

**BET
CO-OPERATIVE CREDIT UNION LTD.**

**FINANCIAL STATEMENTS
MARCH 31, 2024**



Drayton J. Carter & Co.

Chartered Accountants





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Independent Auditors' Report

To the Members of **B E T Co-operative Credit Union Ltd.**

Report on the Audit of the Financial Statements

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, 2024, the statement of changes in equity, the statement of comprehensive income, the 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 **B E T Co-operative Credit Union Ltd.** as at March 31, 2024, 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' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the credit union financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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Independent Auditors' Report

To the Members of **B E T Co-operative Credit Union Ltd.**

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

In preparing the financial statements, management is responsible for assessing the credit union 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 financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union 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 credit union ability to continue as a going concern.

Independent Auditors' Report

To the Members of **B E T Co-operative Credit Union Ltd.**

Auditors' Responsibilities for the Audit of the Financial Statements

- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the credit union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter of when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



Drayton J. Carter & Co.

BARBADOS
July 29th, 2024

BET CO-OPERATIVE CREDIT UNION LTD.

Balance Sheet

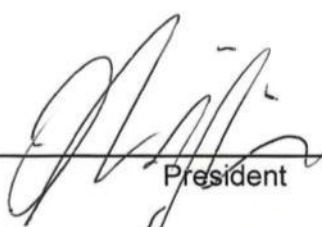
March 31, 2024

Expressed in Barbados dollars

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and cash equivalents - Note 7	7,606,774	4,020,147
Accounts receivable and prepayments - Note 8	219,081	2,401,837
Current investments - Note 9	<u>6,076,567</u>	<u>10,218,681</u>
	13,902,422	16,640,665
Non-current investments - Note 9	10,273,790	6,252,509
Investment property - Note 10	1,700,000	1,700,000
Loans to members - Note 11	16,046,526	14,267,419
Property, plant and equipment - Note 12	<u>1,807,783</u>	<u>1,826,760</u>
Total assets	<u><u>43,730,521</u></u>	<u><u>40,687,353</u></u>
Liabilities and equity		
Liabilities		
Accounts payable and accruals - Note 13	379,270	323,973
Deposits payable - Note 14	37,694,976	35,802,380
Qualifying shares - Note 15	<u>133,380</u>	<u>118,440</u>
Total liabilities	<u><u>38,207,626</u></u>	<u><u>36,244,793</u></u>
Equity		
Statutory reserve	4,339,430	4,068,735
Unrealized gain reserve - Note 9(a)	999,468	922,619
Accumulated earnings / (deficit)	<u>183,997</u>	<u>(548,794)</u>
Total equity	<u><u>5,522,895</u></u>	<u><u>4,442,560</u></u>
Total liabilities and equity	<u><u>43,730,521</u></u>	<u><u>40,687,353</u></u>

See notes to financial statements.

Approved by the Board of Directors, July 29, 2024, and signed on their behalf by:



President



Treasurer

BET CO-OPERATIVE CREDIT UNION LTD.**Statement of Changes in Equity
Year ended March 31, 2024
Expressed in Barbados dollars**

	Statutory Reserve	Unrealized gain reserve	Accumulated earnings / deficit	Total
Balance – March 31, 2022	4,045,246	1,276,516	(695,803)	4,625,959
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
Balance - March 31, 2023	4,068,735	922,619	(548,794)	4,442,560
Entrance fees	815	-	-	815
Net income for year	-	-	1,002,671	1,002,671
Fair value gain on unquoted equity investments	-	76,849	-	76,849
Transfer to Statutory Reserve	269,880	-	(269,880)	0
Balance - March 31, 2024	4,339,430	999,468	183,997	5,522,895

See notes to financial statements.

BET CO-OPERATIVE CREDIT UNION LTD.**Statement of Comprehensive Income****Year ended March 31, 2024****Expressed in Barbados dollars**

	<u>2024</u>	<u>2023</u>
Interest income		
Loans to members	1,094,116	928,194
Investments	390,277	412,133
Cash and cash equivalents	2,743	2,226
	<u>1,487,136</u>	<u>1,342,553</u>
Interest expense		
Demand deposits -1% (prior year 1%)	82,545	73,306
Mortgage deposits - 4.25% (prior year 5.75)	10,027	6,235
Term deposits - 1.1% to 1.25% (prior year 1.1% to 1.25%)	117,255	121,320
	<u>209,827</u>	<u>200,861</u>
Net interest income	<u>1,277,309</u>	<u>1,141,692</u>
Other income		
Investment property net income - Note 10	54,233	65,660
Dividend income	28,578	11,617
Reduction in impairment of Government securities - Note 9(b)	71,000	15,000
Sundry income	30,830	14,115
	<u>184,641</u>	<u>106,392</u>
Other expenses		
Depreciation	62,539	58,237
Staff costs - Note 6	257,604	222,514
Loss on revaluation of investment property - Note 10	0	487,494
Other operating expenses	158,554	617,850
	<u>478,697</u>	<u>1,386,095</u>
Net loss for year	1,002,671	(138,011)
Other comprehensive income		
Fair value gain / (loss) on unquoted equity shares - Note 9(a)	76,849	(46,358)
Net comprehensive income / (loss) for year+	<u>1,079,520</u>	<u>(184,369)</u>

See notes to financial statements.

BET CO-OPERATIVE CREDIT UNION LTD.

Statement of Cash Flows Year ended March 31, 2024 Expressed in Barbados dollars

	<u>2024</u>	<u>2023</u>
Cash provided / (used) by:		
Operating activities		
Net comprehensive income / (loss) for year	1,079,520	(184,369)
<i>Add items not involving cash</i>		
Depreciation	62,539	58,237
Loss on revaluation of investment property	0	487,494
	<u>1,142,059</u>	<u>361,362</u>
 <i>Change in non-cash operating items</i>		
Accounts receivable and prepayments	2,182,756	(2,162,102)
Accounts payable and accruals	55,297	114,540
Deposits payable	1,892,596	601,901
Qualifying shares	14,940	12,960
	<u>5,287,648</u>	<u>(1,071,339)</u>
Net cash (used) / provided by operating activities		
Investing activities		
(Increase) / decrease in loans to members - net	(1,779,107)	(1,674,672)
(Increase) / decrease in investments	120,833	(161,687)
Purchase of plant and equipment	(43,562)	(69,134)
	<u>(1,701,836)</u>	<u>(1,905,493)</u>
Net cash (used) by investing activities		
Financing activities		
Loan interest rebate	0	0
Entrance fees	815	970
	<u>815</u>	<u>970</u>
Net cash provided by financing activities		
 Increase / (Decrease) in cash and cash equivalents	3,586,627	(2,975,862)
Cash and cash equivalents - start of year	<u>4,020,147</u>	<u>6,996,009</u>
Cash and cash equivalents - end of year	<u>7,606,774</u>	<u>4,020,147</u>

See notes to financial statements.

BET CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2024

Expressed in Barbados dollars

1. Registration

BET 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.

BET CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2024

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%.

BET CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2024

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.

BET CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements

March 31, 2024

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>2024</u>	<u>2023</u>
Loans	780,852	939,696
Shares and deposits payable	594,830	674,689

(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>129,416</u>	<u>131,397</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. \$24,678 was recorded as 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.

BET CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements March 31, 2024 Expressed in Barbados dollars

6. Staff costs

<u>2024</u>	<u>2023</u>
<u>257,604</u>	<u>222,514</u>

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

7. Cash and cash equivalents

	<u>2024</u>	<u>2023</u>
Bank account - 0.05% p.a. (prior year 0.05%)	4,854,782	3,181,284
Bank accounts - no interest	2,727,762	814,633
Demand deposit - Barbados Co-operative & Credit Union League Ltd.	23,980	23,980
Petty cash	<u>250</u>	<u>250</u>
	<u>7,606,774</u>	<u>4,020,147</u>

8. Accounts receivable and prepayments

	<u>2024</u>	<u>2023</u>
Matured term deposit	0	2,100,000
Interest receivable	245,043	519,218
Accounts receivable	245,517	214,542
Less: Impairment provision	(305,088)	(472,279)
Prepayments and security deposits	<u>33,609</u>	<u>40,356</u>
	<u>219,081</u>	<u>2,401,837</u>

.....	<u>2024</u>	<u>2023</u>
Impairment provision		
Balance - start of year	472,279	354,000
Increase in provision	<u>(167,191)</u>	<u>118,279</u>
Balance - end of year	<u>305,088</u>	<u>472,279</u>

BET CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements March 31, 2024 Expressed in Barbados dollars

9. Investments

	<u>2024</u>	<u>2023</u>
<i>Current investments</i>		
<i>Held-to-maturity</i>		
Capita Financial Services Inc. - 2.25 p.a. (prior year 2.15% to 2.65%)	3,000,000	5,803,073
First Citizens Investment Services Inc. - 1.85% p.a. (prior year 1.85%)	2,200,000	4,050,009
Government securities - Note (b)	799,656	288,690
Barbados Port Inc. Bonds, 4.2% p.a. (prior year 4.2%), maturing 2024	<u>76,911</u>	<u>76,909</u>
	<u>6,076,567</u>	<u>10,218,681</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	192,271	269,182
Barbados Workers Union Co-operative Credit Union Ltd. - 2.50% p.a.	2,000,000	0
Capita Financial Services Inc. - prior year 2.25% to 2.65%	2,750,000	0
Government securities - Note (b)	3,256,193	3,984,849
<i>Available-for-sale</i>		
Co-operators General Insurance Co. Ltd. - 5,196 common shares (prior year 5,196)	2,075,126	1,998,278
Barbados Co-operative & Credit Union League Ltd.: - 20 membership shares	<u>200</u>	<u>200</u>
	<u>10,273,790</u>	<u>6,252,509</u>
Total investments	<u><u>16,350,357</u></u>	<u><u>16,471,190</u></u>

BET CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements March 31, 2024 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, 2023 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>2024</u>	<u>2023</u>
Current portion - up to one year	799,656	288,690
Non-current portion		
Greater than 1, up to 5 years	2,177,882	2,616,628
Greater than 5, up 10 years	1,373,311	1,734,221
Net present value adjustment	<u>(295,000)</u>	<u>(366,000)</u>
Government securities - long-term portion	<u>3,256,193</u>	<u>3,984,849</u>
Total Government securities - net	<u><u>4,055,849</u></u>	<u><u>4,273,539</u></u>

BET CO-OPERATIVE CREDIT UNION LTD.**Notes to Financial Statements
March 31, 2024
Expressed in Barbados dollars****10. Investment property**

	<u>2024</u>	<u>2023</u>
Valuation		
Fair value - start of year	1,700,000	2,187,494
Loss on revaluation	<u>0</u>	<u>(487,494)</u>
Cost before revaluation	<u>1,700,000</u>	<u>1,700,000</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) Income / (expenses)	<u>2024</u>	<u>2023</u>
Rent income	84,000	84,000
Expenses	<u>(29,767)</u>	<u>(18,340)</u>
	<u>54,233</u>	<u>65,660</u>

BET CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements March 31, 2024 Expressed in Barbados dollars

11. Loans to members

	<u>2024</u>	<u>2023</u>
Gross loans	16,934,526	15,617,419
Less: Impairment provision	<u>(888,000)</u>	<u>(1,350,000)</u>
Net value of loans	<u>16,046,526</u>	<u>14,267,419</u>
<i>(a) Impairment provision</i>	<u>2024</u>	<u>2023</u>
Balance - start of year	1,350,000	2,100,000
Amount written off	0	(579,145)
(Decrease) / Increase in provision	<u>(462,000)</u>	<u>(170,855)</u>
Balance - end of year	<u>888,000</u>	<u>1,350,000</u>
<i>(b) As at the Balance Sheet date, the maturity profile of loans to members was as follows:</i>	<u>2024</u>	<u>2023</u>
<i>Amounts due in:</i>		
Less than one year	262,791	226,555
One to five years	2,827,892	2,901,916
Over five years	<u>13,843,843</u>	<u>12,488,948</u>
Total	<u>16,934,526</u>	<u>15,617,419</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>2024</u>	<u>2023</u>
Loans approved but not yet disbursed as at the balance sheet date	<u>260,835</u>	<u>540,667</u>

BET CO-OPERATIVE CREDIT UNION LTD.**Notes to Financial Statements
March 31, 2024
Expressed in Barbados dollars****12. Property, plant and equipment**

	Total	Furniture and equipment	Property
As at March 31, 2022			
Cost	2,573,157	401,024	2,172,133
Accumulated depreciation	<u>(757,294)</u>	<u>(347,923)</u>	<u>(409,371)</u>
Net book value	<u>1,815,863</u>	<u>53,101</u>	<u>1,762,762</u>
Year ended March 31, 2023			
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>
As at March 31, 2023			
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>
Year ended March 31, 2024			
Net book value - start of year	1,826,760	101,242	1,725,518
Purchases	43,562	43,562	0
Depreciation charge	<u>(62,539)</u>	<u>(25,294)</u>	<u>(37,245)</u>
Net book value - end of year	<u>1,807,783</u>	<u>119,510</u>	<u>1,688,273</u>
As at March 31, 2024			
Cost	2,685,853	513,720	2,172,133
Accumulated depreciation	<u>(878,070)</u>	<u>(394,210)</u>	<u>(483,860)</u>
Net book value	<u>1,807,783</u>	<u>119,510</u>	<u>1,688,273</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.

BET CO-OPERATIVE CREDIT UNION LTD.**Notes to Financial Statements****March 31, 2024****Expressed in Barbados dollars****13. Accounts payable and accruals**

	<u>2024</u>	<u>2023</u>
Interest payable	30,555	31,680
Other accounts payable	338,165	281,743
Security deposits	<u>10,550</u>	<u>10,550</u>
	<u>379,270</u>	<u>323,973</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>2024</u>	<u>2023</u>
Demand deposits and non-qualifying shares	27,619,907	25,581,293
Mortgage deposits	502,473	172,480
Term deposits	<u>9,572,596</u>	<u>10,048,607</u>
	<u>37,694,976</u>	<u>35,802,380</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.

BET CO-OPERATIVE CREDIT UNION LTD.

Notes to Financial Statements March 31, 2024 Expressed in Barbados dollars

15. Qualifying shares

<u>2024</u>	<u>2023</u>
<u>133,380</u>	<u>118,440</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.

BET CO-OPERATIVE CREDIT UNION LTD.**Schedule of Other Operating Expenses****Year ended March 31, 2024****Expressed in Barbados dollars**

	<u>2024</u>	<u>2023</u>
Advertising and marketing	55,558	54,136
Bad debts - write-offs	0	106,426
Bank charges	17,110	12,825
Compliance expenses	14,400	19,050
Computer expenses	16,673	19,970
Credit advice	1,292	2,493
Conferences	8,241	
Co-operative and anniversary celebrations	958	2,166
Donations	2,400	1,228
Education Fund provision	15,000	600
Financial Services Commission annual fee	20,728	20,254
Honoraria	35,000	35,000
Impairment provision - (decrease) / increase	(436,836)	(52,576)
Insurance	11,283	13,563
League membership dues	24,610	23,848
Meetings - members	40,269	20,087
Meetings - other	6,317	8,813
Mutual Benefits Plan assessments	87,427	71,938
Miscellaneous	3,802	2,615
Office expenses	46,549	55,883
Postage and courier services	4,823	4,824
Professional fees – accounting and audit	58,200	57,376
Professional fees - other	3,170	10,751
Property expense	20,454	35,514
Property tax	15,794	14,962
Repairs and maintenance	5,905	2,393
Security	2,479	4,904
Software maintenance	4,572	4,664
Stationery	23,268	15,992
Utilities - electricity	27,252	26,101
Utilities - internet	2,311	1,985
Utilities - telephone	18,403	18,812
Utilities - water	1,142	1,253
	<u>158,554</u>	<u>617,850</u>