanimously carried.

9.0 APPROPRIATION OF SURPLUS

- 9.1 The Chairman invited the Treasurer to speak on this item. The Treasurer explained that due to the loss experienced this year, the Credit Union was unable to offer a dividend. He added that as a result the grants and donations usually offered would also not be available.
- 9.2 Bro. Michael Alleyne said having reviewed the accounts he had realised that there would be no dividend or patronage refunds available. He hoped that within the next couple of years this situation could be reversed. He asked that with regard to social outreach that the Credit Union see if during the year it would be possible to do something in that area. Bro. Watson explained that there were grants built into some of the products such as SureBET and that some of the marketing plans also accounted for donations.
- 9.3 The Chairman referred to the Other Operating Expenses on page 20. He said that there was an entry under Honorarium. He explained that it was already in the Financials, but he was highlighting it so that the members would be aware. He suggested that at some point in the future the Credit Union may need to look at paying persons to do some of the work currently being done by the Committees.

10.0 FIXING OF MAXIMUM LIABILITY

- 10.1 The Treasurer proposed that the maximum liability remain at the current figure of three (3) million dollars. He explained that this was the maximum amount the Board could borrow.
- 10.2 The Chairman then requested a seconder. Bro. Michael Alleyne seconded the motion and it was unanimously carried.

11.0 APPOINTMENT OF AUDITOR

- 11.1 On behalf of the Board of Directors, the Chairman proposed the re-appointment of Peter J. Carter & Co. as Auditor for the ensuing financial year. This was seconded by Bro. Shem Maxwell.
- 11.2 The membership unanimously approved the re-appointment of Peter J. Carter & Co. as Auditor for the Financial Year 2020-2021.
- 11.3 Bro. Watson thanked the Auditor for working with the Credit Union especially given the tight deadlines.
- 11.4 Mr. Carter then thanked the Credit Union staff for their co-operation and Ms. Alicia Holder who would have worked on the audit on behalf of Peter J. Carter & Co.
- 11.5 Bro. Branch explained that the Auditor was very helpful in terms of suggestions in the accounts especially as it related to IFRS9.

12.0 RESOLUTIONS

- 12.1 The Chairman said that the Board had reviewed the request to reduce the quorum for the AGM but had decided against it as it may send the wrong message to members and it would mean a very small number would be making decisions for the majority. The second item considered had been a request for a change in the Bylaws to allow members to join online but that was still being reviewed as consultation would be done with the League and the Regulator.

13.0 ELECTIONS**13.1 REPORT OF THE NOMINATIONS COMMITTEE**

- 13.1.1 Bro. Andrew Estwick presented the Nominations Committee report.
- 13.1.2 He informed the meeting that the Committee was made up of Bro. Andrew Collymore, Sis. Sharon Walke and himself.

- 13.1.3 He said that there were four vacancies to be filled. The vacancies were as follows: on the Board, Bro. Rolric Branch and Bro. Andrew Estwick had each served one term and were not seeking re-election, on the Credit Committee, Bro. Shem Maxwell had served one term and was eligible for re-election and on the Supervisory Committee, Sis. Diana Brathwaite had served two terms and was not eligible for re-election.
- 13.1.4 Bro. Estwick then gave the Committee's recommendations for filling the vacancies. For the Board, Bro. Michael Alleyne and Bro. Clifford Bostic were proposed. He then gave brief resumes of the two candidates.
- 13.1.5 It was proposed that the vacancy on the Supervisory Committee be filled by Bro. David Gittens. Bro. Estwick gave a short bio on Bro. Gittens.
- 13.1.6 The Committee proposed that Bro. Shem Maxwell serve a second term on the Credit Committee. Bro. Estwick gave a brief bio on Bro. Maxwell.
- 13.1.7 Bro. Rolric Branch requested a motion that the report of the Nominations Committee be accepted. This was moved by Sis. Diana Brathwaite and seconded by Sis. Carrie-Ann Morris-Searle. The motion was unanimously carried.

13.2 ELECTION OF OFFICERS

- 13.2.1 The Chairman requested that the Nominations Committee declare the candidates duly elected as there was no need for elections.
- 13.2.2 Bro. Andrew Estwick then declared the following:
- For the Board of Directors, Bro. Michael Alleyne and Bro. Clifford Bostic were duly elected to serve for the next three years.
 - For the Supervisory Committee, Bro. David Gittens was duly elected to serve for the next three years.
 - For the Credit Committee, Bro. Shem Maxwell was duly elected to serve for the next three years.
- 13.2.3 Bro. Rolric Branch congratulated the newly elected members and thanked them for volunteering to serve.

14.0 ANY OTHER BUSINESS

- 14.1 The President opened the floor to any further discussions.

- 14.2 Sis. Wendy Walcott queried the status of the court case involving the dismissal of an employee. Bro. Branch said that the matter was still outstanding and was being handled by lawyers.
- 14.3 Sis. Wendy Walcott asked if positions within the Credit Union such as the Internal Auditor, Office Manager and Accountant were only advertised internally. Bro. Branch said that the position of Office Manager had been advertised in the print media. Sis. Walcott also queried the advertising for the accountant position as well. Bro. Branch explained that it was a temporary position that needed to be filled immediately but should it become permanent the position would be advertised
- 14.4. Sis. Walcott said that the need for an Internal Auditor had been raised a few years ago and at the time a member had proposed that the Credit Union share the service so she was surprised that one was now being engaged. Bro. Branch said that the League had explored offering the service but that process has taken a while. The Credit Union therefore decided to find one on its own rather than waiting on the League but once the League was ready, they would review that option.
- 14.5 Bro. David Gittens asked if consideration had been given to conducting IT audits within the credit union movement. Bro. Branch said that this had not been done but perhaps should be raised at the League level.
- 14.6 Bro. Branch encouraged members to serve on the sub-committees of the Credit Union.

15.0 ADJOURNMENT

- 15.1 There being no further business, the Chairman moved a motion for the termination of the meeting. The motion was seconded by Bro. Michael Alleyne and unanimously carried.
- 15.2 The Chairman declared the meeting adjourned at 9:24 pm.



Clifford Bostic
Secretary
BET Co-operative Credit Union Limited

REPORT OF THE BOARD OF DIRECTORS
OF THE BET CO-OPERATIVE CREDIT UNION LIMITED
FOR THE FINANCIAL YEAR APRIL 1ST, 2020 TO MARCH 31ST, 2021.

April 1st 2019 to November 12th 2020

President: Bro. Rolric Branch
 Vice-President: Bro. Felton Burton
 Secretary: Bro. Eric Alkins
 Treasurer: Bro. Julian Watson
 Asst. Secretary: Bro. Andrew Estwick

November 12th 2020 to March 31st 2021

Bro. Felton Burton
 Bro. Michael Alleyne
 Bro. Clifford Bostic
 Bro. Julian Watson
 Bro. Eric Alkins

Attendance at Board Meetings

<u>MEMBER</u>	<u>POSSIBLE</u>	<u>ACTUAL</u>	<u>EXCUSED</u>	<u>YEAR ELECTED</u>
Bro. Felton Burton	12	11	1	2019
Bro. Michael Alleyne	4	3	1	2020
Bro. Clifford Bostic	4	4		2020
Bro. Julian Watson	12	12		2019
Bro. Eric Alkins	12	12		2018
Bro. Rolric Branch	8	8		2017
Bro. Andrew Estwick	8	8		2017

OVERVIEW

The year under review was a very challenging one for the BET Co-operative Credit Union Ltd. The year was a relatively short one as the last AGM was held in November 2020.

The majority of our Board meetings were held virtually using TEAMS, as the government shutdowns and government protocols made it impractical to have face to face meetings.

With the economy making a slight recovery, the impact of Covid-19 and later the La Soufriere Volcano eruption, appear to have eroded all the economic gains that were made. With the many shutdowns pronounced by the government, due to Covid-19 and the volcanic ash, the Credit Union introduced additional ways for staff to work and members to conduct their business virtually. Remote work was expanded to all staff and online transfers were facilitated for all members. These types of services bring us closer in line with the larger credit unions and commercial banks

and the Board intends to continue adding modern and innovative ways of doing business in the future to satisfy the needs of our members.

HUMAN RESOURCES

In January 2021, we welcomed our new Operations Manager Bro. Ryan Reece to manage the operations of our Credit Union. We want to thank Sis. Deborah Crichlow for the time on contract that she assisted in the office after the resignation of Sis. Boyce. Bro Reece has a wealth of knowledge and experience in the credit union movement having served in many capacities in the credit union movement for over twenty years. Ryan holds a Bachelor's Degree in Economics and Management from the University of the West Indies, an MBA in finance from the University of Leicester (UK). He is a member of the Chartered Management Institute (UK) and is also an Accredited Small and Medium-size Enterprise Consultant (USA).

We have also entered into a contract with Ms. Paula Brooker from Executive Support Services to assist the credit union to strengthen some of our technical and accounting practices highlighted by our auditors, which in some cases have partly been the cause for the delay in having our AGM in a timely manner, as per the Cooperative Societies Act. Ms. Brooker is also contracted to provide training to staff to assist with their development. It should be noted that Ms. Brooker is a qualified accountant who is very familiar with credit unions and our credit union in particular having been a part of the audit team at Peter J. Carter and Co. Ltd. for many years.

Additionally, in an effort to ensure our regulatory obligations are satisfied and to manage our policies as they relate to money laundering and terrorism financing, we have engaged Ms. Glenna Smith as our AML Consultant. Ms. Smith is the Managing Director of Smith Compliance Consulting and holds a Bachelor of Commerce. She is a board member of the Caribbean Regional Compliance Association and chairs the Banking Committee of the Barbados Association of Compliance Professionals.

MEMBERSHIP

Our membership now stands at 848, an increase by ten.(Sup Comm has increase of 12) The Board has agreed to look at ways of widening our membership base.

DELINQUENCY

Brothers and Sisters delinquency in the BET Co-operative Credit Union Ltd is a big area of concern to the Board, Elected Committees, Staff, FSC and our Auditors.

The level of delinquency continues to rise, and the impression appears that some members do not respect their contractual agreements with their loan conditions. It also appears that too many members are of the opinion that the money they borrow when needed is no longer a priority when it is to be repaid.

Once again, our high delinquency is causing us to make a high provision for bad debt of \$336,710 this year after an amount of \$618,100 was made last year. This amount is our highest expense

in the income statement and a great cause for concern. This has had a great negative effect on our surplus.

We have taken a more aggressive approach to reducing our delinquency by engaging an Attorney-at-Law to assist our Credit Union in recovering some loans that are outstanding over five and six years. Some positive results are expected in the not-too-distant future. It should be noted that when loans are delinquent for ninety days or more, a bad debt provision for one hundred percent has to be made in the income statement as an expense. This matter will be further discussed in the Delinquency Report.

Our total delinquency at March 31st, 2021, is \$4,545,537.12.

1 - 30		31 - 90		> 90		Total	
# of loans	\$ Amount	# of loans	\$ Amount	# of loans	\$ Amount	Total # of loans	\$ Amount
36	\$1,127,179.28	22	\$685,083.09	24	\$2,733,274.75	82	\$4,545,537.12

FINANCIALS

This year our financial activity has been hampered by the high provision for bad debt along with the continued write down of our Government Bonds as recommended by ICAB. These two items have had a negative impact of \$459,000 on our income statement.

We have reached the threshold of \$40M in assets which now caused us to be under greater scrutiny by the FSC. We now have to do more detailed reports to be sent to the FSC in a timely manner.

At present we have invested \$17.4M across a portfolio of 16 separate investments at 7 institutions. Out of that, \$7.7M or 45% is invested in term deposits, which has thus far earned us \$151K in interest for the financial year.

Our net operating surplus for the year is \$64,089. Our Total Assets are \$40,145,437. Loans outstanding are \$12,873,846. Delinquent loans are \$4,545,537.12.

New this year is a fee payable to the FSC of \$35,970. All credit unions are now charged a fee for supervisory services.

The Financial Statements in this report show all the details for the year.

CONCLUSION

The Board is fully aware of the difficulties that some of our members may be facing in light of the fiscal environment that currently exists. This will make it difficult for some to meet their financial

obligations. However, it is vital that members who are experiencing difficulties, initiate communication with the office to determine how we can work together to find solutions that may be beneficial to both you and the credit union.


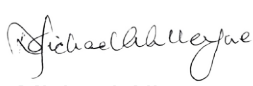
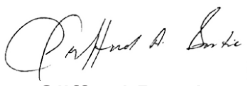


Our administrative/operating expenses are expected to increase as we seek to conform to our regulatory requirements. The credit union will be seeking to identify and introduce new member services as well as to improve our current services in order to remain relevant in this fast paced and ever-changing financial environment. We must keep in tune with our diverse membership.

We want to extend our thanks to all members who have supported our credit union this year. Special thanks to our elected committees, non-elected committees, staff and our auditors for their support and co-operation this year.

We conclude by encouraging all members to offer their services to sit on an elected committee as the training and knowledge to be gained is priceless.

Continue to support your credit union.

Submitted for your approval by your Board of Directors.

				
Felton Burton	Michael Alleyne	Clifford Bostic	Julian Watson	Eric Alkins
President	Vice-President	Secretary	Treasurer	Assistant Secretary

<u>BET CO-OPERATIVE CREDIT UNION LIMITED</u>			
<u>PEARLS COMPARISONS FOR YEAR ENDING MARCH 31ST 2021</u>			
	<u>PEARLS Standard</u>	<u>Achievement</u>	
Capital/Total Assets	>8%	11%	
Net Operating Income/Average Assets	>1%	1.28%	
Operating Expenses/Gross Operating Income	<50%	60.40%	
Delinquent Loans/Total loans	<5%	35%	
Savings Growth	10% to 20%	2.08%	
Loans Growth Rate	8% to 15%	-2.38%	
Gross loans/Total Assets	70% to 85%	32.07%	
Non Earning Assets/Total Assets	<6%	10.02%	

BET CO-OPERATIVE CREDIT UNION LIMITED					
OPERATING BUDGET FOR THE YEAR 2021/2022					
ACTIVITY				BUDGET 2021/2022	ACTUAL 2020/2021
REVENUE					
Interest from Loans				\$ 1,000,000.00	\$ 923,209.00
Interest from Investments				\$ 315,036.00	\$ 290,297.00
Rental Income				\$ 84,000.00	\$ 63,496.00
Dividend income				\$ 30,000.00	\$ 29,532.00
Cash and cash equivalents				\$ 2,600.00	\$ 2,577.00
Bad debt recovery				\$ 150,000.00	\$ 77,069.00
Sundry income				\$ 600.00	\$ 616.00
TOTAL REVENUE				\$ 1,582,236.00	\$ 1,386,796.00
EXPENSES					
Demand deposit				\$ 75,000.00	\$ 72,950.00
Mortgage deposits				\$ 21,000.00	\$ 18,362.00
Term deposits				\$ 138,000.00	\$ 126,087.00
Depreciation				\$ 30,000.00	\$ 29,949.00
Property(rental)				\$ 28,000.00	\$ 27,135.00
Staff Costs				\$ 215,000.00	\$ 151,143.00
Write down of Government securities				\$ 35,000.00	\$ 59,000.00
Advertising				\$ 30,000.00	\$ 9,991.00
Bank charges				\$ 7,000.00	\$ 6,664.00
Computer				\$ 8,000.00	\$ 19,638.00
Conferences				\$ 25,000.00	\$ -
Co-operative day				\$ 2,000.00	\$ 1,356.00
Donations				\$ 5,000.00	\$ 1,368.00
Education fund				\$ 7,500.00	\$ 7,500.00
FSC Fees				\$ 35,970.00	\$ 35,970.00
Honoraria				\$ 35,000.00	\$ 35,000.00
Insurance				\$ 12,000.00	\$ 11,654.00
Impairment provision increase				\$ 200,000.00	\$ 336,710.00
BCCUL dues				\$ 27,000.00	\$ 26,263.00
Meetings				\$ 29,000.00	\$ 28,912.00
MBP assessments				\$ 69,000.00	\$ 68,052.00
Office expenses				\$ 26,000.00	\$ 25,686.00
Postage and courier services				\$ 3,800.00	\$ 3,736.00
Professional and legal fees				\$ 150,000.00	\$ 95,656.00
Property taxes				\$ 15,000.00	\$ 14,962.00
Repairs and maintenance				\$ 40,000.00	\$ 4,001.00
Security				\$ 12,000.00	\$ 7,913.00
Software maintenance				\$ 5,000.00	\$ 4,611.00
Stationery				\$ 13,000.00	\$ 12,397.00
Training				\$ 9,000.00	\$ 3,445.00
Electricity				\$ 21,000.00	\$ 17,974.00
Telephone and Internet				\$ 21,000.00	\$ 20,388.00
Water				\$ 1,000.00	\$ 944.00
TOTAL EXPENSES				\$ 1,351,270.00	\$ 1,285,417.00
Surplus/(Deficit)				\$ 230,966.00	\$ 101,379.00

REPORT OF THE CREDIT COMMITTEE
OF BET CO-OPERATIVE CREDIT UNION LIMITED
FOR THE YEAR APRIL 01, 2020 TO MARCH 31, 2021

COMMITTEE MEMBERS

	July 25, 2019 – November 12, 2020	November 12, 2020– March 31, 2021
Chairperson	Shem Maxwell	Shem Maxwell
Secretary	Philip King	Philip King
Member	Shem Maxwell	Carrie-Ann Morris-Searle

INTRODUCTION

During the financial year April 2020 to March 2021, the Credit Committee held Seventy-Six (76) meetings during which 207 loans, valuing \$4.388M, were approved. One (1) loan application was withdrawn, and one (1) application was escalated to an Extraordinary Credit Committee for approval.

Loans Received Current Period	Approved & Disbursed (Bds)	Denied / Withdrawn	Ref. Asset Committee	Ref. Extra Ordinary Credit Committee
207	\$ 4,388,514	1	2	1

CREDIT COMMITTEE MEETINGS

MEMBER	POSSIBLE	ACTUAL	EXCUSED	YEAR ELECTED
Carrie-Ann Morris-Searle	76	76	0	2019
Philip King	76	76	0	2015
Shem Maxwell	76	76	0	2017

By necessity of the COVID-19 environment, the use of technology drove the dramatic increase in meetings to deal with loans in real time.

LOAN ANALYSIS

Of the \$4.388M in loans approved, \$2.680M in new loans were disbursed, exhibiting a 57% increase in value from the previous year.

Debt Consolidation displayed its dominance of the loan portfolio with a value of \$2.253M, which was significantly up by 176% from the previous financial year. Mortgage performance declined by 32% whilst the major categories of home improvement and vehicle purchase, increase by 69% and 55% respectively. Thanks to innovations in the loan promotion portfolio there was a 67% increase in Line of Credit loans totaling \$105K.

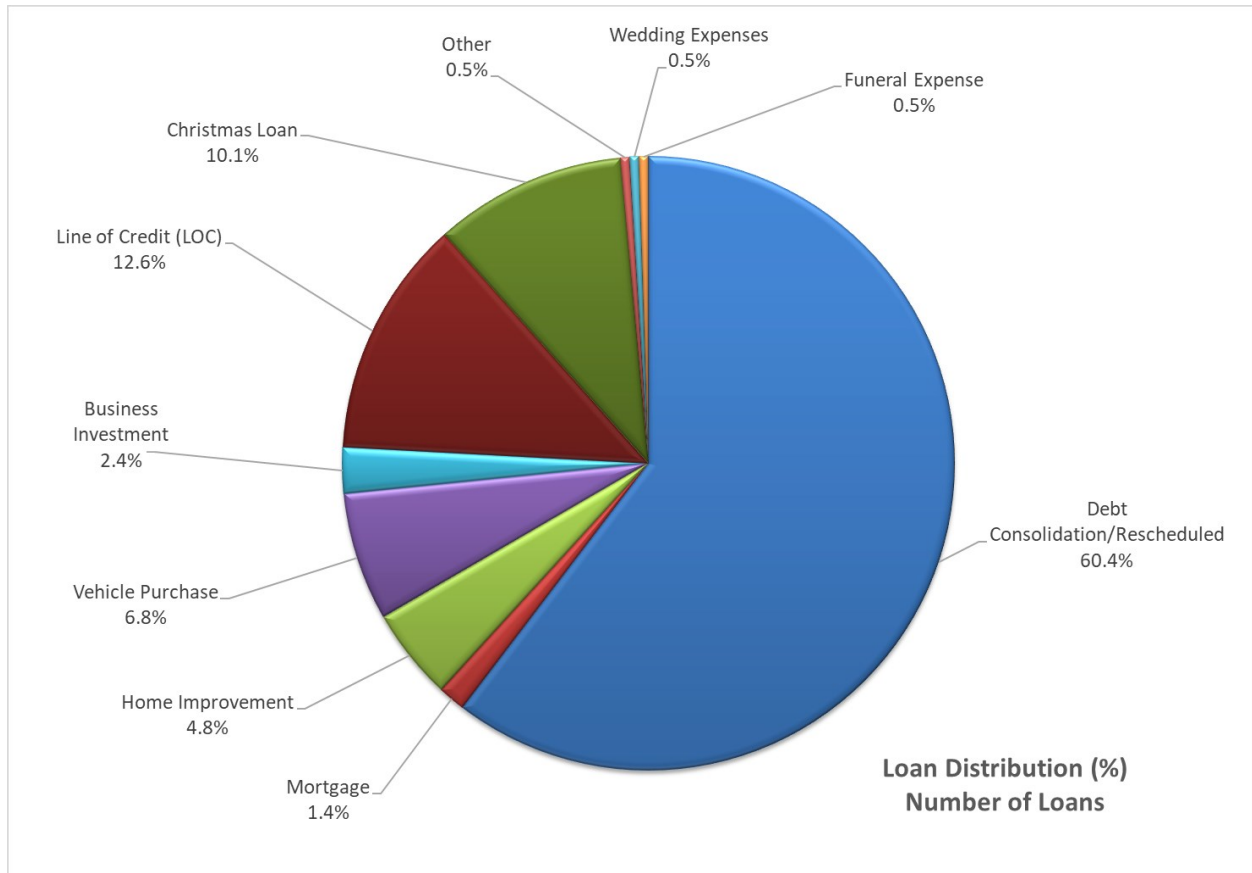
LOAN CATEGORY	Apr 2020- Mar 2021		Apr 2019 - Mar 2020		% Change Over Last Period	
	# Loans	Loan Value (\$)	# Loans	Loan Value (\$)	# Loans	Loan Value
Debt Consolidation/Rescheduled	125	2,253,067	134	815,399	-7%	176%
Mortgage	3	668,950	5	990,471	-40%	-32%
Home Improvement	10	255,118	6	151,042	67%	69%
Vehicle Purchase	14	773,573	11	499,593	27%	55%
Business Investment	5	240,000				
Land Purchase			2	125,000	-100%	-100%
Education			1	2,000	-100%	-100%
Line of Credit (LOC)	26	105,000	13	62,975	100%	67%
Christmas Loan	21	49,000	21	51,700	0%	-5%
Medical			3	29,500	-100%	-100%
Travel			3	25,000	-100%	-100%
Legal Fees			1	6,730	-100%	-100%
Vehicle Repairs			1	25,000	-100%	-100%
Other	1	14,000	3	7,000	-67%	100%
Furniture /Appliance			1	800	-100%	-100%
Insurance			2	2,773	-100%	-100%
Wedding Expenses	1	23,806				
Funeral Expense	1	6,000.00	1	8,400	0%	-29%
Total	207	4,388,514	208	2,803,383	0%	57%
Refinanced/Rescheduled	(39)	(1,707,590)	(38)	(878,374)	3%	94%
Disbursement	168	2,680,924	170	1,925,009	-1%	39%

* 13 refinanced loans were coupled with other loan figures. 4 loans were rescheduled.

Graphs

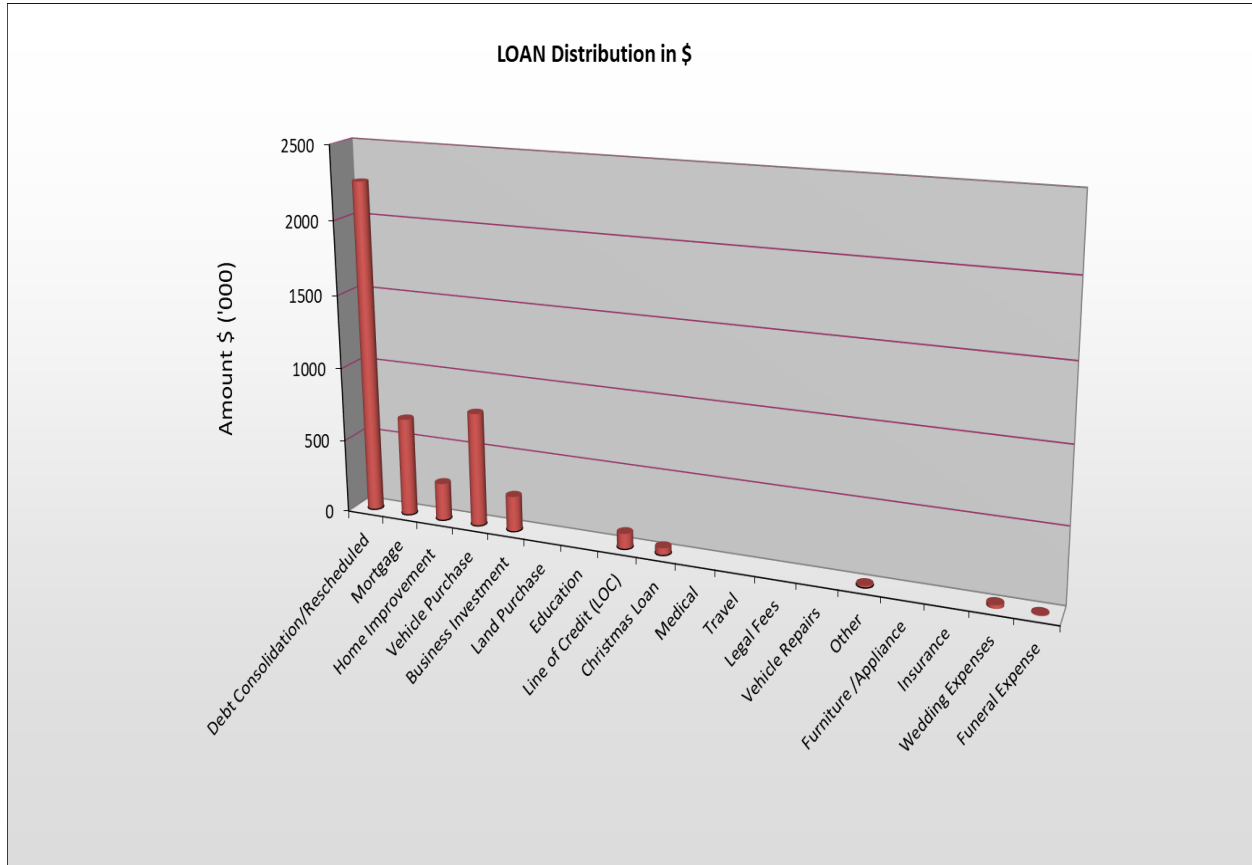
The following graphs depict the categorized distribution of loans by purpose, monetary value, age and trends.

Graph 1



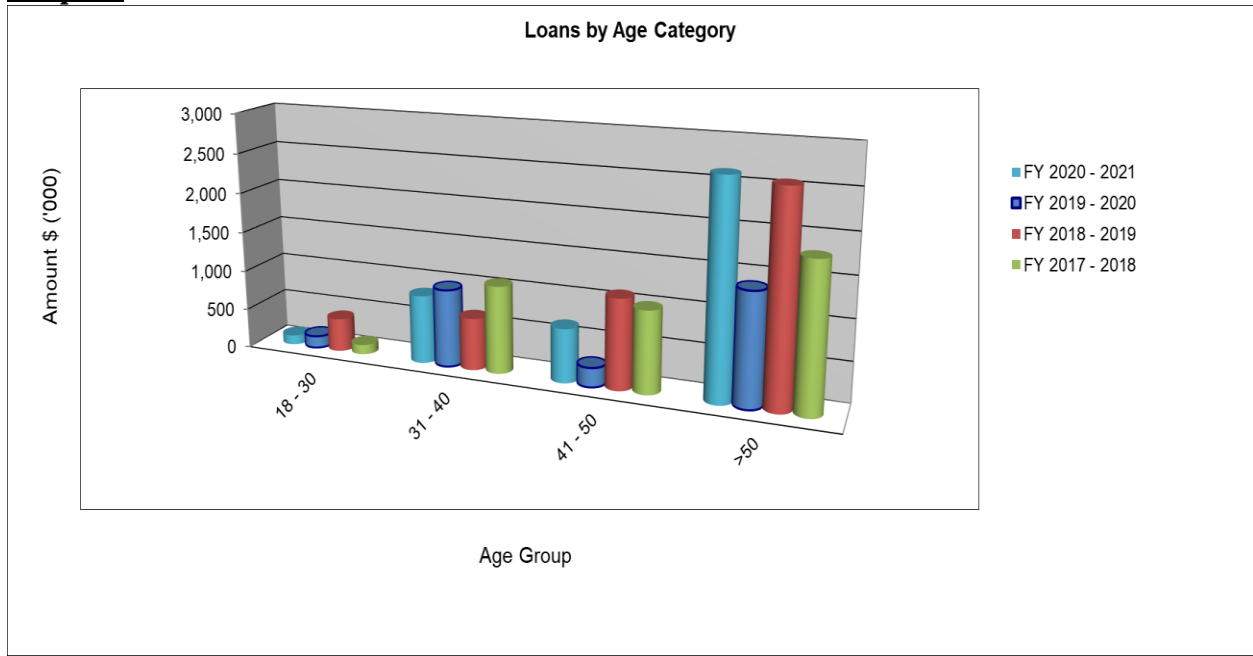
Graph (1) categorises the volume of loans by percentage approved. Debt Consolidation remained the leading category at 60.4% followed Line of Credit and the ever-popular Christmas loans at 10.1%. Vehicle Purchases were 6.8% and Home Improvements followed at 4.8%.

Graph 2



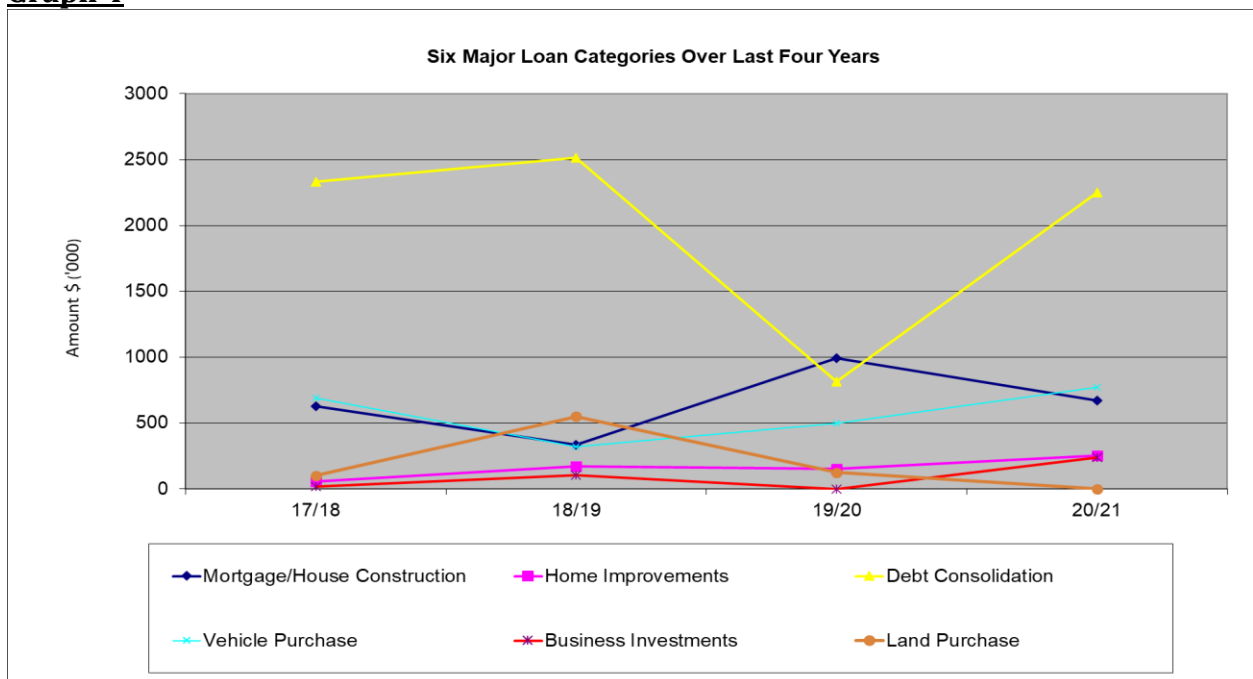
Graph 2 displays the loan distribution amounts in Barbados dollars and indicates Debt Consolidation climbed as the monetary leader at \$2.253M, followed by Vehicle Purchases at \$773K and Mortgages at \$668K.

Graph 3



Graph 3 indicates the loan amounts borrowed in the over fifty (50) age category, which outperformed all others while the 31-40 age category followed suite for the current period.

Graph 4



Graph 4 illustrates Debt Consolidation as the leader within the loan portfolio for FY20/21 following a dramatic dip last year due to the pandemic effects on the economy. However skillful management of the loan portfolio enabled recovery to almost pre-pandemic levels this year.

RECOMMENDATIONS

FY 2020-2021 foisted the most challenging period on the economic and social landscape of Barbados and the world. No one was spared from the ravages of the COVID-19 pandemic which caused surges of sickness and death, states-of-emergency, curfews, lockdowns, business failures and eventual job losses. However, due to strong political leadership, proper disease management protocols, effective vaccines and the public sentiment of eternal optimism, signs of economic recovery have emerged.

This phenomenon will plague the world for at least another year and may cause unstable financial conditions to prevail for some time. However, the Credit Union remains alert and agile in its ability to adapt and continue to assist the financial needs of its members despite adverse fiscal and social conditions.

The corrective effects of the purposely formed marketing sub-committee, to arrest the trend of declining loan values effectively showed how proactive management can ably fulfill the financial objectives of the Credit Union.

To ensure the future survivability of BET Credit Committee (???), new initiatives and adaptive measures must be implemented, therefore the following initiatives are currently being worked on.

- **Transitioning from a Policy based loan process to a Risk based procedure.**
- **Modernising our Line of Credit facility to a Pre-paid Debit Card service.**
- **Enhanced use of technology to reduce information duplication within the application process.**

CONCLUSION

Overall, the loan performance increased by 57% over the previous year, suggesting that the Credit Union's strategies for mitigating the effects of the economic depression have worked. Members have embraced the Credit Union's benevolent approach to financial management and confidence to borrow despite economic constraints has been restored.

The BET Credit Committee would like to thank the BETCUL staff and Board of Directors for the support throughout the year. The BETCUL continues to encourage all members to

patronize the Credit Union's services when possible and we are indeed grateful to all our members for your collective support.

Please follow all the government sanctioned protocols and do continue to stay safe and in good health.

Shem Maxwell
Chairman



Philip King
Secretary



Carrie-Ann Morris-Searle
Member



**REPORT OF THE SUPERVISORY COMMITTEE
OF BET CO-OPERATIVE CREDIT UNION LIMITED
FOR THE YEAR APRIL 1, 2020 TO MARCH 31, 2021**

COMMITTEE MEMBERS

	July 25, 2019 – November 12, 2020	November 12, 2020 – March 31, 2021
Chairperson	Diana Brathwaite	Andrew Collymore
Secretary	Andrew Collymore	David Gittens
Member	Leandra Bishop	Leandra Bishop

INTRODUCTION

The Supervisory Committee hereby presents to the Annual General Meeting, its Report on the affairs of the BET Co-operative Credit Union Ltd. for the period April 01, 2020 – March 31, 2021.

During the year under review, the Committee examined the financial operations and activities of the Credit Union and paid special attention to the organization's internal controls.

SUPERVISORY COMMITTEE MEETINGS

The committee recorded (11) meetings which were used to examine the critical business areas. The attendance was as follows:

MEMBER	POSSIBLE	ACTUAL	EXCUSED	YEAR ELECTED
Diana Brathwaite	3	3	0	2017
Andrew Collymore	11	11	0	2018
Leandra Bishop	11	2	9	2019
David Gittens	9	8	1	2020

STRUCTURE OF THE SUPERVISORY COMMITTEE

The roles of the Committee were as follows:

- Bro Andrew Collymore - Chairman
- Bro David Gittens - Secretary
- Sis Leandra Bishop - Member

REVIEW OF OPERATIONS

During the past year, the Committee reviewed the operations and activities of the Credit Union documenting any issues or non-compliance to the internal controls.

Initial steps have been taken for the introduction of an Internal Auditor as we aim to ensure compliance to policies and improving the internal controls at the Credit Union office. We are hoping to see further progress in this area in the upcoming year.

Over the past year, the Committee liaised with the Board of Directors, the Operations Manager and Staff in the execution of its review activities for the fiscal year 2020-2021

The Supervisory Committee reviewed and evaluated several areas including those indicated below:

- Reconciliation of withdrawals, deposits, transfers and loans to the members' accounts generated from the financial management system
- Loan applications and disbursements to members and staff
- Filing of reports with the Financial Services Commission
- Financial Statements
- Reconciliation reports
- Report on members' transaction that are classified as Unusual Activity in line with the Anti-Money Laundering Legislation and 'Know Your Customer' (KYC) guidelines

ORGANISATIONAL CHANGES

During the financial year 2020 -2021 Mr. Ryan Reece joined us in the capacity of Operations Manager. The accounting services of Ms Paula Brooker were contracted. We extend a special welcome to them.

LOANS

The loan portfolio represents the largest single source of income for the BET Co-operative Credit Union Ltd. therefore its careful management is imperative to ensure the overall risk to members is kept at a minimum. The Committee was generally satisfied that the policies and procedures were adhered to and internal controls were maintained.

FINANCIAL STATEMENTS

Financial statements essentially reveal to the members how the Credit Union is performing at the end of the reporting period. The information therefore must be relevant, accurate and complete and must present fairly in all material aspects the financial position of the Credit Union. Monthly reviews of the financial statements were conducted to identify trends in the Credit Union's performance as well as comply with the regulatory requirements.

RECONCILIATION REPORTS

The Committee selected a sample of the daily cash reports on a monthly basis over the period under review to ensure the accuracy of receipts and payments (including dividends), in compliance with the established accounting procedures.

MEMBERSHIP

As of 31 March 2021, the membership of the BET Co-operative Credit Union was as follows

	Mar-21	Mar-20	Mar-19
MEMBERS	848	836	802
ADDITIONS	22	43	46
TERMINATIONS	10	5	11

RECOMMENDATIONS

1. Digitization of the review process executed by the Supervisory committee to reduce the time period between meetings.
2. An IT audit/Security risk assessment to be completed for the Credit Union within the current financial year to ascertain the status of our cyber risks and privacy risks, as well as our vulnerability to IT-related disasters.
3. A formal Remote Working policy be designed with assistance of the Technical Committee to better position the Credit Union to operate in the Covid-19 environment
4. Implement periodic security awareness training for staff, committee members, and any interested members, to combat the rampant fraud, ransomware, and other cybercrime associated with the financial space and performing online transactions.
5. Put steps in place to help the Credit Union meet the requirements of the recently-proclaimed Barbados Data Protection Act.

CONCLUSION

In closing, the Committee Members offer their sincerest appreciation to the membership of the BET Co-operative Credit Union Ltd. for showing confidence in our stewardship on the Supervisory Committee for the 2020 – 2021 term.

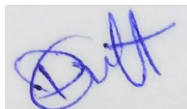
The Committee anticipates working with the members of the Credit Union going forward in the challenging and changing financial market which we currently face.

The Committee sincerely thanks the Board of Directors, the Credit Committee, the Operations Manager and Staff for their co-operation in providing the necessary information required to conduct the various reviews.



Andrew Collymore

Chairperson



David Gittens

Secretary



Leandra Bishop

Member

**REPORT OF THE DELINQUENCY COMMITTEE
OF BET CO-OPERATIVE CREDIT UNION LIMITED
FOR THE PERIOD ENDING 31ST MARCH 2021**

INTRODUCTION:

The Delinquency Committee is a sub-committee created with the objective of monitoring and advising on fair and equitable actions required against members who have defaulted on their loan payments to the Credit Union.

The Delinquency Committee comprises of:

- one member from the Board of Directors.
- one member from the Supervisory Committee
- one member from the Credit Committee

The Delinquency Committee works together with the other committees of the Credit Union and the team at the office to assist with the recovery of outstanding loan payments to minimize the associated risk to the Credit Union.

DELINQUENCY COMMITTEE MEMBERS FOR THE 2020-2021 FISCAL:

Chairman: Michael Alleyne

Secretary: Leandra Bishop

Member: Philip King

DELINQUENCY REPORT:

As a result of the late staging of the Credit Union's AGM for the financial year 1st April 2019 - 31st March 2020, the present Committee took office in November 2020. The Committee's mandate was to seriously address the high delinquency situation that has been plaguing the Credit Union. As a result of the magnitude of this portfolio, the Credit Union has been unable to expand its loan portfolio in the area of mortgages. Needless to say, this has caused members to seek other financial institutions to satisfy their mortgage needs.

The Committee therefore on assuming office, examined and considered ways and means of making affirmative inroads into this issue. It must be noted here that the Committee recognized the valiant efforts made by previous Committees to resolve this situation. For the period ending 31st March 2021, the Committee met three (3) times and also engaged the office staff in those discussions. The Committee undertook to focus primarily on the larger outstanding delinquency

amounts while making transfers from other members' share balances to their loan balances. Such transfer action saw an immediate reduction by a modest 10% of the total delinquency.

With regard to the larger loans, the Committee is happy to report that one loan should be liquidated within a short period as discussions surrounding the sale of the property are about to be concluded while stronger legal action is set to commence on the others. Smaller delinquent loans are being addressed through the usual channels, but it has been agreed that early detection of possible delinquency of future loans should be immediately actioned.

At the end of the reporting period under review, there were **83** delinquent loans with a combined overdue balance of approximately \$829,804.00, which represents 32% of the total delinquency.

A tabular picture of the Delinquency situation is presented below: -

Table 1 – Aged Arrears

Days Delinquent	Comparative Arrears Amounts per year		Comparative Arrear Loans per year		Comparative Arrears Amounts per year	
	2021	2020	2021	2020	% Change	\$ Change
01-30	16,304.68	14,495.00	37	44	12%	1,809.68
31-60	12,894.05	7,174.00	16	7	80%	5,720.05
61-90	7,973.39	11,939.00	6	8	-33%	-3,965.61
91-365	87,159.74	47,556.00	12	9	83%	39,603.74
> 365	705,472.34	555,414.00	12	10	27%	150,058.34
Total	829,804.20	637,077.00	83	78	32%	\$192,727

This table indicates a more definitive picture of the Arrears owed with a total amount of \$829,804.20, an increase of \$192,727.00 or 32% over last year.

Table 2 – Arrears Management:

Delinquency Management	# of Loans	Arrears Amount (\$)	Loan Amount (\$)	Arrears Amount (%)
Managed by Office	70	81,026.19	2,623,544.29	10%
Transferred to Debt Collector				
Arrangement with Board	1	107,690.21	225,790.91	13%
Other				
Loan Balance Repayable Immediately (Legal Action)	12	633,114.41	1,696,421.92	77%
Total	83	821,831	4,545,757	100.00%

This indicates how the portfolio is being managed and the various amounts associated underscoring the severity of our Delinquency situation.

Table 3 – Loan Delinquency

Loan Delinquency		
Year	2021	2020
Total Loan Amount (Net)	14,547,212.00	14,460,870
# of Loans	333	339
Total Delinquent Amount	4,545,537.12	3,819,374
# of Delinquent Loans	83	78
Total Delinquent Amount (%)	32	26
Total Bad Debt Provision	336,710.00	618,100
Total Write-off Amount	0	0

This table gives an overall picture of our Loan Portfolio. Our records indicate a small reduction in the number of total loans but as previously indicated, an increase in the number of Delinquent Loans and the Total Delinquent Amount.

CONCLUSION:

The Delinquency Committee's overall goal in concert with the other committees is to reduce the delinquency ratio as close to the PEARLS RATIO as this standard requires. This is no easy task and the Committee has recognised that a more careful and detailed approach to our lending portfolio has to be undertaken. Effective management of this portfolio will initially result in further operational costs to the Credit Union and members are hereby forewarned that loan applications will have to be further scrutinised to minimise the risk of future higher delinquency. It is also recommended following discussions with our staff and legal entity that the Credit Union's loan policy needs an urgent overhaul with the view of strengthening certain areas.

We again repeat the clarion call for members to have early and effective discussions with our staff when experiencing financial challenges with their respective loans. The Credit Union is not retracting from its guiding and foundation principle of 'members being their brothers' keeper' but will be exercising and strengthening the rudiments of good financial management in servicing its members' needs.

The Committee salutes the continuing support of staff and management of the Credit Union in carrying out its task. The road ahead is daunting but we are committed to fulfilling our mandate and look forward to presenting a more improved delinquency report next year.



Michael Alleyne

Chairman



Leandra Bishop

Secretary



Philip King

Member

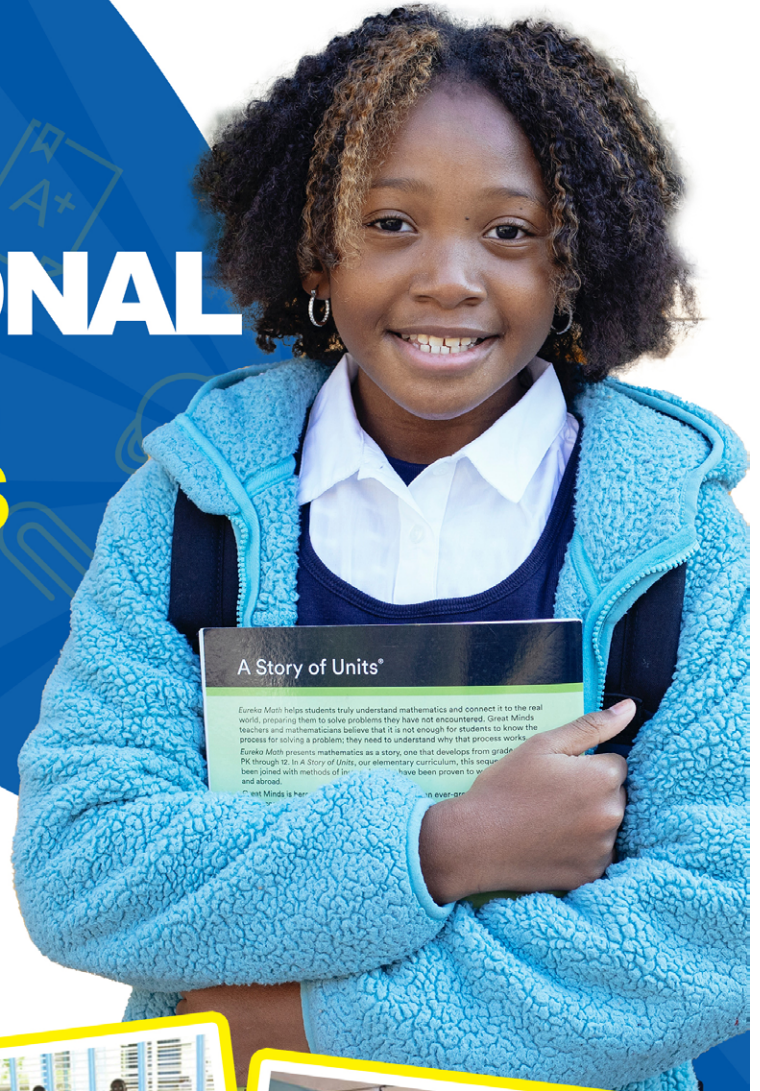


**BET CO-OPERATIVE
CREDIT UNION LTD**
Strong Past, Secure Future.

EDUCATIONAL GRANTS & REWARDS

This year, your child could be a winner

**BET CO-OPERATIVE
CREDIT UNION LTD**
IS REWARDING A CHILD
WITH TOP COMMON
ENTRANCE, CXC, AND CAPE
RESULTS.*



**SUBMIT THEIR NAME, THE SCHOOL CURRENTLY
ATTENDING, AND PROOF OF RESULTS.**

Special terms and conditions apply



246-430-8870

Contact the Credit Union's
office for further details

Cnr. 5th Ave. Belleville & Pine Road, St. Michael

* To enter, the child must be a member of the Credit Union.

 **BETCreditUnion**

B E T
CO-OPERATIVE CREDIT UNION LTD.

FINANCIAL STATEMENTS
MARCH 31, 2021

PJC

Chartered Accountants
Barbados

"We reckon but people count"

B E T CO-OPERATIVE CREDIT UNION LTD.

FINANCIAL STATEMENTS

March 31, 2021

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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, 2021, 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, 2021, 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.



Chartered Accountants

Independent Auditors' Report

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 10, 2021

B E T CO-OPERATIVE CREDIT UNION LTD.

Balance Sheet

March 31, 2021

Expressed in Barbados dollars

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents - Note 7	6,123,846	6,581,848
Accounts receivable and prepayments - Note 8	341,746	292,169
Current investments - Note 10	<u>9,650,000</u>	<u>5,896,570</u>
	16,115,592	12,770,587
Investment property - Note 9	2,187,494	2,187,494
Non-current investments - Note 10	7,132,200	9,244,642
Loans to members - Note 11	12,873,846	13,187,504
Property, plant and equipment - Note 12	<u>1,836,305</u>	<u>1,882,225</u>
Total assets	<u><u>40,145,437</u></u>	<u><u>39,272,452</u></u>
Liabilities and equity		
Liabilities		
Accounts payable and accruals - Note 13	205,570	249,148
Deposits payable - Note 14	35,241,642	34,522,895
Qualifying shares - Note 15	<u>101,760</u>	<u>100,320</u>
Total liabilities	<u><u>35,548,972</u></u>	<u><u>34,872,363</u></u>
Equity		
Statutory reserve	4,044,991	4,044,861
Unrealised gain reserve - Note 10(b)	1,102,336	935,179
Accumulated deficit	<u>(550,862)</u>	<u>(579,951)</u>
Total equity	<u><u>4,596,465</u></u>	<u><u>4,400,089</u></u>
Total liabilities and equity	<u><u>40,145,437</u></u>	<u><u>39,272,452</u></u>

See notes to financial statements.

Approved by the Board of Directors, June 10, 2021, 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, 2021
Expressed in Barbados dollars

	Statutory Reserve	Unrealised gain reserve	Undivided Earnings	Total
Balance - March 31, 2019 as previously stated	4,044,571	0	882,618	4,927,189
<i>Prior year adjustment</i>				
Transfer of fair value gain on unquoted equity investments	0	856,957	(856,957)	0
Balance – March 31, 2019 as restated	4,044,571	856,957	25,661	4,927,189
Entrance fees	290	0	0	290
Loan interest rebate - 8%	0	0	(31,747)	(31,747)
Fair value gain on unquoted equity investments		78,222	0	78,222
Net loss for year	0	0	(573,865)	(573,865)
Balance - March 31, 2020 as restated	4,044,861	935,179	(579,951)	4,400,089
Entrance fees	130	0	0	130
Fair value gain on unquoted equity investments	0	167,157	0	167,157
Net income for year	0	0	29,089	29,089
Balance - March 31, 2021	4,044,991	1,102,336	(550,862)	4,596,465

See notes to financial statements.

B E T CO-OPERATIVE CREDIT UNION LTD.**Statement of Comprehensive Income****Year ended March 31, 2021****Expressed in Barbados dollars**

	<u>2021</u>	<u>2020</u>
Interest income		
Loans to members	923,209	965,486
Investments	289,812	359,659
Cash and cash equivalents	<u>2,577</u>	<u>2,411</u>
	<u>1,215,598</u>	<u>1,327,556</u>
Interest expense		
Demand deposits -1% (prior year 1.5%)	72,950	101,075
Mortgage deposits - 8.5% (prior year 8.5%)	18,362	6,151
Term deposits - 1.1% to 1.25% (prior year 1.6% to 1.75%)	<u>126,087</u>	<u>173,898</u>
	<u>217,399</u>	<u>281,124</u>
Net interest income	<u>998,199</u>	<u>1,046,432</u>
Other income		
Dividend income	29,532	28,956
Bad debts recovered	4,779	3,260
Sundry income	1,101	1,356
Investment property net income / (expense) - Note 9	<u>63,496</u>	<u>(12,234)</u>
	<u>98,908</u>	<u>21,338</u>
Other expenses		
Depreciation - non-rental property	29,949	29,510
Other rental property - net expenses	27,135	30,470
Staff costs - Note 6	151,143	177,173
Write-down of Government securities - Note 10(d)	59,000	322,000
Other operating expenses	<u>800,791</u>	<u>1,082,482</u>
	<u>1,068,018</u>	<u>1,641,635</u>
Net income / (loss) for year	29,089	(573,865)
Other Comprehensive income		
Fair value gain on unquoted equity shares - Note 10(b)	<u>167,157</u>	<u>78,222</u>
Net comprehensive income / (loss) for year	<u>196,246</u>	<u>(495,643)</u>

See notes to financial statements.

B E T CO-OPERATIVE CREDIT UNION LTD.**Statement of Cash Flows**
Year ended March 31, 2021
Expressed in Barbados dollars

	<u>2021</u>	<u>2020</u>
Cash provided / (used) by:		
Operating activities		
Net comprehensive income / (loss) for year	196,246	(495,643)
<i>Add items not involving cash</i>		
Depreciation - non-rental property	29,949	29,510
Depreciation - rental property	18,621	18,622
	<u>244,816</u>	<u>(447,511)</u>
 <i>Change in non-cash operating items</i>		
Accounts receivable and prepayments	(49,577)	474,906
Accounts payable and accruals	(43,578)	(313,207)
Deposits payable	718,747	469,056
Qualifying shares	1,440	4,080
	<u>871,848</u>	<u>187,324</u>
 Investing activities		
Decrease in loans to members - net	313,658	1,325,486
(Increase) / decrease in investments	(1,640,988)	267,594
Investment property expenditure	0	(6,421)
Purchase of plant and equipment	(2,650)	(19,469)
	<u>(1,329,980)</u>	<u>1,567,190</u>
 Financing activities		
Loan interest rebate	0	(31,747)
Entrance fees	130	290
	<u>130</u>	<u>(31,457)</u>
 (Decrease) / increase in cash and cash equivalents	(458,002)	1,723,057
Cash and cash equivalents - start of year	<u>6,581,848</u>	<u>4,858,791</u>
Cash and cash equivalents - end of year	<u>6,123,846</u>	<u>6,581,848</u>

See notes to financial statements.

B E T CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2021

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, 2021

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, 2021

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, 2021

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>2021</u>	<u>2020</u>
Loans	706,880	623,969
Shares and deposits payable	559,627	445,968

(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>22,277</u>	<u>47,582</u>
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B E T CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2021

Expressed in Barbados dollars

6. Staff costs	<u>2021</u>	<u>2020</u>
	<u>151,143</u>	<u>177,173</u>

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

7. Cash and cash equivalents	<u>2021</u>	<u>2020</u>
Bank account - 0.05% p.a. (prior year 0.05%)	4,844,076	4,354,025
Bank accounts - no interest	1,255,540	2,203,593
Demand deposit - Barbados Co-operative & Credit Union League Ltd.	23,980	23,980
Petty cash	<u>250</u>	<u>250</u>
	<u>6,123,846</u>	<u>6,581,848</u>

8. Accounts receivable and prepayments	<u>2021</u>	<u>2020</u>
Interest receivable	435,709	377,912
Other accounts receivable	213,442	285,711
Less: Impairment provision	(338,444)	(401,734)
Prepayments and security deposits	<u>31,039</u>	<u>30,280</u>
	<u>341,746</u>	<u>292,169</u>

(a) Impairment provision	<u>2021</u>	<u>2020</u>
Balance - start of year	401,734	117,000
Bad debts recovered	(72,290)	0
Increase in provision	<u>9,000</u>	<u>284,734</u>
Balance - end of year	<u>338,444</u>	<u>401,734</u>

B E T CO-OPERATIVE CREDIT UNION LTD.

**Notes to Financial Statements
March 31, 2021
Expressed in Barbados dollars**

9. Investment property	<u>2021</u>	<u>2020</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>2021</u>	<u>2020</u>
Rent income	87,284	7,000
Expenses	<u>(23,788)</u>	<u>(19,234)</u>
	<u><u>63,496</u></u>	<u><u>(12,234)</u></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, 2021

Expressed in Barbados dollars

10. Investments	<u>2021</u>	<u>2020</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 3%)	1,700,000	1,700,000
Capita Financial Services Inc. - 1.9% to 2.65% p.a. (prior year 3% to 3.5%)	3,750,000	1,750,000
First Citizens Investment Services Inc. - 2% to 2.5% p.a. (prior year 2%)	3,450,000	2,350,000
Government Savings Bonds	0	96,570
Barbados Public Workers Co-operative Credit Union Ltd. - prior year 1.75%	<u>750,000</u>	<u>0</u>
	<u>9,650,000</u>	<u>5,896,570</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	423,000	423,000
Barbados Public Workers Co-operative Credit Union Ltd. - prior year 3.5%	0	750,000
Capita Financial Services Inc. - 2.15% p.a. (prior year 2.65%), maturing 2022	1,000,000	3,000,000
Government securities – net – Note (c), (d)	3,900,143	3,459,143
<i>Available-for-sale</i>		
Co-operators General Insurance Co. Ltd. - 5,020 common shares (prior year 4,922)	1,808,857	1,612,299
Barbados Co-operative & Credit Union League Ltd.: - 20 membership shares	<u>200</u>	<u>200</u>
	<u>7,132,200</u>	<u>9,244,642</u>
Total investments	<u>16,782,200</u>	<u>15,141,212</u>

B E T CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements March 31, 2021 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, 2020 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>2021</u>	<u>2020</u>
<i>Barbados Optional Savings Scheme bonds</i>		
One to 5 years	500,000	0
<i>Series B securities</i>		
One to 5 years	283,207	283,207
Greater than 5, up to 10 years	1,586,568	1,586,568
Greater than 10, up to 15 years	<u>1,911,368</u>	<u>1,911,368</u>
Government securities - gross	4,281,143	3,781,143
Net present value adjustment	<u>(381,000)</u>	<u>(322,000)</u>
Government securities - net	<u><u>3,900,143</u></u>	<u><u>3,459,143</u></u>

B E T CO-OPERATIVE CREDIT UNION LTD.

**Notes to Financial Statements
March 31, 2021
Expressed in Barbados dollars**

11	Loans to members	<u>2021</u>	<u>2020</u>
	Gross loans	14,547,212	14,460,870
	Less: Impairment provision	<u>(1,673,366)</u>	<u>(1,273,366)</u>
	Net value of loans	<u>12,873,846</u>	<u>13,187,504</u>
(a)	<i>Impairment provision</i>	<u>2021</u>	<u>2020</u>
	Balance - start of year	1,273,366	940,000
	Increase in provision	<u>400,000</u>	<u>333,366</u>
	Balance - end of year	<u>1,673,366</u>	<u>1,273,366</u>
(b)	As at the Balance Sheet date, the maturity profile of loans to members was as follows:		
		<u>2021</u>	<u>2020</u>
	<i>Amounts due in:</i>		
	Less than one year	1,719,095	122,962
	One to five years	5,365,510	2,262,648
	Over five years	<u>7,462,607</u>	<u>12,075,260</u>
	Total	<u>14,547,212</u>	<u>14,460,870</u>
(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.		
(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.		
(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).		
(f)	Commitments	<u>2021</u>	<u>2020</u>
	Loans approved but not yet disbursed as at the balance sheet date	<u>206,634</u>	<u>456,845</u>

B E T CO-OPERATIVE CREDIT UNION LTD.

**Notes to Financial Statements
March 31, 2021
Expressed in Barbados dollars**

12. Property, plant and equipment

	<u>Total</u>	<u>Furniture and equipment</u>	<u>Property</u>
As at March 31, 2019			
Cost	2,522,501	350,369	2,172,132
Accumulated depreciation	<u>(611,613)</u>	<u>(313,972)</u>	<u>(297,641)</u>
Net book value	<u>1,910,888</u>	<u>36,397</u>	<u>1,874,491</u>
Year ended March 31, 2020			
Net book value - start of year	1,910,888	36,397	1,874,491
Purchases	19,469	19,469	0
Depreciation charge	<u>(48,132)</u>	<u>(10,889)</u>	<u>(37,243)</u>
Net book value - end of year	<u>1,882,225</u>	<u>44,977</u>	<u>1,837,248</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>

- (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, 2021
Expressed in Barbados dollars

13. Accounts payable and accruals	<u>2021</u>	<u>2020</u>
Interest payable	34,890	46,359
Other accounts	<u>170,680</u>	<u>202,789</u>
	<u>205,570</u>	<u>249,148</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>2021</u>	<u>2020</u>
Demand deposits and non-qualifying shares	25,163,361	24,871,418
Mortgage deposits	417,013	105,087
Term deposits	<u>9,661,268</u>	<u>9,546,390</u>
	<u>35,241,642</u>	<u>34,522,895</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, 2021
Expressed in Barbados dollars

15. Qualifying shares	<u>2021</u>	<u>2020</u>
	<u>101,760</u>	<u>100,320</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, 2021****Expressed in Barbados dollars**

	<u>2021</u>	<u>2020</u>
Advertising and marketing	9,991	18,958
Bank charges	6,664	7,033
Computer expenses	19,638	20,555
Conferences	0	37,300
Consulting fees	0	3,500
Co-operative celebrations	1,356	6,456
Donations	1,368	5,979
Education Fund provision	7,500	6,110
Financial Services Commission annual fee	35,970	0
Honoraria	35,000	35,000
Impairment provision - increase	336,710	618,100
Insurance	11,654	6,590
League membership dues	26,263	37,759
Meetings - members	28,602	20,999
Meetings - other	310	5,112
Mutual Benefits Plan assessments	68,052	69,093
Miscellaneous	66	0
Office expenses	25,620	19,904
Postage and courier services	3,736	5,749
Professional and legal fees	95,656	76,471
Property tax	14,962	7,897
Repairs and maintenance	4,001	8,251
Scholarships	0	9,550
Security	7,913	6,324
Software maintenance	4,611	4,611
Stationery	12,397	9,329
Training - members	3,445	1,057
Utilities - electricity	17,974	20,842
Utilities - telephone	17,868	10,491
Utilities - internet	2,520	2,520
Utilities - water	944	942
	<u>800,791</u>	<u>1,082,482</u>

APPENDIX I

The following persons attended the Annual General Meeting of the BET Co-operative Credit Union Limited which was held at the Radisson Aquatica Resort Barbados on November 12th, 2020.

MEMBERS:

MICHAEL ALLEYNE DIANA BRATHWAITE PAUL BRAZANT CARLTON BOURNE CLIFFORD BOSTIC FELTON BURTON ROLRIC BRANCH ROXANA ROGERS BELLOT PATRICK BELLOT DEBORAH CRICHLOW ANDREW COLLYMORE ANDREW ESTWICK SHANELLE ESTWICK ADRIAN EDGHILL MARGUERITE EDGHILL KAHLIAH FORDE KIRK FORDE SANDRA FORDE DAVID GITTENS RYAH KING PHILIP KING	TONI KNIGHT JAMELLE LAYNE ORMOND MCCONNEY SHEM MAXWELL CARRIE ANN MORRIS-SEARLE ADELLA O'NEIL BASILIO ROCK SYLVESTER SIMMONS SANDRA SEALY MICHAEL THOMPSON JULIAN WATSON WEDNY WALCOTT	
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VISITORS:

JENNIFER MAYNARD PETER J CARTER ALISIA HOLDER	STAFF – BET CO-OPERATIVE CREDIT UNION LTD. PETER J CARTER \$ CO. (AUDITOR) PETER J CARTER & CO. (AUDITOR)
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STANDING ORDERS

1. (a) A member to stand when addressing the Chair.
(b) Speeches 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 of reply
(b) He rises to object or to explain (with the permission of the Chair).
5. The Mover of a Procedural Motion - (Adjournment laid on the table, Motion to postpone) to have no right of reply.
6. No speeches to be made after the "Question" has been put and carried or negative.
7. A member rising on a "Point of Order" to state the point clearly and concisely. (A "Point of Order" must have relevance to the "Standing Orders").
8. (a) A member should not "call" another member "to order" - but may draw the attention of the Chair to a "Breach of Order".
(b) In no event can a member call the "Chair to Order".
9. 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.
10. Only one amendment should be before the meeting at one and the same time.
11. When a motion is withdrawn any amendment to it fails.
12. The Chairman to have the right to a "Casting Vote".
13. If there is equality of voting on an amendment, and if the Chairman does not exercise his Casting Vote, the amendment is lost.
14. Provision to be made for protection by the Chairman from vilification (personal abuse).
15. No member shall impute improper motives against another member.

You may have seen this symbol before, on our posters perhaps, or in our newsletters, or in a newspaper, or even on Credit Union Buildings island wide, but you may not know what it means.

We think it's important that you know and we'd like to give you a formal introduction. The "hands, family and globe" symbol, as it is called, stands for Credit Unions everywhere - whether it's a Credit Union where you work or live, no matter if you work or live in Timbuktu or Barbados



Credit Unions are world-wide organizations. That's why we've included a globe as part of the overall symbol. As a matter of fact, there are more than 38,000 Credit Unions all over the world



financial matter of fact, there world



The four silhouettes represent the family unit - the family of mankind working for the mutual benefit of all. Care was taken in the actual design to avoid differences between national dress or custom and other details because Credit Unions

So, when you feel the urge to save money or borrow money, think of the Credit Union - where you get low interest loans and all the surplus is returned to you.

Your Credit Union.

It's where you belong!

A pair of hands? The hands represent the self-help nature of all Credit Unions. When you become a Credit Union member you become part of a group of people who save together and make low-cost loans plus several other services to each other from the accumulated funds. Credit Unions engender democracy in the truest sense of the word - as a member you are part owner of the business and exercise control of its policies. It is your organization.



Altogether now..... the "hands, family and globe" symbol was selected as a

trademark that stands for Credit Unions in any language, in any country. The theme is universal and conveys the image of all Credit Unions graphically, accurately and instantly



**BET CO-OPERATIVE
CREDIT UNION LTD**
Strong Past, Secure Future.

LET'S GO GREEN

**BORROW UP TO
\$200,000**

6% Interest Rate
*Terms & Conditions Apply

- Upgrade and add value to your home
- Save money on monthly electric costs
- Additional revenue & Tax Credit for solar panel owners
- Helps the environment
- Loan is applicable for Hybrid & Electric Vehicles

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