

Building **Bridges**
to **Financial**
Success



ANNUAL REPORT

2023



**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.



ANNUAL GENERAL MEETING

**Report to the Annual General Meeting
Saturday, September 30th, 2023 at 3:00 p.m.
Hilton Barbados Resort
Needham's Point, St. Michael**

Annual Report 2022 -2023



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BET CO-OPERATIVE
CREDIT UNION LTD.
Annual Report

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THE PRAYER OF SAINT 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 in some places as the
"Credit Union prayer"*



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NOTICE OF ANNUAL GENERAL MEETING

All members are invited to attend the Annual General Meeting (AGM) 2023 of the
BET CO-OPERATIVE CREDIT UNION LTD.
at the at the Hilton Barbados Resort, Needham's Point, St. Michael
on Saturday, September 30th, 2023 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 June 25th, 2022
 - b. Matters arising from Minutes of AGM of June 25, 2022
7. Committee Reports for the Year 2022- 2023
 - a. Board of Directors
 - b. Credit Committee
 - c. Supervisory Committee
 - d. Delinquency Committee
 - e. Treasurer's Report
8. Auditor's Report and Financial Statements
9. Budget 2023-2024
10. Fixing of Maximum Liability
11. Appointment of Auditors
12. Amendment to By-Law 77
13. Resolutions
14. Elections
 - a. Report of the Nomination's Committee
 - b. Elections of Officers
15. Any other business
16. Adjournment



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CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|-------------------------|----------------------------|
| <i>Julian Watson</i> | <i>President</i> |
| <i>Michael Alleyne</i> | <i>Vice President</i> |
| <i>Philip King</i> | <i>Treasurer</i> |
| <i>Clifford Bostic</i> | <i>Secretary</i> |
| <i>Diana Brathwaite</i> | <i>Assistant Secretary</i> |

OFFICE STAFF

| | |
|------------------|--|
| Ryan Reece | <i>Operations Manager</i> |
| Jennifer Maynard | <i>Senior Accounts Clerk</i> |
| Shanelle Estwick | <i>Support Services Assistant</i> |
| Toni Knight | <i>Accounts Clerk</i> |
| Kenisha Marshall | <i>Administrative Assistant - Temporary.</i> |

CREDIT COMMITTEE

| | |
|--------------------------|------------------|
| Shem Maxwell | <i>Chairman</i> |
| Carrie-Ann Morris-Searle | <i>Secretary</i> |
| Jamelle Layne | <i>Member</i> |

CONSULTANTS

| | |
|-----------------------|-----------------|
| Accounting Consultant | Paula Brooker |
| Compliance Officer | Dawn Haynes |
| Marketing Consultant | Janelle Edwards |

SUPERVISORY COMMITTEE

| | |
|----------------|------------------|
| Leandra Bishop | <i>Chairman</i> |
| David Gittens | <i>Secretary</i> |
| Randy Sonson | <i>Member</i> |

BANKERS

Republic Bank Barbados Limited
Willey
St. Michael

Scotiabank

Haggatt Hall
St. Michael

REGISTERED OFFICE

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

ATTORNEYS-AT-LAW

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

AUDITOR

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

Alphonza Carew

Lr Bank Hall Cross Roads
St. Michael

Rasheed Belgrave

Belgrave Chambers
#116 Roebuck Street
St. Michael



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BET CO-OPERATIVE
CREDIT UNION LTD.
Annual Report

MINUTES

of the

ANNUAL GENERAL MEETING

BET CO-OPERATIVE CREDIT UNION LIMITED

THE RADISSON AQUATICA RESORT BARBADOS on
SATURDAY JUNE 25TH, 2022

1.0 CALL TO ORDER

- 1.1 Having ascertained a quorum at 12:20 p.m., the Chairman, Bro. Felton Burton, called the meeting to order.

2.0 PRAYERS

- 2.1 Brother Randy Sonson led the meeting in prayers.
- 2.2 At the Chairman's invitation, the prayer of St Francis of Assisi was repeated.
- 2.3 The Chairman asked that those present observe one minute's silence in respect of those who had passed during the year.

3.0 WELCOME REMARKS – PRESIDENT

- 3.1 The President, Bro. Felton Burton, welcomed those in attendance. He introduced the members of the Board of Directors seated at the head table, as well as the Operations Manager Bro. Ryan Reece.

4.0 GREETINGS FROM OTHER ORGANISATIONS

- 4.1 There were no visitors.

5.0 EXCUSES FOR ABSENCE

- 5.1 The Chairman received excuses from Sis. Maureen Husbands, Bro. Patrick Beckles, Sis. Jean Linton, Bro. Rolric Branch, Sis. Sharon Branch, Bro. Donovan Smith, Sis. Michelle Williams, Sis. Judith Haynes and Bro. Victor Reid.

6.0 MINUTES OF THE ANNUAL GENERAL MEETING HELD ON JUNE 26TH, 2021

- 6.0.1 The Chairman entertained a motion for the Minutes of the meeting of June 26th, 2021, to be 'taken as read'. The motion was moved by Sis. Faye Arthur and seconded by Bro. Ian Wood. This motion was unanimously carried.



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6.1 ADOPTION AND CONFIRMATION OF THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON JUNE 26TH, 2021

6.1.1 Errors and Omissions

'Bro. Michael Alleyne' was changed to 'Bro. Michael Thompson' in 5.1. 'Sis. Lythia Bishop' was changed to 'Sis. Lynthia Bishop' in 5.1.

6.1.2 The minutes as amended were adopted on a motion moved by Bro. Shem Maxwell, seconded by Sis. Leandra Bishop and unanimously carried.

6.2 MATTERS ARISING FROM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON JUNE 26TH, 2021

6.2.1 There were no matters arising from the minutes.

7.0 REPORTS FOR THE FINANCIAL YEAR 2021 – 2022

7.1 REPORT OF THE BOARD OF DIRECTORS

7.1.1 Bro. Burton requested a motion that the report be taken as read. This was moved by Sis. Leandra Bishop and seconded by Sis. Vilna Johnson. It was unanimously carried. Bro. Burton invited Bro. Michael Alleyne to assume the Chair while he presented the Board report.

7.1.2 Bro. Burton presented the report of the Board of Directors. He said that he hoped the next AGM could be conducted in a mixed mode – virtual and in person.

7.1.3 Bro. Burton said that with the asset base now over \$40M, the Credit Union was required to submit more reports to the Financial Services Commission (FSC).

7.1.4 Bro. Peter Grimes said that seven years ago the report had been that delinquency was a problem and something would be done about delinquency and that he was hearing the same thing again now. He queried how delinquency compared to that at other credit unions. Bro. Burton said that he did not have the figures but that delinquency was a challenge throughout the movement and in banking circles. He added that there were currently three properties on the market and deposits had been received for two. He said an additional attorney had been engaged to focus on delinquent persons with mortgages. He said sometimes there was a challenge getting hold of persons and when they were contacted they would make promises. He said that it would be a long process as some members would need to be taken to court in order to recover the monies owed. Bro. Burton said he was disturbed as members' money was lent to others whose attitude was that they did not need to repay the Credit Union. He said the Financial Services Commission was also



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concerned about the delinquency. Bro. Grimes queried what due diligence was being done when people applied for loans. Bro. Burton explained that for every loan approved the individual has the means to repay however due to changed circumstances individuals would have difficulty repaying. Some of them would then refuse to acknowledge communications from the Credit Union. He hoped that once the funds were recovered these people would be removed as members. Bro. Grimes said that the Credit Union should move more swiftly once loans became delinquent to recover funds. Bro. Burton agreed and said that the Office did follow up with these persons when the loans were 30 days overdue however some of them would make promises to pay and never did.

- 7.1.5 Bro. Peter Grimes queried how long Ms Paula Brooker had been engaged by the Credit Union. Bro. Burton said it had been a year and explained that someone was needed who understood the financial requirements. Bro. Grimes asked if it would not be better to hire a full time employee instead of using a consultant as it would cost less. Bro. Burton explained that some consultants could be hired on an hourly basis as needed while an employee would be engaged for forty hours a week and there would also be other statutory deductions to be made. He said that it was hoped that within another year or two without any new financial standards, the staff should be able to do everything. He said that it may become necessary to engage another full time staff member due to the increased work load.
- 7.1.6 Sis. Alvina Bynoe asked if the delinquent members have shares and how the Credit Union viewed taking those shares. Bro. Burton said that this had been done but there was a requirement to leave the shares needed to maintain membership. For co-signers the same thing is done.
- 7.1.7 Sis. Sandra Sealy said that she was surprised there were so many outages that a generator had been acquired. She queried whether the purchase of solar panels had been considered. Bro. Burton said that it was hoped that solar panels would be installed and both properties could be used to generate power to the grid. He said as long as you were connected to the grid you would still lose power when there was an outage and the generator was there to act as backup. He said the possibility existed that if one of the trees in the Belleville are fell it could take down some power lines and power could be off for two or three days thus the need for a generator.
- 7.1.8 Bro. Ian Wood asked if Page 19 paragraph 5 I should be 'seek to confirm' or 'seek to conform'. He was told it should be 'seek to conform'. He queried if anyone had been engaged to assist in the additional reporting required now that the \$40M asset value had been reached. Bro. Burton said that the consultant was assisting with that and at some point training would be done to ensure staff could do this once the consultant had left.
- 7.1.9 Bro. Wood then asked if any investment had been made in the Sagacor Renewable Energy Fund. Bro. Burton explained that they had spoken to someone about it



but that he had been delinquent in getting back to the Credit Union. He said once they got the right feedback they were committed to investing in that fund.

- 7.1.10 Bro Ian Wood asked the status of the risk based assessment for approving loans mentioned in the Credit Committee report. Bro. Burton answered that the process had started and all new loans were being considered from a risk based point of view. He added that due to IFRS9 all delinquent loans over 90 days had to be treated as if they would not be repaid and as a result there was an impairment of \$400K for this financial year.
- 7.1.11 Bro. Philip F. King asked if the option of going totally off the grid had been explored as opposed to having a generator which has a running cost. Bro. Burton answered that yes it had been looked at. Bro. Philip King explained that a grid-tied system was being looked at which would generate income to balance out the power being used. He said that at this point the battery systems are very expensive and it wouldn't be feasible at this point. Bro. Burton added that expected returns had to be considered and the savings made with the battery system might be offset when the expected life of the batteries was considered.
- 7.1.12 Bro. Michael Ray said he had a photo voltaic system installed and he felt it was best to go off-grid as the amount earned could vary. He said that historically the Credit Committee would work out how loans were to be repaid and he did not understand how \$5M in outstanding debt had been accumulated in this modern day. He added that the things that worked in the old days might not work today and the use of technology should help to mitigate against such high delinquency. He said he was dissatisfied with hearing such high delinquency. He said the Credit Committee had to be given a new mandate and things should be put in place to stop this high delinquency. He said he was willing to offer advice if needed. Bro. Burton said that changing circumstances helped to contribute to members being delinquent. Bro. Ray said that it was accepted that members could come into the Credit Union and explain their challenges and try to come to a new arrangement. Bro. Burton explained that it was not that the Credit Union's systems were inadequate but that the mentality of members had changed. Mr. Reece added that while it might be found that a member had the capacity to repay his willingness to repay could be a problem.
- 7.1.13 Bro. Charles Whittaker asked for an explanation of the bad debt allowance. Bro. Burton explained that IFRS9 was an international standard which required that when loans went delinquent they had to be treated as if they would never be repaid however once those loans are repaid the impairment would decrease.
- 7.1.14 Bro. Charles Whittaker queried with the risk based assessment model if the expertise was available to assess an application for a business or investment loan or if there was a different requirement. Bro. Burton said that for a business loan, the requirements included a business plan, cash flow statement, projections and an investment statement. Bro. Whittaker asked what factor age would play in the



assessment. Bro. Burton explained that that would be part of the risk considered and the business plan would play an important part.

7.1.15 Sis. Alvina Bynoe asked if the bulk of the delinquency was mortgages. Bro. Burton confirmed in terms of dollars and cents that they were. Sis. Bynoe then said that in that case the Credit Union owned the properties and should be able to sell the properties. Bro. Burton said it was a legal process and it needed to be followed.

7.1.16 Bro. Michael Alleyne requested a motion to accept the report. The motion was moved by Sis. Wendy Walcott, seconded by Sis. Faye Arthur and unanimously carried. Bro. Alleyne then handed chairing of the meeting back to Bro. Felton Burton.

7.2

REPORT OF THE CREDIT COMMITTEE

7.2.1 Bro. Burton requested a motion that the report be taken as read. This was moved by Sis. Vilna Johnson and seconded by Sis. Faye Arthur. The motion was unanimously carried.

7.2.2 Bro. Shem Maxwell, Chairperson of the Credit Committee, presented the report. In terms of the risk based assessment for approving loans, he explained that there were now systems available that would provide more credit information than that provided by a member and these systems would be useful in determining the risk of a loan.

7.2.3 Sis. Faye Arthur said she felt it was a good initiative to focus more on marketing and she looked forward to the availability of more online platforms. She then asked what percentage of the debt consolidation and rescheduled loans were being serviced and if any were delinquent what was being done for those members. Bro. Maxwell said that he could not say how many of those loans were delinquent.

7.2.4 Sis. Coreen Armstrong asked how long was it taking to move against people who were delinquent. Bro. Maxwell said that there was a process in place for handling delinquent loans. He said that it would take a while to get to legal action and that at some point if the member had shares, those shares would be applied to the loan. Mr. Reece explained the process that was followed for delinquent loans.

7.2.5 Bro. Michael Ray said that more loans would mean more income and that he would like the Credit Union to encourage members to get loans for renewable energy.

7.2.6 The President requested a motion for this report to be accepted which was moved by Sis. Diana Brathwaite and seconded by Sis. Faye Arthur. It was unanimously carried.



7.3 REPORT OF THE SUPERVISORY COMMITTEE

- 7.3.1 Bro. Burton requested a motion that the report be taken as read. This was moved by Sis. Vilna Johnson and seconded by Sis. Faye Arthur. The motion was unanimously carried.
- 7.3.2 Bro. David Gittens, Secretary of the Supervisory Committee, presented the report.
- 7.3.3 Sis. Faye Arthur asked what was the nature of the membership terminations. Bro. Gittens said that they had spoken to the Operations Manager but there was no reason available for the terminations. Sis. Arthur then asked if there had been any complaints as there had been no mention of complaints in the report. Bro. Gittens said he would need to defer to the Operations Manager. Mr. Reece said that the complaint he had received was the lack of access to funds by way of ATMs but that this option was being actively investigated.
- 7.3.4 The Chairman then requested a motion that the report be accepted. The motion was moved by Sis. Vilna Johnson, seconded by Sis. Debbie Haynes and unanimously carried.

7.4 REPORT OF THE DELINQUENCY COMMITTEE

- 7.4.1 The Chairman requested a motion that the report be taken as read. It was moved by Sis. Alvina Bynoe and seconded by Bro. Shem Maxwell. It was unanimously carried.
- 7.4.2 Bro. Michael Alleyne presented the report. He explained that once payroll deduction was no longer used for repayment of loans, the challenges started. He said that the Credit Union had started the process to recover the funds owed. He said once there was a good report on the recovery process it would be shared with members. He said one more attempt would be made to contact some delinquent members but if there was no response, the Credit Union would be taking the necessary action. He added that the loan portfolio would be reviewed to ensure that insurance and land tax were paid.
- 7.4.3 The Chairman requested a motion that the report be accepted. The motion was moved by Sis. Vilna Johnson, seconded by Bro. Shem Maxwell and unanimously carried.

7.5 TREASURER'S REPORT

- 7.5.1 The Treasurer, Bro. Julian Watson, presented this report.
- 7.5.2 The Treasurer requested a motion that the report be taken as read. It was moved by Sis. Faye Arthur and seconded by Bro. Shem Maxwell. It was unanimously carried.



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- 7.5.3 Bro. Michael Ray asked if the delinquency should be 5%. Bro. Watson confirmed that this was the recommended level. Bro. Burton explained that it was to be 5% of the loan portfolio and not the assets.
- 7.5.4 The Chairman then invited a motion for the acceptance of the Treasurer's report. This was moved by Sis. Leandra Bishop and seconded by Sis. Vilna Johnson. The motion carried.

8.0

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

- 8.1 The Chairman invited Sis. Alicia Holder-Corbin, who was representing the auditor, Peter J Carter & Company, to present the auditor's report.
- 8.2 Sis. Holder-Corbin read the opinion portion of the Auditor's Report. She invited questions. There were no questions.
- 8.3 The Chairman then requested a motion for the acceptance of the Auditor's Report. It was moved by Sis. Vilna Johnson, seconded by Sis. Leandra Bishop and unanimously accepted.
- 8.4 The Chairman presented the Financial Statements. He then invited questions.
- 8.5 Sis. Wendy Walcott queried the Non-current investments mentioned in Note 10. Sis. Brooker, the accounting consultant, explained that the current investments showed the portion of the investment to be redeemed within the current year while the portion to be redeemed later was shown as non-current investments.
- 8.6 Sis. Wendy Walcott then queried the cost of the valuation mentioned in Note 10(b) to the Credit Union. The Chairman said that it cost nothing as it was done on behalf of ICAB.
- 8.7 Bro. Michael Ray suggested that the Credit Union engage with the business managers of Co-operators General Insurance and seek better insurance rates for the members. The Chairman said that as long as you identified yourself as belonging to the Credit Union you would get a discount in addition the Credit Union would get a 'commission'. Bro. Ray asked that the Board confirm that better rates were being offered than the other companies. The Chairman said that would be difficult to check as companies were very competitive and the rates would be impacted by the number of claims the company received He added that they were also teaming with car sale companies to attract clients.
- 8.8 Sis. Wendy Walcott asked if the Expected Credit Loss model referred to in Note 11(e) had been purchased. The Chairman said it was available to ICAB and by extension all auditors.
- 8.9 The Chairman then invited a motion that the Financial Statements be accepted. This was moved by Bro. Ian Wood and seconded by Sis. Faye Arthur. The motion was unanimously carried.

**9.0****BUDGET 2022 - 2023**

- 9.1 The Chairman invited the Operations Manager, Bro. Ryan Reece, to present the budget.
- 9.2 Bro Reece reviewed the budget. The Chairman then invited any questions or comments.
- 9.3 Sis. Wendy Walcott queried if the budget from last year was being compared with the budget for this year. Bro. Reece said yes. He said that the centre column was the actual figures and the last column was the budgeted figures.
- 9.4 The Chairman invited a motion to accept the budget. This was moved by Bro. Shem Maxwell, seconded by Sis. Wendy Walcott and the motion carried.
- 9.5 The Chairman said that there was a loss of \$91K and as such the Board had agreed that they were unable to pay a dividend. It was hoped that the 2022-2023 financial year would be better.
- 9.6 Sis. Wendy Walcott expressed concern about the amount of money being allocated to bad debt as it was impacting on members receiving a dividend but honorarium was still being paid. She said that the dividends paid last year went directly to shares and members were not given an option of what to do with it. She said the 0.25% given last year was like getting nothing and she wished that members would pay more attention to the financials. She noted that staff costs had gone up but the number of staff had not changed. The Chairman explained that the Operations Manager's salary was not 100% for the previous financial year. In addition there had been a consultant who was in place after the departure of Ms. Boyce. That consultant's payments were not treated as salary but as Professional Fees. Sis. Walcott said that the consultants were getting a lot and it was impacting what the members received. The Chairman said that the biggest impact on the Credit Union was delinquency and the impairment which had to be put in place because of IFRS9. He said that if that did not exist there would have been a net income for the year of \$500K but the Credit Union could not go against the law. He added that each consultant engaged had a specific responsibility and duty to perform to the benefit of the Credit Union. Sis. Walcott felt that there was a need to be more vigilant with the amount of consultants being hired. She asked what would happen this year as she noticed that honorarium was being paid. The Chairman explained that there was a marketing consultant to market the Credit Union with the intention of increasing loans and membership, an accounting consultant who ensured that the issues seen over the last few years were taken care of and that the staff could do their work. Sis. Walcott added that there had also been an Internal Auditor. Bro. Ian Wood explained that a proposal had been made to engage an Internal Auditor but it had not been approved. He said the FSC had specific guidelines about managing a credit union especially with assets over \$40M. He added that the Board had tried to accomplish this by using consultants which would



cost less. He said that the honorarium was small when compared to the time the committees put in managing the Credit Union. He added that the larger credit unions gave their committee members substantially more. He felt that given the expectations of the FSC more staff was needed. The Chairman explained that the committee members were not going to receive a dividend or loan rebate either but due to the loan write off there were no funds available. Sis. Walcott said that she was not saying the Board should not be paid but when members felt the pain the Board should not be paid. She said that when she joined a committee she had been told that you were giving back. The Chairman said historically at the AGM, the Board would declare that there was a surplus and a motion would come from the floor proposing an honorarium, donations, a dividend and a rebate. He said that the members had agreed to the change that the honorarium should be treated as an expense and not decided at the AGM. He added that the elected committees had a responsibility to manage the Credit Union efficiently and this was being done and that the problem came because the membership was not doing their part.

- 9.7 Bro. Michael Ray said that the critical matter was the delinquency of members. He said that if the delinquency could be stopped it would make a difference. He felt that the Supervisory and Credit Committees should sit together and come up with some solutions. He felt that these two committees were critical to the functioning of the Credit Union. The Chairman said that signs of progress had already been seen and that next financial year should see better results.
- 9.8 Sis. Alvina Bynoe said she agreed with what Sis. Walcott said as the more consultants brought on the more would need to be spent paying them and expenses would increase which would impact on what would be paid to the members. She said that last year when she had questioned the honorarium, she had been told that it was a requirement that it be budgeted but now it was being said that it had been agreed by the members. The Chairman said that last year it was put to the floor and the members had agreed that it should continue to be treated as an expense. Sis. Bynoe said that when it was treated as an expense this year when there was no surplus, it would still be paid. The Chairman explained that this year a lot of meetings had been held virtually and as a result they were longer. He felt the purpose of the honorarium was to say thanks for your support and to help with out of pocket expenses. He said that committee members sat on different committees and as such were required to travel to attend meetings, do site visits, come to the Office to sign cheques, etc.. He felt the contribution of these committees needed to be appreciated and it was not reasonable to say there should be no honorarium if there was no dividend.
- 9.9 Sis. Wendy Walcott said that previously the honorarium had to be approved at a meeting. Sis. Alvina Bynoe said that last year when she queried the honorarium being a budgeted item it was said that International Financing Standards had to be placed in the operating expenses.



10.0 FIXING OF MAXIMUM LIABILITY

- 10.1 The Chairman said the maximum liability would remain at three million dollars. He invited a motion for this. Sis. Faye Arthur moved this motion which was seconded by Bro. Charles Whittaker. The motion 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 & Company Ltd. as Auditor for the ensuing financial year at a fee to be agreed upon with the Board. This was moved by Sis. Leandra Bishop and seconded by Sis. Vilna Johnson.
- 11.2 The membership unanimously approved the re-appointment of Peter J. Carter & Company Ltd. as Auditor for the Financial Year 2022-2023.

12.0 RESOLUTIONS

- 12.1 There were no resolutions.

13.0 ELECTIONS

13.1 REPORT OF THE NOMINATIONS COMMITTEE

- 13.1.1 Bro. Michael Alleyne presented the Nominations Committee report.
- 13.1.3 He said that there were three vacancies to be filled. The vacancies were as follows: on the Board, Bro. Felton Burton had completed one term and was not seeking re- election. On the Supervisory Committee, Sis. Leandra Bishop had completed one term and was interested in returning. Bro. Donovan Smith was also interested in serving on that committee. On the Credit Committee, Sis. Carrie-Ann Morris-Searle had served one term and was available for re- election.
- 13.1.4 Bro. Alleyne then gave the Committee's recommendations for filling the vacancies. For the Credit Committee, Sis. Carrie-Ann Morris-Searle was proposed.
- 13.1.5 The Committee proposed Sis. Leandra Bishop and Bro. Donovan Smith for the vacancy on the Supervisory Committee. Bro. Smith was absent due to ill health.
- 13.1.6 It was proposed that the vacancy on the Board be filled by Sis. Diana Brathwaite



13.2 ELECTION OF OFFICERS

13.2.1 The Chairman then stated that Sis. Diana Brathwaite was duly elected to serve on the Board for the next three years.

1.3.2.2 The Chairman then declared that Sis. Carrie-Ann Morris-Searle was duly elected to serve for the next three years on the Credit Committee.

1.3.2.3 Sis. Paula Brooker was invited to assist with the election for the Supervisory Committee. The election was conducted by show of hands.

13.2.4 The results of the election were as follows:
Sis. Leandra Bishop³¹
Bro. Donovan Smith 0

13.2.5 The Chairman then declared that Sis. Leandra Bishop was elected to serve for the next three years on the Supervisory Committee

13.2.6 Bro. Burton congratulated the newly elected members.

14.0 ANY OTHER BUSINESS

14.1 The President opened the floor to any further discussions. He thanked the members for attending the meeting.

15.0 ADJOURNMENT

15.1 There being no further business, the Chairman requested a motion for the termination of the meeting. The motion was moved by Sis. Vilna Johnson, seconded by Sis. Faye Arthur and unanimously carried.

15.2 The Chairman declared the meeting adjourned at 3:38 pm.

Clifford Bostic
Secretary
BET Co-operative Credit Union Limited



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BET CO-OPERATIVE
CREDIT UNION LTD.
Annual Report

REPORT OF THE BOARD OF DIRECTORS OF THE BET CO-OPERATIVE CREDIT UNION LIMITED *For The Financial Year April 1st 2022 To March 31st 2023*



Julian Watson
President



Michael Alleyne
Vice President



Clifford Bostic
Secretary



Philip King
Treasurer



Diana Brathwaite
Asst. Secretary

OVERVIEW

Barbados, as with most other countries in the world, emerged from the cloud of the COVID-19 pandemic with a severely compromised economy. Needless to say, the financial sector has also been disadvantaged by low loan demand and increased delinquency. The BET Credit union was no exception in this regard. However, the Board decided to utilise this period to craft a medium-term strategic plan with an emphasis on managed growth, governance and resilience. This plan was implemented over the past financial year in a phased approach.

One of the crucial objectives of the strategic plan was the creation of a Business Continuity Plan. Considering the chain of events Barbados has experienced of the past two years, including the ash fall, freak storm and global pandemic, it became more apparent than ever that we do what we can to ensure the credit union can continue to function in the event of a disaster, even if in a compromised state. Equally important is the IT audit we have embarked upon, which looks granularly at our IT robustness and our posture as it relates to security. We also continue to leverage the IT



tools which allow the committee members and staff to collaborate and stay connected, which is vital in an environment such as this where many of our decision makers are not on-site full time.

We have also reviewed our loan policy and interest rates on our loan products with the goal to make our suite of products more appealing in a highly competitive market. This has been coupled with seasonal loan specials which have seen a very encouraging response. The positive impact of these efforts is expected to have a significant impact on our financials over the coming financial year. These results are particularly due to heavy marketing on social media and our physical pop-ups at various locations and events. We have also incorporated membership drives in our marketing and this has seen our membership increase significantly over the past financial year by 137 persons. Most crucially, our growth is concentrated in the 31 to 50 age demographic (73 persons), which helps to address the concern regarding an aging membership within our organisation. In addition, we have been continually improving our business processes to make our back end more efficient so as to manage the increase in membership as well as to improve our data capture.

Another goal over the past financial year was to ensure that our real estate property is fully occupied. We continue to lease our property at #6 Pine Road, but we also have the 1st floor of our main office building fully tenanted.

In addition, the credit union has implemented a more comprehensive appraisal process for staff which continuously assesses staff performance but also encourages them to set goals and objectives which facilitates growth within the organisation and personal development. We have also engaged additional temporary staff to assist with sanitisation of the office during the COVID-19 pandemic, the assimilation of members' KYC information as well as general

administrative functions. We would have also experienced a change in our AML + CFT consultant. The credit union has engaged the services of Ms. Dawn Haynes. Ms. Haynes is a certified Anti-Money Laundering Specialist with the Association of Certified Anti-Money Laundering Specialists. She has thirteen (13) years' experience in AML/CFT Compliance in Banking, General Insurance and the Credit Union sector and nineteen (19) years' experience in Banking overall. The Board thanks our past AML consultant, Ms. Glenna Smith for the sterling work she has done in getting the credit union to a compliant state.

Although the credit union remains liquid, it is proving increasingly difficult to identify investment opportunities. This is mainly due to diminishing rates of return with our current portfolio of investments as well as a confinement by our regulators with respect to the instruments the credit union is allowed to invest in. The Board therefore made a conscious decision to leverage our liquidity to negotiate the best rates of return we can with our limited options. What this means for our members is that we have maintained a respectable rate of return for our term deposits, especially when compared with other institutions.

Finally, we have recognised that in order to achieve our objectives we must form strategic alliances. One such partnership is our agreement with Barbados Trust Fund Limited. It is not difficult to glean that our plan covers multiple aspects of the management of our credit union. However, each objective is equally important if we are to meet our overall broad medium-term objectives and ensure that the BET Credit Union remains viable.

DELINQUENCY

Our delinquency continues to be too high but the Board, with invaluable input from the delinquency committee and staff, has tackled delinquency head on over the past financial



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year and it is now trending in the right direction, decreasing by 11% at the end of the 2022 to 2023 financial year. In addition to reaching out to some of our delinquent members directly, we have fortified our loan recovery processes by engaging an additional attorney-at-law, as well as contracting the services of bailiffs. Needless to say, these professionals are engaged entirely as a last resort as we make all efforts to work first with our members to establish a mutually beneficial solution if a loan becomes delinquent. We have also vigorously pursued the liquidation of some of the assets used as collateral in delinquent loans. Unfortunately, this process does take considerable time and although we are achieving quantifiable results, the greater impact will be felt over the next financial year. Finally, we have taken the decision to write off some of the exhaustively delinquent loans from our books, as these loans have been having a significant negative impact on our financials when the IFRS9 model does its computations. However, this by no means signals that we will no longer be seeking to recover these funds.

FINANCIALS

Our ability to report a surplus in previous years was attributed mainly to the significant funds we needed to allocate to bad debt as part of the IFRS9 regulation. Over the past financial year our measures implemented to decrease our delinquency has resulted in a significantly reduced allocation on our books which had a positive impact on our financials. However, our gains were negated by a tangible mark down in the value of shares held in Co-operators General Insurance, but more significantly, we have had to revalue our building at no. 6 Pine Road. This resulted in a \$500000 decrease in value, due to a softness of the sale and rental market coming out of the COVID-19 period. The net result of these decreases is a negative surplus of \$184369. However, we are buoyed by the significant increase in the number of loans disbursed compared with the prior financial

year; not only because of the potential revenue but also because we have observed a change in the distribution of our loan portfolio. Over the past five years our portfolio was dominated by debt consolidation loans. This was a consequence of many persons losing some means of income coupled with increasing cost of living and general apprehension to increase their level of debt. Over the past year, however, we have seen an increase in auto and lifestyle loans, which signals that our members are of the perception that the economic situation is improving. We therefore expect to start reaping the benefits of this increase in the 2023-2024 financial year.

Our assets continue to grow as well, increasing from \$40,141,351 to \$40,687,353. Although our crossing the \$40 million threshold in assets has meant an increase in scrutiny by our regulators, our pre-emptive measures implemented last year have enabled us to remain compliant.

Please see our Treasurer's Report and financial statements for more details.

CONCLUSION

The credit union continues to face challenges from multiple facets including regulators, economic challenges and an increasingly competitive market. As we reflect on another difficult financial year, we look forward to a new year that presents new opportunities. We have navigated the aforementioned challenges well over the past financial year and we are now poised to take advantage of a recovering economy. We will continue to implement the objectives of our strategic plan, actively manage our delinquency, continue our marketing efforts and focus on building on the significant growth in membership loans experienced in the past year.

The Board of Directors would like to take this opportunity to thank our members for placing



your trust in us over the past financial year. Your continued support remains cognizant in the minds of our staff and elected committee members. We would also wish to sincerely thank our committee members and staff for their commitment to our cause over the past financial year. Without them we would not have achieved many of the objectives we set out at the beginning of the financial year. We also thank our consultants and auditors for continuing to

deliver on their charges and working seamlessly with the committees and staff alike.

For those who have yet to submit your up-to-date KYC information, you are encouraged to do so as soon as possible. This is a requirement from our regulators and could result in some challenges relating to your account if your information is not current.

Julian Watson
President

Michael Alleyne
Vice President

Clifford Bostic
Secretary

Philip King
Treasurer

Diana Brathwaite
Asst. Secretary



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BET CO-OPERATIVE
CREDIT UNION LTD.
Annual Report

BET CO-OPERATIVE CREDIT UNION LIMITED

OPERATION BUDGET FOR THE YEAR 2023/2024

| | Actual 2022/2023 | Budget 2023/2024 |
|---|---------------------|---------------------|
| REVENUE | | |
| Interest from Loans | 928,194.00 | 950,000.00 |
| Interest from Investments | 412,133.00 | 425,000.00 |
| Rental Income | 65,660.00 | 86,800.00 |
| Dividend Income | 11,617.00 | 10,000.00 |
| Cash and cash equivalents | 2,226.00 | 1,500.00 |
| Reduction in impairment Gov't Sec's | 15,000.00 | 17,500.00 |
| Sundry income | 14,115.00 | 1,000.00 |
| Total Revenue | 1,448,945.00 | 1,491,800.00 |
| INTEREST EXPENSES | | |
| Demand Deposits | 73,306.00 | 75,000.00 |
| Mortgage Deposits | 6,235.00 | 3,000.00 |
| Term Deposits | 121,320.00 | 125,000.00 |
| Interest on other shares | 0.00 | 0.00 |
| Unrealised Loss on Investment | 0.00 | |
| Total | 200,861.00 | 203,000.00 |
| CAPITAL PURCHASES | | |
| Computer IT | 0.00 | 30,000.00 |
| Furniture & Fittings | 0.00 | 25,000.00 |
| Total | 0.00 | 55,000.00 |
| OPERATING EXPENSES | | |
| Advertising & Marketing | 54,136.00 | 35,000.00 |
| Bad Debt Written-off | 106,426.00 | 0.00 |
| Bank charges | 12,825.00 | 15,000.00 |
| BCCULL Dues | 23,848.00 | 25,000.00 |
| Compliance Expenses | 19,050.00 | 14,400.00 |
| Computer\IT expenses | 19,970.00 | 25,000.00 |
| Conferences | 0.00 | 45,000.00 |
| Co-operative Day | 2,166.00 | 2,500.00 |
| Credit Reporting | 2,493.00 | 3,245.00 |
| Depreciation | 58,237.00 | 60,000.00 |
| Donations | 1,228.00 | 7,500.00 |
| Education Fund Provision | 600.00 | 1,000.00 |
| FSC Fees | 20,254.00 | 23,000.00 |
| Honoraria | 35,000.00 | 35,000.00 |
| Insurance | 13,563.00 | 14,000.00 |
| Impairment provision increase | -52,576.00 | 130,000.00 |
| Loss On Revaluation of Investment Prop. | 487,494.00 | 0.00 |
| Meetings - AGM | 20,087.00 | 25,000.00 |
| Meetings - Other | 8,813.00 | 5,000.00 |
| Miscellaneous | 2,615.00 | 5,000.00 |
| Mutual Benefit Plan Assessments | 71,938.00 | 75,000.00 |
| Office expenses | 55,883.00 | 35,000.00 |
| Postage and courier services | 4,824.00 | 6,000.00 |
| Professional Fees - Accounts & Audit | 57,376.00 | 58,800.00 |
| Professional Fees - Legal, Marketing | 10,751.00 | 51,000.00 |
| Property expenses | 35,514.00 | 50,000.00 |
| Property taxes | 14,962.00 | 15,000.00 |
| Repairs and maintenance | 2,393.00 | 8,000.00 |
| Security | 4,904.00 | 5,500.00 |



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BET CO-OPERATIVE
CREDIT UNION LTD.
Annual Report

BET CO-OPERATIVE CREDIT UNION LIMITED
OPERATION BUDGET
FOR THE YEAR 2023/2024

| | Actual 2022/2023 | Budget 2023/2024 |
|------------------------------------|---------------------|---------------------|
| Software maintenance | 4,664.00 | 5,000.00 |
| Staff Costs | 222,514.00 | 280,000.00 |
| Stationery | 15,992.00 | 10,000.00 |
| Training | 0.00 | 10,000.00 |
| Utilities - Electricity | 26,101.00 | 27,000.00 |
| Utilities - Telephone and Internet | 20,797.00 | 21,000.00 |
| Utilities - Water | 1,253.00 | 1,500.00 |
| Total Operating Expenses | 1,386,095.00 | 1,129,445.00 |
| TOTAL EXPENSES | 1,586,956.00 | 1,387,445.00 |
| SURPLUS/(DEFICIT) | -138,011.00 | 104,355.00 |



REPORT OF THE CREDIT COMMITTEE OF THE BET CO-OPERATIVE CREDIT UNION LIMITED For The Year April 01, 2022 To March 31, 2023



Shem Maxwell
Chairperson



Carrie-Ann Morris- Searly
Secretary



Jamelle Layne
Member

COMMITTEE MEMBERS

| June 26, 2022 – March 31, 2023 | |
|--------------------------------|--------------------------|
| Chairperson | Shem Maxwell |
| Secretary | Carrie-Ann Morris-Searle |
| Member | Jamelle Layne |

INTRODUCTION

During the financial year April 2022 to March 2023, the Credit Committee held eighty-four (84) meetings during which 135 loans, valuing \$4.2 M, were approved. Two (2) loan

applications were sent to the Asset Committee, nine (9) applications were escalated to an Extraordinary Credit Committee for approval and four (4) applications were denied.

| Meetings Held | Loans Received current Period | Approved & Disbursed | Denied / Withdrawn | Ref. Asset Committee | Ref Extra Ordinary Credit Committee |
|---------------|-------------------------------|----------------------|--------------------|----------------------|-------------------------------------|
| 84 | 120 | 4,201,060 | 4 | 2 | 9 |

CREDIT COMMITTEE MEETINGS

| Member | POSSIBLE | ACTUAL | EXCUSED | Year Elected |
|-------------------------------|----------|--------|---------|--------------|
| Sis. Carrie-Ann Morris-Searle | 84 | 84 | 0 | 2019 |
| Bro. Shem Maxwell | 84 | 84 | 0 | 2017 |
| Bro. Jamelle Layne | 84 | 84 | 0 | 2021 |



LOAN ANALYSIS

Of the \$4.4M in loans approved, \$4.2M in new loans were disbursed, exhibiting a 29% increase in value from the previous year.

The Debt Consolidation category regained its usual dominant position at the top of the loan portfolio with a value of \$1.8M, which was a major increase of 197% from the previous financial year. The Mortgage category slipped down in the rankings from last year to second place with a value of \$775K which was a

decrease of 21%. The Equity Savings category continues to show its relevance with a value of \$624K, which was a 37% increase over last year.

The Christmas loans and Vehicle categories each had significant contributions at \$331K and \$556K respectively. The percentage increase over last year for Christmas loans was quite substantial 922%

Line of Credit (LOC) which showed growth in the of 115%.

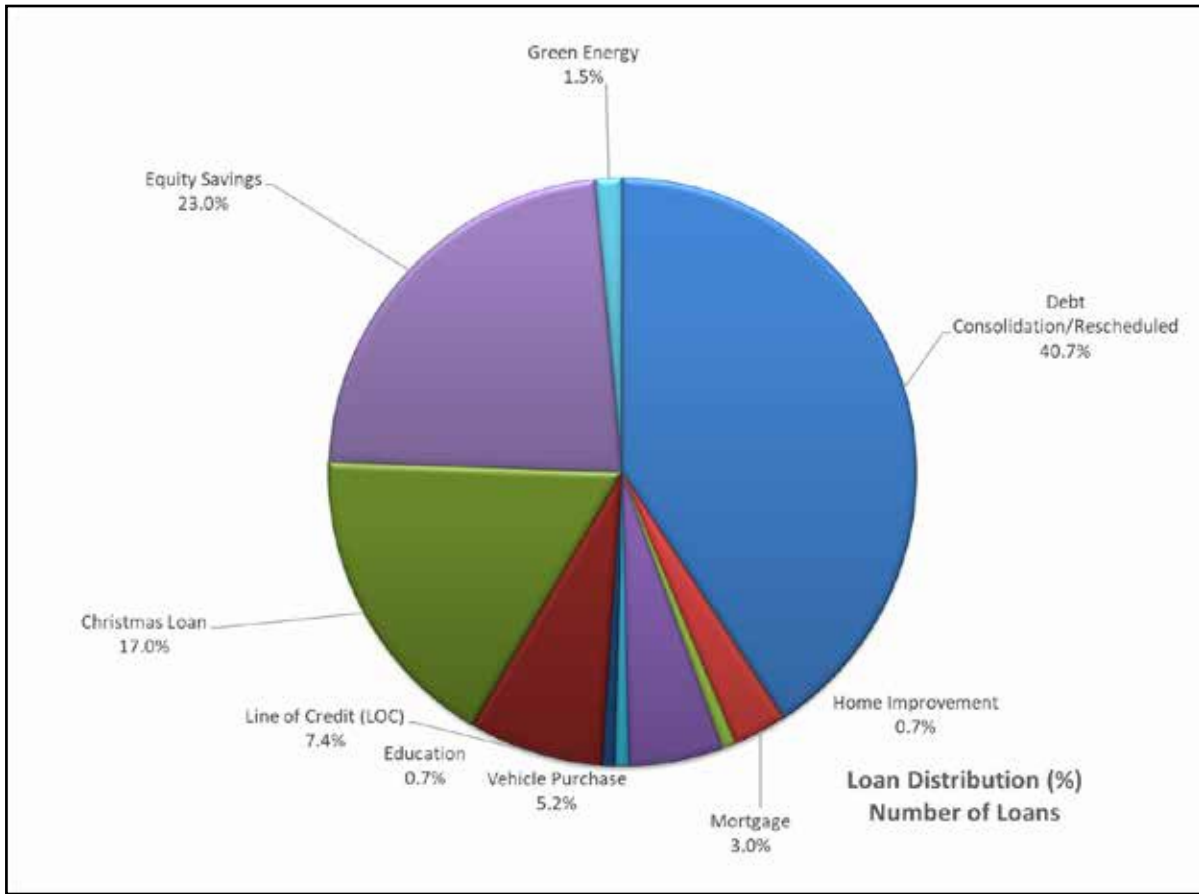
| LOAN CATEGORY | Apr 2022 - Mar 2023 | | Apr 2021 - Mar 2022 | | % Change Over Last Period | |
|---------------------------------|---------------------|------------------|---------------------|------------------|---------------------------|------------|
| | # Loans | Loan Value (\$) | # Loans | Loan Value (\$) | # Loans | Loan Value |
| Debt Consolidation/ Rescheduled | 55 | 1,842,974 | 84 | 621,344 | -35% | 197% |
| Mortgage | 4 | 775,000 | 4 | 985,089 | 0% | -21% |
| Home Improvement | 1 | 15,000 | 10 | 326,600 | -90% | -95% |
| Vehicle Purchase | 7 | 556,000 | 10 | 497,352 | -30% | 12% |
| Agriculture | 1 | 48,000 | | | | |
| Land Purchase | | | 2 | 237,800 | | |
| Education | 1 | 30,000 | 1 | 74,574 | 0% | -60% |
| Line of Credit (LOC) | 10 | 38,700 | 6 | 18,000 | 67% | 115% |
| Christmas Loan | 23 | 331,200 | 14 | 32,400 | 64% | 922% |
| Medical | | | 2 | 27,004 | | |
| Travel | | | | | | |
| Legal Fees | | | 1 | 15,000 | | |
| Vehicle Repairs | | | | | | |
| Other | | | 1 | 3,579 | | |
| Furniture /Appliance | | | | | | |
| Equity Savings | 31 | 624,168 | 20 | 455,629 | 55% | 37% |
| Green Energy | 2 | 144,100 | 2 | 128,916 | 0% | 12 |
| Insurance | | | | | | |
| Wedding Expenses | | | 1 | 35,200 | | |
| Funeral Expense | | | 1 | 6,500 | | |
| Total | 135 | 4,405,141 | 159 | 3,464,986 | -15% | 27% |
| Refinanced/Rescheduled | (15) | (204,081) | (10) | (213,544) | 50% | -4% |
| Disbursement | 120 | 4,201,060 | 149 | 3,251,442 | -19% | 29% |



Graph 1

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

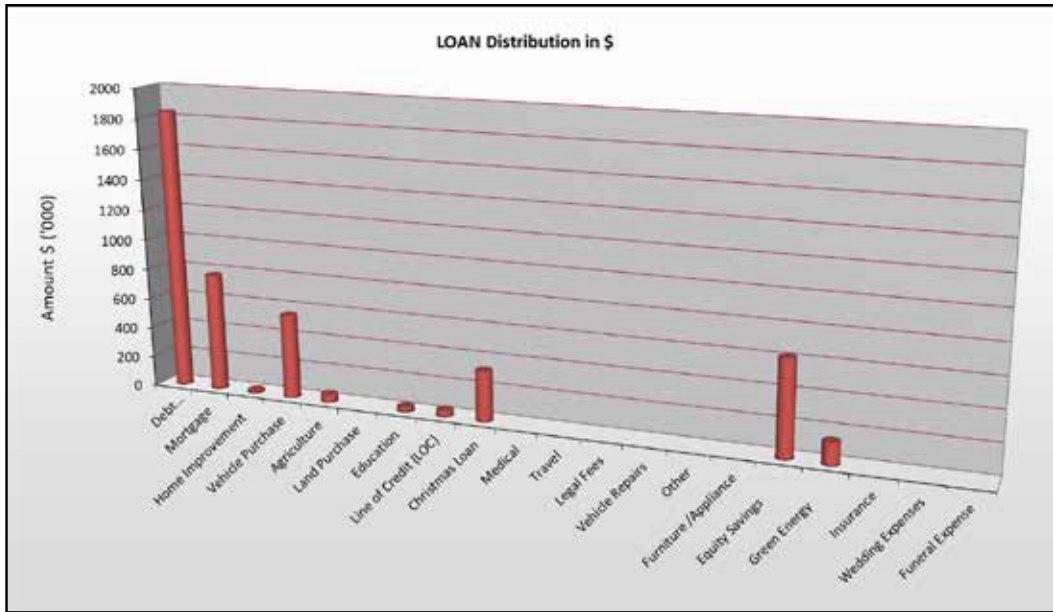
Graph 1



Graph (1) categorises the volume of loans by percentage approved. Debt Consolidation remained the leading category at 40.7% followed by the new staple Equity Savings at 23% and the still popular Christmas loans at 17%. Line of Credit accounted for 7.4% and Vehicle Purchases followed at 5.2%.

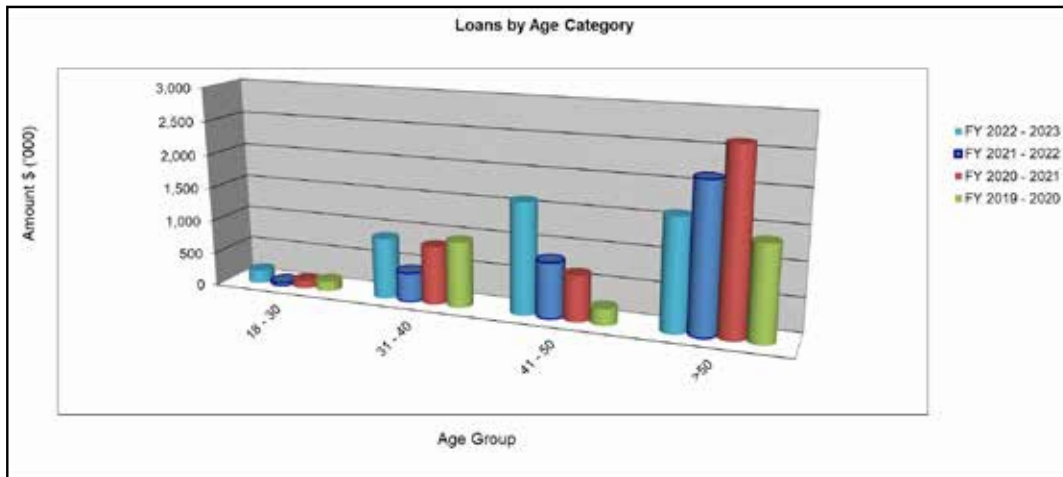


Graph 2



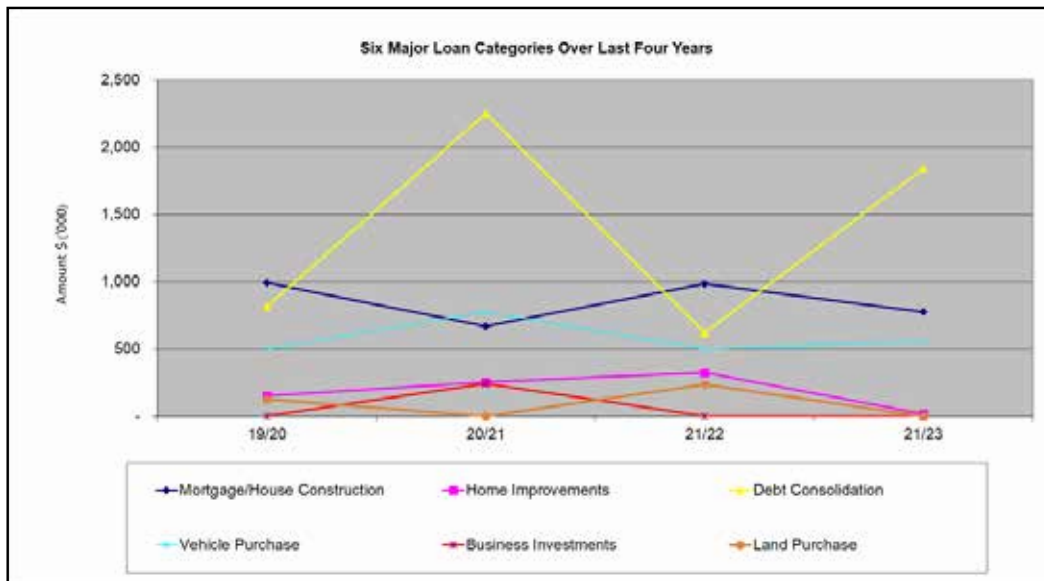
Graph 2 displays the loan distribution amounts in Barbados dollars and indicates Debt Consolidation is back again as the monetary leader at \$1.8M, followed by Mortgages at \$775K, Equity Savings at \$664K and Vehicle Purchase following at \$556K.

Graph 3



Graph 3 indicates the largest loan amounts were borrowed in the 41-50 age category at \$1.635M, which outperformed the long standing top category of over fifty (>50). However, the over fifty (>50) age category followed closely with \$1.632M for the current period which was a decrease from the previous year. The other two categories 31-40 and 18-30 both had an increase in loans amount by 100% and 300% respectively.

Graph 4



Graph 4 illustrates the category of home improvement was down significantly by 95% to 15K. Vehicle Purchase was up by 12%. Business and Land Purchase had no loans this year. This was the second consecutive year the Business category has been nonexistent. Debt Consolidation and mortgage continue to be the top loans again this year.

RECOMMENDATIONS

FY 2022-2023 Barbados' economy was able to achieve a robust recovery led by the tourism sector as travel restriction due to COVID-19 were relaxed. Business operations were able to fully reopen, and the labour market began to recover. The credit union was able to see an influx of new members and larger loan volume due to this recovery.

The credit union must now prepare itself to continue to compete and offer services not only for its current members but also to attract and maintain new members in all demographics. The focus must be on offering services which can meet the needs of the membership in whatever season of life they may be in. These services should be easily accessible. The following are suggestions from the Credit Committee;

- Focus on streamlining the processing of loans to continue to increase efficiency and speed while maintaining the risk-based approach.
- Continued development of aggressive marketing strategies to promote our loan portfolio with the aim of attracting new business.
- Revamp our existing policies in an effort to capitalise on opportunities to increase both membership and loans in our younger age categories which are exhibiting growth potential and the older membership which continues to be vibrant.
- Continue the use of technology to improve the loan process.



CONCLUSION

Overall, the loans' value increased by 29% over the previous year, suggesting a level of economic recovery in conjunction with the efforts of the team at the credit union. The credit union will continue to be a partner to you, its membership, by providing services that are accessible to assist with all of your life events.

The BET Credit Committee would like to thank the BETCUL staff and the Board of Directors for their support throughout the year. BETCUL continues to encourage all members to patronize the Credit Union's services whenever possible and we are indeed grateful to all our members for your collective support.

Bro. Shem Maxwell
(Chairman)

Sis. Carrie-Ann Morris-Searle
(Secretary)

Bro. Jamelle Layne
(Member)



REPORT OF THE SUPERVISORY COMMITTEE OF THE BET CO-OPERATIVE CREDIT UNION LIMITED *For The Financial Year April 1, 2022 To March 31, 2023*



Leandra Bishop
Chairperson



David Gittens
Secretary



Randy Sonson
Member

This detailed report has been prepared by the Supervisory Committee of The BET Cooperative Credit Union Limited for the period 1st April, 2022 – 31st March 2023 Annual General Meeting (AGM).

The purpose of this report is to provide an overview of the company’s activities ranging from (but not limited to): -

1. the feedback from members regarding services rendered,
2. financial performance during the past year, and
3. additional attention to the other internal procedures.

STRUCTURE OF THE SUPERVISORY COMMITTEE

The roles of the Committee were as follows:

- Sis. Leandra Bishop – Chairperson
- Bro. David Gittens – Secretary
- Bro. Randy Sonson – Member

| | June 26th, 2021 – March 31st, 2022 | April 1st 2022 – March 31st 2023 |
|-------------|---------------------------------------|-------------------------------------|
| Chairperson | Leandra Bishop | Leandra Bishop |
| Secretary | David Gittens | David Gittens |
| Member | Randy Sonson | Randy Sonson |



SUPERVISORY COMMITTEE MEETINGS

The Committee throughout the period under review has had a total number of twelve (12) meetings, these were used to evaluate and

remedy any issues or matters which will impact the high level of services that we would like to provide to every member.

Attendance for the meetings are as follows:

| MEMBERS | POSSIBLE | ACTUAL | EXCUSED | YEAR ELECTED |
|----------------|----------|--------|---------|--------------|
| Leandra Bishop | 12 | 12 | 0 | 2019 |
| David Gittens | 12 | 10 | 2 | 2020 |
| Randy Sonson | 12 | 10 | 2 | 2021 |

All meetings held were held face-to-face, and they continue to be held in-house at the Credit Union’s headquarters. Given we cannot at present review all the information under review by our committee remotely, we at times find this process difficult due to our busy schedules but are still dedicated to maintaining a high-level of commitment to the members and Credit Union as well.

Though we were unable to successfully meet our projected quota of meetings, we are dedicated to maintaining, improving and surpassing the expectations of our loyal members and meeting any of the requirements set by the Regulatory Boards on island.

REVIEW OF OPERATIONS

During the past year, the team has taken the opportunity to evaluate the main operations and undertakings of the organisation. The process of reviewing the relevant documentation allowed us to highlight any errors, of which we recommended the essential feedback and suggestions to the Operations Manager.

Liaising with the Board of Directors, Operations Manager, and the Staff continues to be vital to our process and has continued throughout the fiscal year 2022 – 2023, and we pray that we can maintain this valuable relationship

throughout the upcoming fiscal period.

The key physical documentation reviewed during the period 1st April 2022 – 31st March 2023, ranged from:

- Daily transactions – withdrawals, deposits, bank transfers
- Customer Complaints
- Unusual Activities, Anti-Money Laundering Reports, and “Know Your Customer” guidelines.
- Loans – applications through to the disbursement of funds
- Credit Unions Financials
- Reports filed with the Financial Services Commission

ORGANISATIONAL RESILIENCE

Within the previous AGM’s Report for the Credit Union, we would have worked closely with Mrs. Cheryl Griffith with regards to the construction of the Business Continuity Plan. We are happy to report that Mrs. Griffith has successfully completed the plan, of which it has been passed off to the Board of Directors for official sign-off and the commencement of Staff Training.



Upon the roll out of the plan, we will monitor it and continue to focus on ways to improve it. This will require vital feedback from our valued team at the Credit Union, as they will be the ones who it will impact the most during the event of any natural or unnatural disasters. During the year, the Committee would have highlighted the need for the Credit Union’s website to be encrypted. We would like to report, that with the valiant efforts of the I.T. Committee, Operations Manager and IT Logic, that we have successfully been able to have this process completed.

LOANS

As always, this area of the business remains and facilitates the Credit Union with the largest source of revenue, and we continue to strive to try to ensure that the risk factors be kept to the absolute minimum.

We, as the members of the Supervisory Committee continue to see a satisfactory level of steps being taken by Staff, but we have identified a few areas which we can improve within this area even further and we are committed to find improvements which will not only boost the number of loans on the books but also aid in not attaining any additional delinquency numbers.

FINANCIAL STATEMENTS

These extremely important documents, provide members with some valuable information regarding the performance of the Credit Union for the end of fiscal. All the information under

this section MUST be accurate, complete, and relevant to the current reporting period. Given we have been gradually stepping out of the COVID-19 restrictions, we have been able to recommence the momentum of completing regular periodic reviews. These reviews continue to highlight and identify key trends arising within the business and shows an extremely healthy balance sheet, with an increase in total assets but also holding the Credit Union accountable to report the relevant financials within the relevant timelines set by the Regulatory Boards (I.e.: Financial Services Commission and Barbados Revenue Authorities).

REPORT RECONCILIATION

This process continues to be extremely key, as we pull samples from the daily cash reports monthly. The step continues to be taken as we try to attain 100% accuracy, with focus placed on deposits (both over the counter, and emailed correspondence), and payments to members through bank transfer or written cheques. Though we have identified a few areas under review which need to be strengthened, we continue to see a reasonable level of compliance regarding the established accounting procedures.

MEMBERSHIP

We continue to see a healthy increase in growth, which continues to gain momentum through strong marketing strategies and word-of-mouth. For the period up to the 31st March 2023, the membership is identified as follows:

| | March 2023 | March 2022 | March 2021 |
|-------------|------------|------------|------------|
| MEMBERS | 1,016 | 879 | 848 |
| ADDITIONS | 137 | 37 | 22 |
| TERMINATION | 4 | 6 | 10 |



With continuous healthy growth being seen, we urge the team to maintain a high level of Customer Service to our members, through the introduction of new product initiatives, accepting feedback from members and the elimination of errors. As seen above, we have seen a reduction in the number of terminations, and we would like to keep this year of the business to zero for future financial periods.

RECOMMENDATIONS

The Credit Union remains ambitious, as we look towards plans for the future. We are focusing on increasing our member base, expanding our product and service offerings, and improving efficiency. We are also exploring new markets and developing new partnerships. We however would like to recommend the following:

1. Continuous training to staff, Committee members and the Board, in areas ranging from (but not limited to): -
 - Customer Service
 - Anti-Money Laundering and Anti-Fraud procedures
 - The Business Continuity Plan
 - Governance and Regulatory guidelines and reporting
 - Marketing Strategies
 - Cybersecurity
2. Digitalisation to the process undertaken by the Supervisory Committee; not only would this decrease the period between meetings but increase the actual number of meetings which can be held at any given time.
3. We urge the Board of Directors to make a change to the current auditor, as we have

held their services for some time now and we would honestly like to avoid any conflicts of interest, as withstanding the generally accepted accounting principles. Hence, an extra ordinary AGM may be required to allow members to complete the essential voting required to make the necessary changes.

4. We would also like to urge the Board of Directors to highly consider the recommendations provided by the recent IT audits/assessments which were completed.
5. The recommendation is also being made, to review the By-Laws surrounding the AGM. This change will allow us to attain a dual forum set-up for future AGMs (i.e. Face-to-face and online participants), it will allow us to successfully meet our quorum within these ever-changing technological times.
6. A monthly newsletter to members, keeping them abreast of the running, marketing, new endeavours, and achievements of the Credit Union throughout the fiscal.
7. Provide members with some short-term courses which can aid them to stay abreast with the ever-changing financial arena and even to assist them with the use of the different online meeting applications, such as ZOOM and Google Meet, to name a few.
8. We would like to urge members of the Credit Union to report any concerns, complaints, feedback, or acknowledgement of excellent service in writing to Operations Manager first and to the Supervisory Committee and/or the Board of Directors. This step will allow us to nip any matters which may need to be rectified in the early but also acknowledge those who display high levels of services to our members.



9. We urge the Board of Directors to closely track and highlight any areas of concern regarding the Strategic Plan which was recently introduced.
10. With the ever-changing elements in the world of business, we urge the Credit Union to continue to focus and closely monitor the ongoing discussions surrounding AI in regards to risks, privacy and its disruption to the way people work. As there is a possibility of a severe impact to how we operate and how it may in turn affect our members' needs in the short to medium term.

support and look forward to continuing to work together to create value for all.

The Supervisory Committee continues to have faith, that the Credit Union will continue to grow from strength to strength for years to come; even through the constantly changing financial markets we have some to know over the years.

As Committee Chairperson, I would like to first thank God for continuing to give my team and I the strength and good health to continue to provide the essential support and services to the Credit Union. Additionally, I would like to personally thank my team for their continued dedication and unwavering support to seeing the Credit Union grow in a positive light amidst all the challenges we continue to face.

CONCLUSION

The Credit Union has made significant progress in the past year, and we are confident that we will continue to achieve success in the future. We are truly appreciative of our members and would like to thank you for your continued

In addition, a huge thank you is also extended to the Board of Directors, the Operations Manager and to the staff of the Credit Union; as they too continue to provide us with the essential information required for our reviews monthly.

Leandra R. Bishop
Supervisory Chairperson

David Gittens
Secretary

Randy Sonson
Member



REPORT OF THE DELINQUENCY COMMITTEE OF THE BET CO-OPERATIVE CREDIT UNION LIMITED

April 01st 2022 – March 31st 2023

OVERVIEW

Fellow members. last year, the Delinquency Committee presented to you a far from pleasing picture of the delinquency situation being experienced by our Credit Union. We pledged to you that we as a Committee, with the assistance of the Board and Staff would try our effort best to arrest this troubling situation that negatively impacted on our financials over the years.

We adopted a **4-point Course of Action** inter-alia to aggressively address the situation which encompassed action both internally and externally. As a result, we can report that our sustained efforts have started to make inroads in the overall level of delinquency in our Credit Union for the financial year under review.

We were able to make contact with those members who fell into the 0-60 day delinquency category and have some of their loan payments re-arranged. For some of the other categories, we were able to engage bailiff services to address the collection of outstanding loans

pertaining to Lines of Credit, Consumer and Vehicle Loans.

At the time of compiling this report, four (4) of our outstanding mortgage loans are actively engaging the attention of our attorneys. The process which included the sale of some of these properties took longer than expected but is due to be completed in short order.

At the end of fiscal year 2022-23 the number of Delinquent loans remained at 71 similar to that of the previous year. However, it should be noted that our aggressive efforts reduced the overall Total Delinquency from **\$5.004M in Fiscal 2021-22 to \$3.575M in the present Fiscal Year**. We were also able to reduce the overall delinquency of **34%** last year to **23%** this financial year as well. It is important to note that after careful examination and consideration by both the Board and the Delinquency Committee with oversight from our Auditors, the decision was made to write of a bad debt amount totaling **\$685k**.

**Table 1
Loan Delinquency**

| Loan Delinquency | | |
|-----------------------------|---------------|------------|
| Year | 2023 | 2022 |
| Total Loan Amount (Net) | 15,617,419.00 | 14,692,748 |
| # of Loans | 291 | 302 |
| Total Delinquent Amount | 3,575,998.09 | 5,004,042 |
| # of Delinquent Loans | 71 | 71 |
| Total Delinquent Amount (%) | 23 | 34 |
| Total Bad Debt Amount | | 1,663,276 |
| Total Write-off Amount | 685,571.54 | 0 |

**Table 2**
Aged Delinquency

| Days Delinquent | Comparative Delinquent Amounts per year | | Comparative Delinquent Loans per year | | Comparative Delinquent Amounts per year | |
|-----------------|---|---------------------|---------------------------------------|-----------|---|-----------------------|
| | 2023 | 2022 | 2023 | 2022 | % Change | \$ Change |
| 01-30 | 1,042,377.28 | 981,216.00 | 31 | 26 | 6% | 61,161.28 |
| 31-60 | 23,539.59 | 663,482.00 | 2 | 6 | -96% | -639,942.41 |
| 61-90 | 486,861.83 | 223,485.00 | 6 | 6 | 118% | 263,376.83 |
| 91-365 | 956,209.66 | 1,174,877.00 | 15 | 19 | -19% | -218,667.34 |
| > 365 | 1,067,009.73 | 1,960,981.00 | 17 | 14 | -46% | -893,971.27 |
| Total | 3,575,998.09 | 5,004,042.00 | 71 | 71 | -29% | (1,428,043.91) |

The above table depicts a further breakdown of our delinquency picture. There were notable positive changes in the older categories of over 31 days which supported our recovery strategies. Those strategies included members consolidating their loans, debt restructuring and the sale of two (2) properties. We endeavour to keep the 1-30 day category as low as possible to help prevent any future escalation of the delinquency situation.

The below table shows our continuing efforts being undertaken in the overall management of this area in the Credit Union's financial operations. It is recognized that some areas will result in additional expenses in recovering and reducing the high delinquency that has plagued the organization in recent years, but this must be expected in a constantly changing and demanding financial environment. There is a cost to progress.

Table 3
Delinquency Management

| Delinquency Management | # of Loans | Delinquent Amount (\$) | Loan Amount (\$) | Delinquent Amount (%) |
|-----------------------------|------------|------------------------|------------------|-----------------------|
| Managed by Office | 57 | 276,569.25 | 2,606,389.12 | 39% |
| Referred to Attorney | 10 | 237,091.55 | 357,370.71 | 33% |
| Arrangement with Board | 3 | 24,739.64 | 298,279.44 | 3% |
| Awaiting Completion of Sale | 1 | 169,402.91 | 313,958.82 | 24% |
| Total | 71 | 707,803 | 3,575,998 | 100.00% |



Conclusion

In conclusion, the Delinquency Committee is committed to continue the Action Plan adopted during the last financial year. It is incumbent to have our delinquency reduced to a manageable size as we strive to maintain the credit union's competitive edge in responding to our members' needs. The Board of Directors has indicated further financial strategies in response to members' needs and overall competition from other financial institutions that will need careful management of our delinquency

portfolio. We may need to adopt the theme of 'closer monitoring, management and financial counselling' for our members to improve the delinquency situation.

It has been a tough year for the Delinquency Committee to try to keep control of the delinquency situation, but we believe we are beginning to see positive results from our various endeavours. We therefore wish to thank all those involved in this exercise and hope to present a more favourable report for fiscal year 2023-24.

Michael Alleyne
Chairman

Leandra Bishop
Secretary

Carrie-Ann Morris-Searle
Member



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BET CO-OPERATIVE
CREDIT UNION LTD.
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STAFF

OF THE BET CO-OPERATIVE CREDIT UNION LIMITED

For The Period Ended March 31, 2023



Ryan Reece
Operations Manager



Jennifer Maynard
Senior Accounts Clerk



Toni Knight
Accounts Clerk



Shanelle Estwick
Support Services Assistant



Kenisha Marshall
*Administrative Assistant
(Temporary)*



THE TREASURER'S REPORT OF THE BET CO-OPERATIVE CREDIT UNION LIMITED *For The Financial Year April 1, 2022 To March 31, 2023*



Philip King
Treasurer

The Fiscal Environment

2022 witnessed the world's emergence from the disastrous grips of the COVID-19 pandemic which produced unprecedented turmoil in the global economy. Although the pandemic abated circa the 2nd Quarter of 2022, Barbados' tourism-based economy struggled to overcome the residual economic challenges, such as supply chain disruption, material shortages and labour displacement. Although tourist arrivals have steadily increased, they have not resumed pre-pandemic levels, hence the economy remains sluggish. Additionally, the Russian invasion of Ukraine, has resulted in heightened geopolitical tensions in Europe and Asia, leading to disrupted supplies of grain, oil and gas, hence elevated prices. These inflationary pressures rippled the world over, dampened the purchasing power of consumers and created slower projected growth. Reduced local economic activity, elevated unemployment, and stagnant incomes, influenced the inability of some members to service their debt obligations. There is strong evidence within the credit union movement, of rising non-performing loans (NPLs), which rose from a pre-pandemic 9.6% to a post-pandemic 13.1%. However,

implementation of proactive measures, like buffering customers by offering moratoria on loan repayments and restructuring their debt, contained NPLs to manageable levels.

These external dynamics also attracted increased vigilance and fiscal scrutiny by the Financial Services Commission on the Credit Unions.

The Money

For the financial year under review, April 1, 2022 to March 31, 2023, the BET Co-operative Credit Union Limited (BETCCUL) recorded an encouraging performance with interest on loans to members increasing by \$8,500, interest on investments increasing by \$70,738, and operating expenses decreasing by \$345,485. Despite a mostly positive outlook, the credit union registered a net comprehensive deficit of \$184,369. The reduced valuation of the investment property at #6 Pine Road by \$487,494, was the principal contributor to this result. This subjective appraisal had a negative impact on the profitability of the Credit Union, which would have been positive otherwise.

The value of gross loans increased by



\$924,671. However, the business of providing loans to members is not without risk, hence the \$579,145 of write-offs, signals the board's solemn resolve to face recovery of these loans, via litigation or otherwise. This effort will require fiscal space and time, which this write-down allows.

Other investment activities increased by \$161,688. Interest paid to depositors totaled \$200,861, derived from the \$412,133 in interest earned on investments. Prevailing low interest rates on investments in the market ranged from 1.85% to 4.2%, which dictated the interest rates of 1% to 1.25%, that could be applied to members' deposits.

During the year, the Credit Union attracted 137 new members, and this is a tribute to the marketing team's effort to valiantly promote the Credit Union and combat membership attrition during the year. New membership also strengthened savings, which increased by \$614,861.

Total equity remains positive, and our statutory reserves continue to be carried at the maximum of 10 percent of total assets in compliance with the act, indicating that the Credit Union's reserves are sufficient to sustain its activities.

The BETCCUL's financial situation remains healthy and confirms the remarkable efforts and prudent management provided throughout the year.

Technology & The Future

The future of the BETCCUL will depend heavily on the use of technology in its core platform. Within the year, at least three core Management Information Systems were evaluated, and an imminent decision is now pending for transition into the online era. Automation attracts new younger members, facilitates transaction

processing at a lower cost, while minimizing the human resources required, simply put, increases the overall productivity of the organisation. A fully functional Business Continuity Plan (BCP) was developed, and key strategies are already in place to ensure the Credit Union can function despite the various hazards that may present. A comprehensive critical Cybersecurity Policy is also at an advanced stage of development for digital transformation readiness.

There was welcoming news of Government's recent announcement of Depositors Insurance for Credit Unions, by the Barbados Deposit Insurance Corporation (BDIC), to protect members from losses incurred by a financial institution's failure to pay its obligations, if called upon. This measure now awaits legislative amendments to be fully realised.

The People

The BETCCUL has been operating with a minimum complement of only four full-time staff members for over ten years. Having staff members with expansive duties, presents with its challenges, hence the re-training and re-skilling of employees, is a critical pillar of our initiatives to improve governance and customer service. Re-engagement of our members is also a critical item on the agenda, as they have been our main growth strategy via referrals to colleagues, friends, and family. The marketing team spares no effort to ensure this activity is on par. Quicker loan approvals bolstered by advanced risk-based assessments have proven a winning approach to the administration of loans and minimising potential risk hazards. In time, the benefits will be revealed as our delinquency rate should decline, all things remaining equal.

Acknowledgement

Thank you to the management, staff and committee members who have worked tirelessly to ensure the Credit Union performs as it



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CREDIT UNION LTD.
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should. Special mention must be given to the various contractors that assist with our daily function and indeed, are seen as extended family of the BETCCUL, without whose services

we would be inefficient. We deeply appreciate our members for staying the course, believing in the movement, and remaining loyal to the BETCCUL.

Philip King B.Sc., MBA
Treasurer



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BET CO-OPERATIVE
CREDIT UNION LTD.
Annual Report

FINANCIAL STATEMENTS
OF THE BET CO-OPERATIVE CREDIT UNION LIMITED
March 31, 2023

PJC
Chartered Accountants
Barbados

“We reckon but people count”

BET CO-OPERATIVE
CREDIT UNION LTD



GREEN ENERGY

HYBRID & ELECTRIC VEHICLE LOAN

INTEREST RATE

3.5%

on vehicles up to

4 YEARS

Special Terms & Conditions Apply



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**BET CO-OPERATIVE
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Strong Past, Secure Future.



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BET CO-OPERATIVE
CREDIT UNION LTD.
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Since 1990

Peter J. Carter & Co.
Chartered Accountants

"We reckon but people count"

P.O. Box 78WRD
Professional Business Centre
29 George Street, Belleville, St. Michael BB11114
Barbados, W.I.
Tel/Fax: (246) 429-7531
Email – pjcbarbados@gmail.com

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.



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CREDIT UNION LTD.
Annual Report



Chartered Accountants

Independent Auditors' Report

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.



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BET CO-OPERATIVE
CREDIT UNION LTD.
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Chartered Accountants

Independent Auditors' Report

• 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

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23****BET CO-OPERATIVE
CREDIT UNION LTD.
Annual Report****BALANCE SHEET**

March 31, 2023

Expressed in Barbados dollars

| | <u>2023</u> | <u>2022</u> |
|--|--------------------------|--------------------------|
| Assets | | |
| 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> |
| Liabilities and equity | | |
| 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

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23****BET CO-OPERATIVE
CREDIT UNION LTD.
Annual Report**

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 |
| 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 |

See notes to financial statements.

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CREDIT UNION LTD.
Annual Report

STATEMENT OF COMPREHENSIVE INCOME

Year ended March 31, 2023

Expressed in Barbados dollars

| | 2023 | 2022 |
|--|------------------|------------------|
| Interest income | | |
| 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> |
| Interest expense | | |
| 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> |
| Net interest income | <u>1,141,692</u> | <u>1,025,064</u> |
| Other income | | |
| 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> |
| Other expenses | | |
| 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> |
| Net loss for year | (138,011) | (91,173) |
| Other comprehensive income | | |
| Fair value (loss) / gain on unquoted equity shares - Note 9(a) | (46,358) | 174,180 |
| Net comprehensive (loss) / income for year | <u>(184,369)</u> | <u>83,007</u> |

See notes to financial statements.

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23****BET CO-OPERATIVE
CREDIT UNION LTD.
Annual Report****STATEMENT OF CASH FLOWS**Year ended March 31, 2023
Expressed in Barbados dollars

| | <u>2023</u> | <u>2022</u> |
|--|-------------------------|-------------------------|
| Cash provided / (used) by: | | |
| Operating activities | | |
| 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 |
| Net cash (used) / provided by operating activities | <u>(1,071,339)</u> | <u>200,417</u> |
| Investing activities | | |
| (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) |
| Net cash (used) / provided by investing activities | <u>(1,905,493)</u> | <u>725,259</u> |
| Financing activities | | |
| Loan interest rebate | 0 | (53,768) |
| Entrance fees | 970 | 255 |
| Net cash provided / (used) by financing activities | <u>970</u> | <u>(53,513)</u> |
| (Decrease) / increase in cash and cash equivalents | (2,975,862) | 872,163 |
| Cash and cash equivalents - start of year | <u>6,996,009</u> | <u>6,123,846</u> |
| Cash and cash equivalents - end of year | <u><u>4,020,147</u></u> | <u><u>6,996,009</u></u> |

See notes to financial statements.



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BET CO-OPERATIVE
CREDIT UNION LTD.
Annual Report

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 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.



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BET CO-OPERATIVE
CREDIT UNION LTD.
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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%.



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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.



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BET CO-OPERATIVE
CREDIT UNION LTD.
Annual Report

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> |
|-----------|---------------|---------------|

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

| | | |
|-------------------|----------------|---------------|
| Employee benefits | <u>131,397</u> | <u>91,466</u> |
|-------------------|----------------|---------------|

(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.

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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> |



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BET CO-OPERATIVE
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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> |



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:

| | 2023 | 2022 |
|---|-----------|-----------|
| 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 | (366,000) | (381,000) |
| Government securities - long-term portion | 3,984,849 | 3,829,341 |
| Total Government securities - net | 4,273,539 | 3,900,143 |



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NOTES TO FINANCIAL STATEMENTS

March 31, 2023

Expressed in Barbados dollars

10. Investment property

| | <u>2023</u> | <u>2022</u> |
|----------------------------|------------------|------------------|
| Valuation | | |
| Fair value - start of year | 2,187,494 | 2,187,494 |
| Loss on revaluation | <u>(487,494)</u> | <u>0</u> |
| | <u>1,700,000</u> | <u>2,187,494</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>2023</u> | <u>2022</u> |
|--------------------------------|-----------------|-----------------|
| Rent income | 84,000 | 84,000 |
| Expenses | <u>(18,340)</u> | <u>(26,596)</u> |
| | <u>65,660</u> | <u>57,404</u> |

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NOTES TO FINANCIAL STATEMENTS

March 31, 2023

Expressed in Barbados dollars

11. Loans to members

| | 2023 | 2022 |
|--|--------------------|--------------------|
| 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> |
| (a) <i>Impairment provision</i> | 2023 | 2022 |
| 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> |
| (b) As at the Balance Sheet date, the maturity profile of loans to members was as follows: | 2023 | 2022 |
| <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> |
| (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 | 2023 | 2022 |
| Loans approved but not yet disbursed as at the balance sheet date | <u>540,667</u> | <u>226,655</u> |

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NOTES TO FINANCIAL STATEMENTS

March 31, 2023

Expressed in Barbados dollars

12. Property, plant and equipment

| | Total | Furniture and equipment | Property |
|----------------------------------|------------------|----------------------------|------------------|
| As at March 31, 2021 | | | |
| Cost | 2,544,620 | 372,487 | 2,172,133 |
| Accumulated depreciation | (708,315) | (336,187) | (372,128) |
| Net book value | <u>1,836,305</u> | <u>36,300</u> | <u>1,800,005</u> |
| Year ended March 31, 2022 | | | |
| Net book value - start of year | 1,836,305 | 36,300 | 1,800,005 |
| Purchases | 28,537 | 28,537 | 0 |
| Depreciation charge | (48,979) | (11,736) | (37,243) |
| Net book value - end of year | <u>1,815,863</u> | <u>53,101</u> | <u>1,762,762</u> |
| As at March 31, 2022 | | | |
| Cost | 2,573,157 | 401,024 | 2,172,133 |
| Accumulated depreciation | (757,294) | (347,923) | (409,371) |
| 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 | (58,237) | (20,993) | (37,244) |
| 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 | (815,531) | (368,916) | (446,615) |
| 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 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.

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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>323,973</u> | <u>209,433</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>35,802,380</u> | <u>35,200,479</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.



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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.

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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> |



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MEMBERS

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 June 25th, 2022.

LIST OF MEMBERS

| | | |
|------------------|--------------------------|----------------------|
| MICHAEL ALLEYNE | PETER GRIMES | ROXANA ROGERS BELLOT |
| COREEN ARMSTRONG | ALISON GITTENS | MICHAEL RAY |
| FAYE ARTHUR | ROLLINS HOWARD | RANDY SONSON |
| FELTON BURTON | DEBBIE HAYNES | SANDRA SEALY |
| LEANDRA BISHOP | VILNA JOHNSON | HEATHER STEWART |
| LYNTHIA BISHOP | TONI KNIGHT | MICHELLE SCANTLEBURY |
| CLIFFORD BOSTIC | PHILIP N B KING | WENDY WALCOTT |
| ALVINA BYNOE | PHILIP F KING | JULIAN WATSON |
| PATRICK BELLOT | IRENE KING | SHARON WALKE |
| CARLTON BOURNE | RYAH KING | IAN WOOD |
| DIANA BRATHWAITE | JAMELLE LAYNE | VIOLET WILLIAMS |
| ANDREW COLLYMORE | PAMELA LORD | CHARLES WHITTAKER |
| DWAYNE CADOGAN | SHEM MAXWELL | KEISHA YEARWOOD |
| DENIS EVANS | CARRIE ANN MORRIS SEARLE | |
| ROMMEL FORDE | JANELLE MASON | |
| DAVID GITTENS | ADELLA O'NEIL | |

LIST OF VISITORS

| | |
|----------------------|--|
| JENNIFER MAYNARD | STAFF – BET CO-OPERATIVE CREDIT UNION LTD. |
| RYAN REECE | STAFF – BET CO-OPERATIVE CREDIT UNION LTD. |
| ALISIA HOLDER-CORBIN | PETER J CARTER & CO. (AUDITOR) |
| KATHYANN BRATHWAITE | |
| PAULA BROOKER | |
| MICHAEL CADOGAN | ADVOCATE |
| CHERYLANN VAUGHAN | |



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STANDING ORDERS

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 financial 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



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 Union serve all people all over the world

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



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