

**B E T**  
**CO-OPERATIVE CREDIT UNION LTD.**

**FINANCIAL STATEMENTS**  
**MARCH 31, 2023**



**Chartered Accountant**  
**Barbados**  
"We reckon, people count"

**B E T CO-OPERATIVE CREDIT UNION LTD.**

**FINANCIAL STATEMENTS**  
**March 31, 2023**

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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, 2023, 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, 2023, 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.

### Key audit matter (KAM)

KAMs are those matters that, in the auditors’ professional judgment, were of most significance in the audit of the financial statements for the year under review. A significant risk is an identified and assessed risk of material misstatement that, in the auditor’s judgment, requires special audit consideration. Unusual transactions may be identified as significant risks.

The KAM noted was the process by which loans were being approved and disbursed. We found that in some instances the credit union appeared not to be following the requirements of the Loan Policy with respect to ensuring that the prospective borrowers met the requirements for approval, while the method of accounting for some loans was difficult to follow. In the circumstances, we considered that the risk of a material misstatement was potentially significant and we therefore were required to spend additional audit time on the relevant areas. We extended our tests in the areas in question to reduce the likelihood of missing important audit evidence. However, the additional work does not negate the fact that an audit conducted in accordance with ISAs will not always detect a material misstatement when it exists.

The above KAM was addressed in the context of the audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on the matter.



### **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 in respect of the financial statements for the year ended March 31, 2023. 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

September 05, 2023

**B E T CO-OPERATIVE CREDIT UNION LTD.****Balance Sheet****March 31, 2023****Expressed in Barbados dollars**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents - Note 7	4,020,147	6,996,009
Accounts receivable and prepayments - Note 8	2,401,837	239,735
Current investments - Note 9	<u>10,218,681</u>	<u>5,297,711</u>
	16,640,665	12,533,455
Non-current investments - Note 9	6,252,509	11,011,791
Investment property - Note 10	1,700,000	2,187,494
Loans to members - Note 11	14,267,419	12,592,748
Property, plant and equipment - Note 12	<u>1,826,760</u>	<u>1,815,863</u>
Total assets	<u><u>40,687,353</u></u>	<u><u>40,141,351</u></u>
<b>Liabilities and equity</b>		
Liabilities		
Accounts payable and accruals - Note 13	323,973	209,433
Deposits payable - Note 14	35,802,380	35,200,479
Qualifying shares - Note 15	<u>118,440</u>	<u>105,480</u>
Total liabilities	<u>36,244,793</u>	<u>35,515,392</u>
Equity		
Statutory reserve	4,068,735	4,045,246
Unrealized gain reserve - Note 9(a)	922,619	1,276,516
Accumulated deficit	<u>(548,794)</u>	<u>(695,803)</u>
Total equity	<u>4,442,560</u>	<u>4,625,959</u>
Total liabilities and equity	<u><u>40,687,353</u></u>	<u><u>40,141,351</u></u>

See notes to financial statements.

Approved by the Board of Directors, September 05, 2023, 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, 2023  
Expressed in Barbados dollars**

	Statutory Reserve	Unrealized gain reserve	Accumulated deficit	Total
Balance – March 31, 2021	4,044,991	1,102,336	(550,862)	4,596,465
Entrance fees	255	-	-	255
Loan interest rebate	-	-	(53,768)	(53,768)
Net loss for year	-	-	(91,173)	(91,173)
Fair value gain on unquoted equity investments	-	174,180	-	174,180
<b>Balance - March 31, 2022</b>	<b>4,045,246</b>	<b>1,276,516</b>	<b>(695,803)</b>	<b>4,625,959</b>
Entrance fees	970	-	-	970
Net loss for year	-	-	(138,011)	(138,011)
Fair value loss on unquoted equity investments	-	(46,358)	-	(46,358)
Transfer to Statutory Reserve	4,445	-	(4,445)	0
Reallocation of Statutory Reserve transfers to earnings not charged previously – 25%	18,074	(307,539)	289,465	0
<b>Balance - March 31, 2023</b>	<b>4,068,735</b>	<b>922,619</b>	<b>(548,794)</b>	<b>4,442,560</b>

See notes to financial statements.

**B E T CO-OPERATIVE CREDIT UNION LTD.****Statement of Comprehensive Income****Year ended March 31, 2023****Expressed in Barbados dollars**

	<u>2023</u>	<u>2022</u>
<b>Interest income</b>		
Loans to members	928,194	919,717
Investments	412,133	341,395
Cash and cash equivalents	2,226	2,706
	<u>1,342,553</u>	<u>1,263,818</u>
<b>Interest expense</b>		
Demand deposits -1% (prior year 1%)	73,306	70,346
Non-qualifying shares - nil (prior year 0.25%)	0	42,813
Mortgage deposits - 5.75% (prior year 8.5%)	6,235	12,699
Term deposits - 1.1% to 1.25% (prior year 1.1% to 1.25%)	121,320	112,896
	<u>200,861</u>	<u>238,754</u>
<b>Net interest income</b>	<u>1,141,692</u>	<u>1,025,064</u>
<b>Other income</b>		
Investment property net income - Note 10	65,660	57,404
Dividend income	11,617	50,200
Reduction in impairment of Government securities - Note 9(b)	15,000	0
Sundry income	14,115	12,006
	<u>106,392</u>	<u>119,610</u>
<b>Other expenses</b>		
Depreciation	58,237	48,979
Staff costs - Note 6	222,514	223,533
Loss on revaluation of investment property - Note 10	487,494	0
Other operating expenses	617,850	963,335
	<u>1,386,095</u>	<u>1,235,847</u>
<b>Net loss for year</b>	(138,011)	(91,173)
<b>Other comprehensive income</b>		
Fair value (loss) / gain on unquoted equity shares - Note 9(a)	<u>(46,358)</u>	<u>174,180</u>
<b>Net comprehensive (loss) / income for year</b>	<u>(184,369)</u>	<u>83,007</u>

See notes to financial statements.



## B E T CO-OPERATIVE CREDIT UNION LTD.

### Statement of Cash Flows Year ended March 31, 2023 Expressed in Barbados dollars

	<u>2023</u>	<u>2022</u>
<b>Cash provided / (used) by:</b>		
<b>Operating activities</b>		
Net comprehensive (loss) / income for year	(184,369)	83,007
<i>Add items not involving cash</i>		
Depreciation	58,237	48,979
Loss on revaluation of investment property	487,494	0
	<u>361,362</u>	<u>131,986</u>
 <i>Change in non-cash operating items</i>		
Accounts receivable and prepayments	(2,162,102)	102,011
Accounts payable and accruals	114,540	3,863
Deposits payable	601,901	(41,163)
Qualifying shares	12,960	3,720
	<u>(1,071,339)</u>	<u>200,417</u>
Net cash (used) / provided by operating activities		
 <b>Investing activities</b>		
(Increase) / decrease in loans to members - net	(1,674,672)	281,098
(Increase) / decrease in investments	(161,687)	472,698
Purchase of plant and equipment	(69,134)	(28,537)
	<u>(1,905,493)</u>	<u>725,259</u>
Net cash (used) / provided by investing activities		
 <b>Financing activities</b>		
Loan interest rebate	0	(53,768)
Entrance fees	970	255
	<u>970</u>	<u>(53,513)</u>
Net cash provided / (used) by financing activities		
 (Decrease) / increase in cash and cash equivalents	(2,975,862)	872,163
Cash and cash equivalents - start of year	6,996,009	6,123,846
<b>Cash and cash equivalents - end of year</b>	<u><u>4,020,147</u></u>	<u><u>6,996,009</u></u>

See notes to financial statements.

## **B E T CO-OPERATIVE CREDIT UNION LTD.**

### **Notes to Financial Statements**

**March 31, 2023**

**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 5<sup>th</sup> 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, 2023**

**Expressed in Barbados dollars**

#### **3. Significant accounting policies - continued**

(c) *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.

(d) *Income recognition*

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

(e) *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.

(f) *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) *Cash and cash equivalents*

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

(g) *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.

(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) *Property, plant and equipment*

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%.

## **B E T CO-OPERATIVE CREDIT UNION LTD.**

### **Notes to Financial Statements**

**March 31, 2023**

**Expressed in Barbados dollars**

#### **3. Significant accounting policies - continued**

*(j) 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.

*(k) 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.

#### **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. Loan limits are established and approved by Management and security is generally required for loans. Credit risk on accounts receivable is limited by the provision made for impairment.

## B E T CO-OPERATIVE CREDIT UNION LTD.

### Notes to Financial Statements

March 31, 2023

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, 9 and 11.

#### 5. Related parties

Related parties exist where one party has the ability to control or exercise significant influence over the financial or operating decisions of another party.

(a) As at the Balance Sheet date, related parties' balances were as follows:

	<u>2023</u>	<u>2022</u>
Loans	939,696	706,880
Shares and deposits payable	674,689	723,469

(b) 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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(c) Key management personnel compensation is included in 'Staff costs', as follows:

Employee benefits	<u>131,397</u>	<u>91,466</u>
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(d) The Credit Union has a related party relationship with the lessee of its investment property with whom it shares a director in common. There was no receivable outstanding as at the balance sheet date in relation to this tenancy. The related security deposit of \$7,000 is included in liabilities under 'Accounts payable and accruals'. Rental income earned for the year of \$84,000 is disclosed in Note 10(b) and is included in the Statement of Comprehensive Income. The directors are of the view that the rental income being earned is consistent with the amount that would be earned from a similar lease agreement with an unrelated party.

**B E T CO-OPERATIVE CREDIT UNION LTD.****Notes to Financial Statements  
March 31, 2023  
Expressed in Barbados dollars****6. Staff costs**

	<u>2023</u>	<u>2022</u>
	<u>222,514</u>	<u>223,533</u>

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

**7. Cash and cash equivalents**

	<u>2023</u>	<u>2022</u>
Bank account - 0.05% p.a. (prior year 0.05%)	3,181,284	5,567,708
Bank accounts - no interest	814,633	1,404,071
Demand deposit - Barbados Co-operative & Credit Union League Ltd.	23,980	23,980
Petty cash	<u>250</u>	<u>250</u>
	<u>4,020,147</u>	<u>6,996,009</u>

**8. Accounts receivable and prepayments**

	<u>2023</u>	<u>2022</u>
Matured term deposit	2,100,000	0
Interest receivable	519,218	348,279
Accounts receivable	214,542	213,992
Less: Impairment provision	(472,279)	(354,000)
Prepayments and security deposits	<u>40,356</u>	<u>31,464</u>
	<u>2,401,837</u>	<u>239,735</u>

	<u>2023</u>	<u>2022</u>
Impairment provision		
Balance - start of year	354,000	338,444
Increase in provision	<u>118,279</u>	<u>15,556</u>
Balance - end of year	<u>472,279</u>	<u>354,000</u>

**B E T CO-OPERATIVE CREDIT UNION LTD.****Notes to Financial Statements****March 31, 2023****Expressed in Barbados dollars****9. Investments**

	<u>2023</u>	<u>2022</u>
<i>Current investments</i>		
<i>Held-to-maturity</i>		
Capita Financial Services Inc. - 2.15% to 2.65 p.a. (prior year 2.15%)	5,803,073	1,000,000
First Citizens Investment Services Inc. - 1.85% p.a. (prior year 2% to 2.1%)	4,050,009	4,150,000
Government securities - Note (b)	288,690	70,802
Barbados Port Inc. Bonds, 4.2% p.a. (prior year 4.2%), maturing 2024	<u>76,909</u>	<u>76,909</u>
	<u>10,218,681</u>	<u>5,297,711</u>
<i>Non-current investments</i>		
<i>Held-to-maturity</i>		
Barbados Port Inc. Bonds, 4.2% p.a. (prior year 4.2%), maturing 2024	269,182	346,091
Capita Financial Services Inc. - prior year 2.15% to 2.25%	0	4,803,073
Government securities - Note (b)	3,984,849	3,829,341
<i>Available-for-sale</i>		
Co-operators General Insurance Co. Ltd. - 5,196 common shares (prior year 5,163)	1,998,278	2,033,086
Barbados Co-operative & Credit Union League Ltd.: - 20 membership shares	<u>200</u>	<u>200</u>
	<u>6,252,509</u>	<u>11,011,791</u>
Total investments	<u><u>16,471,190</u></u>	<u><u>16,309,502</u></u>

## B E T CO-OPERATIVE CREDIT UNION LTD.

### Notes to Financial Statements

March 31, 2023

Expressed in Barbados dollars

#### 9. Investments - continued

(a) (i) The entity holds unquoted equity investments in Co-operators General Insurance Co. Ltd. These investments are shown at fair value. The excess of the fair value of these investments over their cost is recorded as an unrealized gain reserve in the Statement of Changes in Equity.

(ii) Fair value 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, 2022 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.

(b) (i) 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 securities which has resulted in the write-down of value shown below.

(ii) The maturity profile of the government securities is as follows:

	<u>2023</u>	<u>2022</u>
Current portion - up to one year	288,690	70,802
Non-current portion		
Greater than 1, up to 5 years	2,616,628	1,710,817
Greater than 5, up to 10 years	1,734,221	1,790,938
Greater than 10, up to 15 years	0	708,586
Net present value adjustment	<u>(366,000)</u>	<u>(381,000)</u>
Government securities - long-term portion	<u>3,984,849</u>	<u>3,829,341</u>
Total Government securities - net	<u>4,273,539</u>	<u>3,900,143</u>



**B E T CO-OPERATIVE CREDIT UNION LTD.****Notes to Financial Statements  
March 31, 2023  
Expressed in Barbados dollars****10. Investment property**

	<u>2023</u>	<u>2022</u>
<b>Valuation</b>		
Fair value - start of year	2,187,494	2,187,494
Loss on revaluation	<u>(487,494)</u>	<u>0</u>
Cost before revaluation	<u><u>2,187,494</u></u>	<u><u>2,187,494</u></u>

(a) Investment property comprises land and a building located at #6 Pine Road, Belleville, St. Michael, Barbados. The original cost of the land and building was \$145,257 and \$1,713,794 respectively. Management has adopted the fair value model to value the property. During the year the fair value was revised based on separate valuations performed by two qualified, independent valuers. The effective dates of the valuations were May 31, 2023, and July 22, 2023 respectively. Management determined that the fair value for inclusion in the financial statements should be based on an average of the two valuations arrived at using the Income Approach. Management considers the carrying value of the investment property to be a reasonable estimate of its fair value as at the Balance Sheet date.

<b>(b) Income / (expenses)</b>	<u>2023</u>	<u>2022</u>
Rent income	84,000	84,000
Expenses	<u>(18,340)</u>	<u>(26,596)</u>
	<u><u>65,660</u></u>	<u><u>57,404</u></u>

**B E T CO-OPERATIVE CREDIT UNION LTD.**

**Notes to Financial Statements**

**March 31, 2023**

**Expressed in Barbados dollars**

**11. Loans to members**

	<u>2023</u>	<u>2022</u>
Gross loans	15,617,419	14,692,748
Less: Impairment provision	<u>(1,350,000)</u>	<u>(2,100,000)</u>
Net value of loans	<u>14,267,419</u>	<u>12,592,748</u>
<i>(a) Impairment provision</i>	<u>2023</u>	<u>2022</u>
Balance - start of year	2,100,000	1,673,366
Amount written off	(579,145)	0
Increase in provision	<u>(170,855)</u>	<u>426,634</u>
Balance - end of year	<u>1,350,000</u>	<u>2,100,000</u>
<i>(b) As at the Balance Sheet date, the maturity profile of loans to members was as follows:</i>	<u>2023</u>	<u>2022</u>
<i>Amounts due in:</i>		
Less than one year	226,555	191,495
One to five years	2,901,916	2,498,123
Over five years	<u>12,488,948</u>	<u>12,003,130</u>
Total	<u>15,617,419</u>	<u>14,692,748</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>2023</u>	<u>2022</u>
Loans approved but not yet disbursed as at the balance sheet date	<u>540,667</u>	<u>226,655</u>

**B E T CO-OPERATIVE CREDIT UNION LTD.****Notes to Financial Statements****March 31, 2023****Expressed in Barbados dollars****12. Property, plant and equipment**

	Total	Furniture and equipment	Property
<b>As at March 31, 2021</b>			
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>
<b>Year ended March 31, 2022</b>			
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>
<b>As at March 31, 2022</b>			
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>
<b>Year ended March 31, 2023</b>			
Net book value - start of year	1,815,863	53,101	1,762,762
Purchases	69,134	69,134	0
Depreciation charge	<u>(58,237)</u>	<u>(20,993)</u>	<u>(37,244)</u>
Net book value - end of year	<u>1,826,760</u>	<u>101,242</u>	<u>1,725,518</u>
<b>As at March 31, 2023</b>			
Cost	2,642,291	470,158	2,172,133
Accumulated depreciation	<u>(815,531)</u>	<u>(368,916)</u>	<u>(446,615)</u>
Net book value	<u>1,826,760</u>	<u>101,242</u>	<u>1,725,518</u>

- (a) Property consists of land and building at 5<sup>th</sup> 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, 2023**

**Expressed in Barbados dollars**

**13. Accounts payable and accruals**

	<u>2023</u>	<u>2022</u>
Interest payable	31,680	29,656
Other accounts payable	281,743	172,227
Security deposits	<u>10,550</u>	<u>7,550</u>
	<u><u>323,973</u></u>	<u><u>209,433</u></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 material.

**14. Deposits payable**

	<u>2023</u>	<u>2022</u>
Demand deposits and non-qualifying shares	25,581,293	25,126,430
Mortgage deposits	172,480	186,303
Term deposits	<u>10,048,607</u>	<u>9,887,746</u>
	<u><u>35,802,380</u></u>	<u><u>35,200,479</u></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, 2023  
Expressed in Barbados dollars**

**15. Qualifying shares**

	<u>2023</u>	<u>2022</u>
	<u>118,440</u>	<u>105,480</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, 2023****Expressed in Barbados dollars**

	<u>2023</u>	<u>2022</u>
Advertising and marketing	54,136	35,919
Bad debts - write-offs	106,426	0
Bank charges	12,825	8,092
Compliance expenses	19,050	46,358
Computer expenses	19,970	19,796
Credit advice	2,493	2,639
Co-operative and anniversary celebrations	2,166	7,493
Donations	1,228	2,150
Education Fund provision	600	2,600
Financial Services Commission annual fee	20,254	20,063
Honoraria	35,000	35,000
Impairment provision - (decrease) / increase	(52,576)	442,190
Insurance	13,563	11,654
League membership dues	23,848	23,552
Meetings - members	20,087	32,146
Meetings - other	8,813	1,824
Mutual Benefits Plan assessments	71,938	69,106
Miscellaneous	2,615	332
Office expenses	55,883	37,952
Postage and courier services	4,824	5,879
Professional fees – accounting and audit	57,376	57,829
Professional fees - other	10,751	1,200
Property expense	35,514	15,764
Property tax	14,962	14,962
Repairs and maintenance	2,393	7,528
Security	4,904	5,305
Software maintenance	4,664	4,803
Stationery	15,992	8,341
Training - members	0	1,293
Utilities - electricity	26,101	21,872
Utilities - internet	1,985	2,405
Utilities - telephone	18,812	16,198
Utilities - water	1,253	1,090
	<u>617,850</u>	<u>963,335</u>