



42nd

Annual General Meeting

*Anchoring on our Co-operative Values,
Investing in Our People*



MABOUYA VALLEY
CO-OPERATIVE CREDIT UNION
SOCIETY LTD.

National Anthem

Sons and daughters of St. Lucia
Love the land that gave us birth
Land of beaches, hills and valleys,
Fairest isle of all the earth
Where so ever you may roam
Love, oh love our island home.

Gone the time when nations battled
For this "Helen of the West"!
Gone the days when strife and discord
Dimmed her children's toil and rest
Dawns at last a brighter day,
Stretches out a glad, new day.

May the Good Lord bless our island,
Guard her sons from woe and harm
May our people live united
Strong in soul and strong in arm
Justice, Truth and Charity
Our ideal forever be.

Lyrics: Rev Charles Jesse FMI
Music: Sir Leton Thomas KCMG, SLC, OBE,
CBE

Our Mission

Mabouya Valley Co-operative Credit Union Limited is a member focused institution.

We seek to promote sustainable growth through the provision of quality financial and other services, using modern technology and a well-trained team.

Prayer of St. Francis Of Assisi

Lord make me an instrument of Thy Peace

Where there is hatred,
Let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light; and
Where there is sadness, joy.

O divine Master grant that I may not
So much seek to be consoled as to
Console;

To be understood as to understand;
To be loved as to love;
For it is in giving that we receive;
It is in pardoning that we are
Pardoned;and it is in dying that we
Are born to eternal Life.

Our Vision

The Mabouya Valley Co-operative Credit Union Society Limited wil be an efficient flexible and resilient financial institution, offering maximum value to members and the wider community.

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Corporate Info

Date of Registration:	10th January, 1980
Regulator:	Financial Service Regulatory Authority
Auditor:	Gordon Alcindor - Partner, Nathoniel & Associates
Bankers:	1st National Bank, Bridge Street, Castries Bank of Saint Lucia, Bridge Street, Castries
Attorney at Law:	Andra Gookool-Foster, High Street, Castries
Address:	P.O. Box QSR 210 Richfond, Mabouya Valley Dennery Saint Lucia W.I. Email: info@mvccu.net Website: www.mabouyavalleycreditunion.com

NOTICE OF MEETING

NOTICE is hereby given that the 42nd Annual General Meeting (AGM) of the will be held on Wednesday 15th November, 2023. The meeting will be held from 6:30 PM

AGENDA

OPEN SESSION

1. Call to Order and Ascertainment of Quorum
2. Opening Prayer
3. National Anthem
4. Opening Remarks - Chairman
5. Welcome Address - President
6. Vote of Thanks

END OF OPEN SESSION

7. Minutes of previous AGM
 - i. Errors & Omissions
 - ii. Adoption
 - iii. Matters Arising
8. Reports
 - i. Board of Directors,
 - ii. Credit Committee
 - iii. Supervisory Committee
 - iv. Treasurer
 - v. Audited Financial Statements
9. Declaration of Dividends
10. Appointment of Auditors
11. Resolutions
12. Election of Officers
13. Any Other Business
14. Adjournment

BY ORDER OF THE BOARD OF THE DIRECTORS



Mr. Chaddie Faucher
Secretary

STANDING ORDERS

1. (a) A member shall stand and state His name when addressing the Chair.
(b) Speeches shall be clear and relevant to the subject before the meeting.
2. A member shall address the meeting when recognized or called upon by the Chairperson to do so, after which, he shall immediately take his seat.
3. No member shall address the meeting except through the Chairperson.
4. A member shall not speak twice on the same subject, except:
 - (a) the mover of a motion who has a right to reply.
 - (b) the member rises to object to or explain any matter (with the permission of the Chair).
5. No speeches shall be made after the "Question" has been put to the meeting.
6. The Mover of a 'Procedural Motion' – (that is a motion for adjournment laid on the table, or motion to postpone) shall have no right to reply.
7. A member rising on a "Point of Order" shall state the point clearly and concisely. (A Point of Order must have relevance to the Standing Orders.)
8. A member shall not "call" another member 'to order'.
 - (a) A member may draw the attention of the Chairperson to a 'breach of order'.
 - (b) On no account can a member call the Chairperson 'to order'.
9. Only one amendment shall be before the meeting at one and the same time.
10. When a motion is withdrawn, an amendment to it fails.
11. The Chairperson shall have the right to a 'casting vote'.
12. If there is an equality of voting on an amendment, and if the Chairperson does not exercise his casting vote, the amendment is lost.
13. Provision shall be made for protection by the Chairperson for vilification (personal abuse) among members.
14. No member shall impute improper motives against another.

PRESIDENT'S REPORT

*"The financial year ended December 2022 marked a **very successful period** for the Mabouya Valley Cooperative Credit Union Society Ltd (MVCCUSL), having **fully recovered** from the impact of Covid-19 pandemic and fulfilled its mandate for the period in review."*

The MVCCUSL's performance during the review period reflected prudent management of resources and provision of strategic direction to the institution. The unique capabilities of the board and respective committees and the resilient culture of our management and staff allowed us to meet the special challenges of the membership and financial sector.

Additionally, moderate expansion of the economy characterized by increase in both economic activities and employment, impacted positively on the financial performance of the MVCCUSL.

Overall, the financial results for 2022 were assessed as very good given that we were able to maintain/protect and significantly grow the resources of the MVCCUSL.

MEMBERSHIP DEVELOPMENT

During the financial year in review, the MVCCUSL recorded a total of 6,560 registered members of which 84% or 5,513 were active. The membership grew by 5.5% while the number of active members increased by 5.7% over the previous year.

Membership by Type: 2019-2020

Membership	2019	2020	2021	2022
Registered	5744	6017	6217	6560
Active	6017	4705	5217	5513
Participation Rate	76%	78%	84%	84%

In 2022 fifty (51) accounts were closed. Most of these closures were from the settlement of death benefits for members and payouts to their beneficiaries.

President
Paul Kallicharan

FINANCIAL INDICATORS

1. ASSET GROWTH

When compared to the previous year, total assets value in 2022 increased by approximately 18 percent. Over the last three years, total assets value grew by 35.7 percent from \$18.4 million in 2020 to \$24.9 million in 2022.

2. MEMBER'S DEPOSIT

Members' deposits expanded by 18.5 percent and accounted for 87% of total assets value during the year in review. During the last five years, members' deposits increased by approximately 84% which certainly inferences the corresponding level of membership satisfaction and confidence placed in the MVCCUSL.

3. LOAN ADVANCES

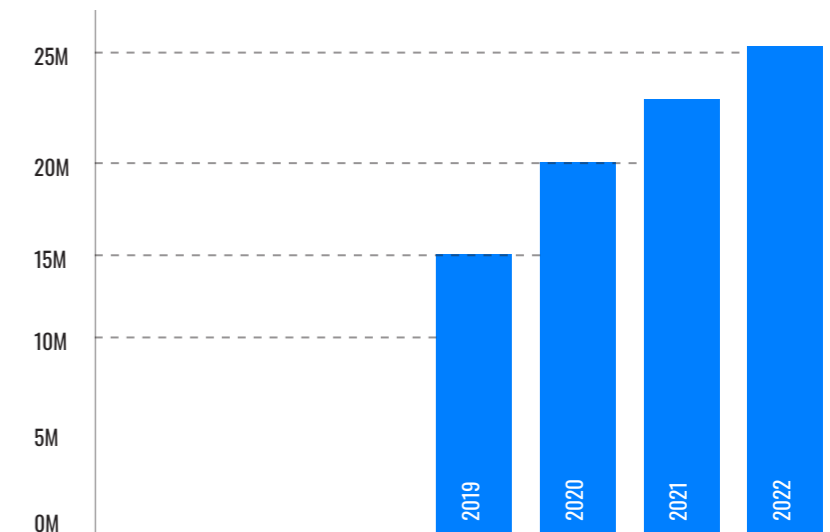
Loans/advances to its membership is typically a key component of assets and function of the institution, with the fundamental objective of improving livelihood.

Following due considerations, the board took a policy decision to review interest rates, loan ceiling and level of deposits on all loan categories with the strategic objective to make lending rates competitive and affordable in comparison to similar financial institutions.

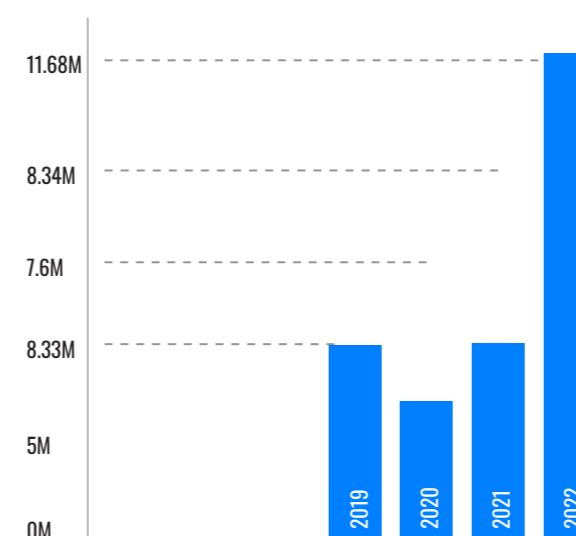
The outcome of the above decision was characterized by a 33 percent increase in the number of loans issued in 2022. When compared to the previous financial year, the value of the loan portfolio in the review period **increased by 40%** from \$8.34 million to \$11.68 million at the end of 2022. Further, notwithstanding the significant decline in lending rates, interest income on loans in 2022 rose by 20.4 percent to an all-time high of **\$973,297**.

+33%
Loan Increase

Membership Participation Rate: 2019 - 2022



Loan Portfolio (Million \$EC): 2019 - 2022



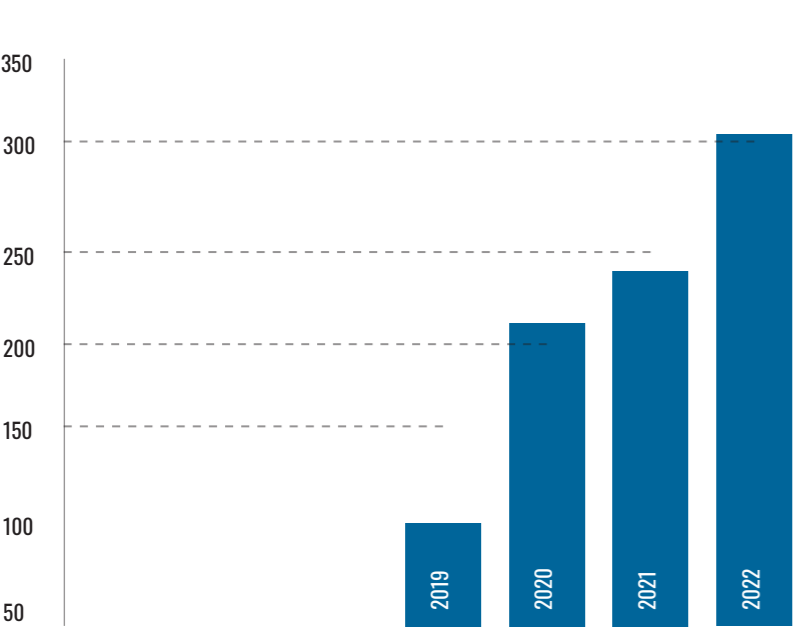
4. INVESTMENT INCOME

Secondary to loans is investments in securities on a short to medium term which provides some level of diversification and regulate the build-up of cash. Over the last three years, a strategic decision was taken to increase investment in short to medium term securities such as fixed deposits, treasury bills, bonds, etc.

Consequently, between 2019 and 2022 investment in securities increased by 142% to \$7.15 million.

The outcome of this decision was a corresponding increase in investment income of 220% from \$96,492 in 2019 to \$308,998 in 2022.

INVESTMENT INCOME ('000 \$EC): 2019 - 2022



5. INTEREST ON MEMBERSHIP DEPOSTS

It was a prudent and justifiable decision by the board to continue interest payments on memberships' deposits for the second consecutive year amounting to \$248,638 in 2022. Essentially, it is a decent way of rewarding the membership for their diligence and consistency in savings.

INTEREST PAYMENT ON MEMBERSHIP DEPOSITS : 2021-2022

Year	Interest Rate	Frequency	Interest Paid
2021	1.00%	Biannual	\$145,357
2022	0.75%	Biannual	\$248,638

6. HUMAN RESOURCE

Human resource management plays a critical task in the effective management of the Credit Union. At the community level, training and development enhance the capacity of members to better serve the institution as the need arises.

Over the last two years, the Board has targeted 'Common Entrants' students from the various schools in the communities to provide some level of financial support based on performance. While this project continues, the eligibility criteria could be revised to be based on the needs of successful applicants.

SCHOLARSHIPS APPROVED BY TYPE: 2021 - 2022

Nature of Scholarship	2021	2022
Primary to Secondary	\$3,000	\$2,500
Cambridge	0	\$9,609
Total	\$3,000	\$12,109

7. TRAINING & DEVELOPMENT

In that regard, during the review period the Board approved a few activities that would assist in the development of the membership (Board of Directors, Credit and Supervisory Committee members, management and staff).

SCHOLARSHIP BENEFICIARIES BY TYPE: 2021 - 2022

Nature of Scholarship	2021	2022
Primary to Secondary	6	5
Cambridge	0	11
Total	6	16

8. CORPORATE SOCIAL RESPONSIBILITY

Notwithstanding its unwavering commitment to the general membership, the MVCCUSL recognizes its role in overall enhancement of the Mabouya Valley and country. During the review period we continue to aid needy/ vulnerable persons and make donations to charitable groups. An amount of \$4,950 were expended for that purpose.

9. APPRECIATION

The MVCCUSL has continued to play its supporting role in the social fabric of our communities and to meet its mandate to the general membership.

Most of the current board members were fortunate to serve the credit union under the exemplary leadership of the immediate past president, Ms. Simone St Fort. It was a golden opportunity to experience the application of compassion, humility and discernment amidst collective scientific reasoning. Ms. St Fort' period of leadership marked the commencement of a needed paradigm shift in the evolution of the MVCCU. On behalf of this Board, Supervisory and Credit Committees and staff, I say a big thank you to Ms. St. Fort.

To the Board, Credit and Supervisory committees I say a big thank you for your invaluable input and spirit of collaboration which has facilitated the process of decision making in the discharge of our responsibilities as trustees of the fund.

To the Management and staff of the Credit Union, thank you for your collective efforts under trying circumstances to make sure that the mandate of the MVCCUSL is accomplished in our day-to-day operations in an effective and efficient manner.


Mr. Paul Kallicharan
PRESIDENT

COST OF DONATION PROVIDED: 2021 - 2022

Year	Amount
2019	\$8,350
2020	\$1,600
2021	\$350
2022	\$4,950

BOARD of DIRECTORS



Mr. Paul Kallicharan
President

Board Member Since: 2019
Profession: Statistician/Analyst
Served on: Finance & Investment Committee



Mr. Devon Stanley
Vice President

Board Member Since: 2019
Profession: Business Owner
Served on: Finance & Investment Committee



Mr. Emrand Matthew
Treasurer

Board Member Since: 2020
Profession: Accountant
Served on: Finance & Investment Committee



Mr. Chaddie Faucher
Secretary

Board Member Since: 2020
Profession: Administrative Officer
Served on: Education Committee



Ms. Lissa Daniel
Assistant Secretary

Board Member Since: 2021
Profession: HR Professional



Ms. Sophia Velinor
Director

Board Member Since: 2023
Profession: Teacher
Served on: Credit Committee



Mr. Hudus Malcolm
Asst. Treasurer

Board Member Since: 2023
Profession: Teacher

MEET OUR TEAM



Mrs. Sylvia Wells
Manager - Office & Compliance



Ms. Nilejah Francis
Operations Supervisor



Ms. Erena Gustave
Credit Management Officer



Ms. Amana Mentor
Teller



Ms. Tanisha Sandiford
Teller



Ms. Christy Alexander
Teller



Mrs. Derdery Clifford-Wells
Office Cleaner



Ms. Loretta Albert
Office Assistant



Shiriline Harry
Teller

Table 3
General Statistics

Financial Factors	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assets	5,557,260	592,326	7,055,419	9,183,995	11,421,650	14,049,895	16,612,994	18,356,249	21,106,585	24,920,480
Cash Resources	2,413,527	2,552,709	2,041,874	1,830,690	2,031,574	1,758,827	4,360,519	4,667,860	5,022,424	4,666,403
Investment Securities	407,597	423,380	1,015,485	1,021,487	2,613,079	2,987,368	2,954,222	5,472,002	7,095,580	7,145,910
Loans to Members	2,446,325	2,380,515	3,674,603	5,885,460	6,332,528	8,088,045	8,336,332	7,155,003	9,149,159	12,418,638
Fixed Assets	180,421	158,728	146,809	140,358	229,997	374,568	364,899	372,132	354,692	353,525
Total Liabilities	5,140,919	505,926	6,308,959	8,262,004	9,940,015	12,243,351	14,525,899	15,998,535	18,520,169	21,836,137
Members Deposits	1,529,965	1,915,143	1,645,646	2,575,711	3,289,731	4,304,603	5,589,465	6,640,363	8,180,157	9,285,669
Withdrawal Shares	3,445,105	3,548,019	4,022,918	5,268,036	6,311,215	7,532,578	8,781,018	9,215,232	10,259,963	12,463,228
Permanent Shares	28,550	59,335	271,895	383,805	461,965	579,418	772,058	864,857	933,912	1,009,524
Statutory Reserves	282,582	299,008	332,174	350,369	489,226	591,514	380,454	1,017,368	1,031,734	1,034,559
Members Funds	105,241	115,846	128,272	139,749	249,859	321,104	350,317	102,164	125,123	1,088,707
Retained Earnings	(282,389)	(57,809)	14,119	48,068	280,545	314,508	284,226	373,325	465,645	874,553
Members Equity	166,341	416,400	746,460	1481,635	921,991	1,806,554	2,087,095	2,357,714	258,416	3,057,343
Net Income	13,000	63,835	130,778	69,961	552,955	406,318	352,994	463,872	167,856	408,909
Number of Loans	233	288	418	468	569	482	599	524	537	648
Membership	4,262	4,126	4,361	4,737	5,105	5,587	5,744	6,017	6,264	6,560
Number of Employees	5	5	6	7	8	8	8	8	8	9

BOARD & COMMITTEE MEETINGS

With the ever-changing structure of Credit Unions, the Board and committee members met during the 2022 financial year. After the Annual General Meeting held on 15th March 2023, Board and committees were restructured on 23rd March 2023. The table below illustrates the attendance for the various meetings held during the financial year.

Table 1

DIRECTORS MEETING ATTENDANCE 2022

Director	Board Meetings	Joint Comm. Meetings	Corporate Gov. & Training
Ms. Simone St. Fort	10	5	1
Ms. Maria Mombelli	4	2	0
Mr. Devon Stanley	10	5	1
Mr. Paul Kallicharan	10	5	1
Mr. Chaddie Faucher	10	5	1
Ms. Ermand Matthew	10	5	1
Ms. Lissa Daniel	10	5	1
Meetings Held:	10	5	1

Table 2

Tenure of Directors

Rotation of Directors in accordance with Section 14 of By-Law.

Director	Year of Election	1 st Term From - To	Year of Re-election	2 nd Term From - To	Year Outgoing
Mr. Paul Kallicharan	2019	2019-2022	2023	2023-2025	2025
Mr. Devon Stanley	2019	2019-2022	2023	2023-2025	2025
Mr. Ermand Matthew	2020	2020-2023			
Mr. Chaddie Faucher	2020	2020-2023			
Mr. Lissa Daniel	2021	2021-2024			
Ms. Hudus Malcolm	2023	2023-2025			
Ms. Sophia Velinor	2023	2023-2025			

BOARD OF DIRECTORS CHANGES

Four (4) Directors were out-going at the last Annual General Meeting held on 15th March, 2023. Mrs. Simon St Fort and Ms. Maria Mombelli had completed their two (2) terms and were not eligible for re-election. Mr. Paul Kallicharan and Mr. Devon Stanley were re-elected to the Board of Directors and will serve until the year 2025.

Mr. Emrand Mathew and Mr. Chaddie Faucher having successfully completed their first term and are outgoing; however, they are eligible for re-election.

SUPERVISORY COMMITTEE MEETINGS 2022

Supervisory Committee Meeting Attendance - 2022

Member	Supervisory Comm.Meeting	Joint Comm. Meetings	Corporate Governance Training
Ms. Servina Eudovic	7	5	2
Ms. Conny Lewis	6	5	2
Ms. Rebertha Wilfred	7	5	2
Ms. Ivaline Abbott	6	5	2
Mr. Kimran Charles	7	5	2
Meetings Held:	7	7	2

TENURE OF SUPERVISORY COMMITTEE

Table 4
[Rotation of Supervisory committee members in accordance with Section 14 of By-Law](#)

Director	Year of Election	1 st Term From - To	Year of Re-election	2 nd Term From - To	Year Outgoing
Ms. Servina Eudovic	2019	2019-2022	2023	2023 - 2025	2025
Ms. Conny Lewis	2020	2020-2023			
Ms. Rebertha Wilfred	2020	2020-2023			
Ms. Ivaline Abbott	2020	2020-2023			
Mr. Kimran Charles	2021	2021-2024			

SUPERVISORY COMMITTEE CHANGES

Ms. Conny Lewis, Ms. Rebertha Wilfred and Ms. Ivaline Abbot having successfully completed the 1st term and are outgoing; however, they are eligible for re-election.

CREDIT COMMITTEE MEETINGS 2022

Table 5
Credit Committee Member Attendance - 2022

Director	Credit Comm.	Joint Comm. Meetings	Corporate Gov. & Training
Ms. Lyester Velinor	10	4	1
Ms. Kessa Moise	13	5	1
Ms. Talia Gustave	14	5	1
Mr. Lincoln Budhoo	10	3	1
Mr. Cassius Aimable	16	5	1
Meetings Held	30	5	1

TENURE CREDIT COMMITTEE MEMBERS

Table 6
Rotation of Credit Committee members in accordance with 14 of the By-Law.

Director	Year of Election	1 st Term From - To
Mr. Sabinus Noel	2023	2023-2026
Ms. Charlana Marcel	2023	2023-2026
Ms. Heidi Serieux	2023	2023-2026
Mr. Shirleen Chastanet	2023	2023-2026
Mr. Cassius Aimable	2020	2020-2023

CREDIT COMMITTEE CHANGES

Ms. Kessa Moise, Ms. Talia Gustave, Ms. Lyester Velinor and Lincoln Budhoo whom retired by rotation, did not seek re-election at the Annual general Meeting held on 15th March, 2023.

Mr. Cassius Aimable having completed his first term is outgoing; however, he is eligible for re-election.

CO-OPERATIVE & SOCIAL RESPONSIBILITIES

FOUNDERS AWARDS CEREMONY

In observance of Credit Union month, a ceremony was held to honor the founding members. The ceremony provided a platform to meet, acknowledge and honor the exceptional work of the founders and the impact they made on families and the Mabouya community. The founder's ceremony was held on 13th October, 2022 and was attended by Ms. Catherine Francis, Mrs. Patricia Herman, Ms. Elizabeth Leon, Mr. Lucus Felix, Mr. Stanislaus Hippolyte, Mr. Patrick Velinor and Mr. Urban Glace.

CREDIT UNION DAY

In celebration of Credit Union Day, members were served with take-away breakfast packages.

The annual day was held on 20th October, 2022 under the theme "Empower your financial future with a Credit Union".

SCHOOL BURSARIES

MVCUSL will continue to provide bursaries to the student of members, based on the criteria set in the Credit Union's policy. This year a total of five (5) bursaries were awarded. This is a commitment to investing in education and supporting student on reaching their educational goals. The Caribbean Primary Examination Assessment (CPEA) ceremony was held on 24th August 2022 and was attended by the Board members, Minister of Education, staff, parents and recipients.



Primary School	Student's Name	School Assigned	Parent's Name
La Ressource Combined	Tikara Smith	St. Joseph's Convent	Tamara Smith
Deniere Riviere Combined	Starnie Oculi	Leon Hess Comprehensive	Staran Oculi
Aux Lyon Combined	Jaheem Tyris	St. Mary's College	Shaunette St. Ange
Aux Lyon Combined	Laurina Thomas	St. Joseph's Convent	Dion Prosper
Richfond Combined	Obed Hamilton	Vieux Fort Comprehensive	Marcellina Hamilton

DEATH BENEFITS

The CUNA Caribbean Family Indemnity Plan (FIP) continues to provide your loved ones with the funds needed to cover funeral expenses, unpaid bill left behind or funds to start a savings plan.

YOUR BENEFITS:

- Enjoy up to \$30,000.00 in coverage with your choice of seven plans to choose from.
- One monthly premium covers final expenses for you and up to five eligible family members (including any two persons you choose from your parents and parents-in-law)
- No medical examination required
- You are eligible to receive the full benefit (per person) where valid claims are made
- You get lifetime insurance coverage once you enroll before age 76.



\$129,775.00
PAID OUT

In 2022, under the FIP, CUNA paid out XCD129,775 for ten (10) death claims received from members and their families.

Plan Option	Monthly Premium	Individual Benefits
Plan A	\$26.40	\$5,000
Plan B	\$39.60	\$7,500
Plan C	\$52.58	\$10,000
Plan D	\$79.20	\$15,000
Plan E	\$105.60	\$20,000
Plan F	\$132.00	\$25,000
Plan G	\$158.40	\$30,000

Documents needed to file a Family Indemnity Plan Claim

- Government issued ID for the claimant
- Government issued ID for the deceased insured
- Death certificate of the deceased insured

On behalf of the Board of Directors, committee members, Management and staff we take this opportunity to offer heartfelt sympathy to all members and their families who experienced the loss of a loved one this year.



**MABOUYA VALLEY
CREDIT UNION**

Up to
\$20,000

• 2 Years to Repay

• NO DEPOSIT FOR
EXISTING LOANS

• From Nov 1st - Dec 22nd

Jolly
**XMAS
LOAN**
Promotion

CONTACT US: 723-5204 | 453-8024

**MINUTES OF THE 41TH
ANNUAL GENERAL MEETING
OF THE
MABOUYA VALLEY CO-OPERATIVE CREDIT UNION SOCIETY LTD.**

"CREATING MEMBER CONNECTIONS, BUILDING BRIDGES TOGETHER"

**HELD ON WEDNESDAY MARCH 15, 2023 AT THE GRAND RIVIERE
HUMAN RESOURCE CENTER**

Present were:

Board of Directors		
Dr. Simone St. Fort	-	President
Mr. Paul Kallicharan	-	Treasurer
Mr. Devon Stanley	-	Assistant Treasurer
Mr. Chaddie Faucher	-	Secretary
Ms. Lisa Daniel	-	Asssistant Secretary
Mr. Emrand Matthew	-	Director

Management:		
Mrs. Sylvia Avril-Wells	-	Manager

Credit Committee		
Ms. Talia Gustave	-	Chairperson
Mr. Cassius Aimable	-	Member

Supervisory Committee		
Ms. Servina Eudovic	-	Chairperson
Ms. Rebertha Wilfred	-	Secretary
Ms. Ivaline Abbot	-	Member
Ms. Servina Eudovic	-	Member
Mr. Kimran Charles	-	Member

In Attendance		
Mr. Gordon Alcindor	-	Auditor

Registration of Attendees

A list of attendees is attached as Appendix I.

1.0 CALL TO ORDER

1.1 Mistress of ceremony, Ms. Debbie Martial, member of the Education Committee, called the 41st Annual General Meeting (AGM) of the Mabouya Valley Co-operative Credit Union Society Ltd. (MVCCUSL) to order at 6:55 pm.

1.2 The meeting was held under the theme "Creating Member Connections, Building Bridges Together".

1.3 Mistress of Ceremony issued an apology for the delay in presenting the 2021 reports and stated that this was due to the change in auditors for the financial year. She asked that members remain cognisant that the reports being present were for the 2021 financial year.

2.0 PRAYERS/ INVOCATION

2.1 Ms. Martial invited Mrs. Dedary Clifford to lead the meeting in prayers. Thereafter, the Prayer of St. Francis of Assisi was recited as presented on page 2 of the booklet.

3.0 NATIONAL ANTHEM

3.1 Ms. Rebertha Wilfred led the attendees in the National Anthem.

3.2 Ms. Martial asked attendees to observe a minute of silence in honour of members who passed during the 2021 financial year.

4.0 NOTICE OF MEETING

4.1 The secretary of the board, Mr. Chaddie Faucher, read the notice of the 41st Annual General Meeting and the standing orders, as presented on pages 4 and 5 of the AGM booklet.

5.0 WELCOME REMARKS

5.1 Dr. Simone St. Fort, president of the Board, was officially welcomed to the proceedings and was invited to present the president's message/welcome remarks.

5.2 Dr. St. Fort apologized for the late start of the meeting and presented her report, as detailed on pages 6 and 7 of the AGM booklet. A summary of the report was also presented in creole for the benefit of the older members in attendance.

5.3 She welcomed the members to the 41st Annual General Meeting and alluded that she had reached the end of her second term as president of the Credit Union. She stated her elation having been part of an "enthusiastic and dedicated group of like-minded volunteers".

5.4 Dr. St. Fort acknowledged the contribution of her predecessor, Ms. Alymphina Lionel, which facilitated the continuation of projects started and undertaking of several new initiatives. She further expressed gratitude to the Board and committee members, the Manager, and staff of the credit union for their hard work towards the success of the credit union.

5.5 She communicated her confidence in the continued progress of the institution and urged members to remain alert for upcoming opportunities and seize every opportunity for progress.

5.6 She informed members of the intention to strategize and explore best practices to build the intuition's credibility as a financial institution and reminded members that the credit union existed to "improve the lives of all members".

5.7 Dr. St. Fort highlighted the growth of the credit union amidst the challenges of the Covid-19 pandemic. Members were informed that the focus was beyond membership growth as it also included brand loyalty and a sense of patriotism to the institution.

5.8 Members were encouraged to join the journey and contribute to the fight against the high level of delinquency which hindered the progress of the organisation and contributed to a reduced payment of interest and dividends. In that vein, members were encouraged to honour their loan commitments.

5.9 Dr. St. Fort encouraged members to vote for candidates who could embrace challenges and bring innovative ideas and perspectives to support the growth of the credit union as there was need for competent and devoted individuals who could make meaningful contributions to the various committees.

5.10 In closing, she encouraged members to support the credit union by sharing the programs and initiatives with non-members, attending the special membership meetings and Annual General Meetings. She thanked the members for the support and counsel given to her and wished them the very best as she highlighted the words of Steve Job "the only way to do great work is to love what you do".

6.0 VOTE OF THANKS

6.1 The Manager, Mrs. Sylvia Avril-Wells presented the management's report / vote of thanks, as detailed on pages 11 to 12 of the AGM booklet.

6.2 She commenced by expressing gratitude for the institution's 43 years of existence and 41st annual general meeting. She noted the growth of the institution over the years and thanked the persons who contributed to the growth of the Credit Union.

6.3 Manager Wells reminisced the credit union's journey, from operating in a shop when it commenced to now being housed on the Richfond highway.

6.4 She thanked the persons who contributed to the success of the institution and made special mention of the current directors, the mistress of ceremony who had always assisted in that regard, the outgoing president, the supervisory committee, the finance committee, the secretary of the board for such an excellent job, the treasurer who journeyed frequently to the credit union and paid close attention to the financials, the work of the management team and the invaluable staff who worked tirelessly. She expressed gratitude on behalf of the board, committees, and management.

6.5 She made special mention of Mr. Phil Henderson for the brilliant job in preparing the social media presentation.

6.6 In closing, she thanked the members for coming and wished them the very best.

6.7 Mrs. Wells presented a token of appreciation to the outgoing president, Dr. Simone St. Fort.

6.8 Mistress of ceremony, thanked Dr. St. Fort for her welcome remarks, thanked the members for attending the annual general meeting and for being supportive customers.

CLOSED SESSION

The closed session commenced at approximately 7:35 p.m.

The set agenda for the meeting was as follows:

1. Ascertainment of Quorum
2. Apologies for absence
3. Reading and confirmation of the 39th Annual General Meeting
4. Matters arising from minutes

5. Adoption / Confirmation of Reports
 - i. Board of Directors
 - ii. Auditor
 - iii. Treasurer
 - iv. Supervisory Committee
 - v. Credit Committee

6. Elections to:
 - i. Board of Directors
 - ii. Credit Committee
 - iii. Supervisory Committee

7. Declaration of Dividends
8. Appointment of Auditor for the ensuring year 2022
9. Declaration of Honorarium
10. Adjournment

1.0 ASCERTAINMENT OF QUORUM

1.1 Mistress of ceremony conferred notice of the meeting and confirmed the quorum of the meeting was duly constituted with a total of eighty-four (84) members present.

2.0 APOLOGIES FOR ABSENCE

2.1 There were no apologies for absence as all directors were present. However, the mistress of ceremony made an apology for the late arrival of the president, Dr. Simone St. Fort and board member Emrand Matthew.

3.0 READING AND CONFIRMATION OF MINUTES OF THE 40TH ANNUAL GENERAL MEETING

3.1 The minutes of the 40th Annual General Meeting were circulated ahead of the meeting. Therefore, a motion to accept the minutes as circulated, was moved by Ms. Alympia Lionel and seconded by Mr. Paul Kallicharan.

3.2 There were no errors and omissions from the minutes of the 40th Annual General meeting.

3.3 A motion was moved for the confirmation of the minutes by Mr. Emrand Matthew and seconded by Mrs. Dedary Wells-Clifford.

4.0 MATTERS ARISING OUT OF THE MINUTES

4.1 The following were the matters arising out of the minutes of the 40th Annual General Meeting.

4.2 Member Alympia Lionel referred the attendees to page 5 of the minutes and requested an update on the review of by-laws.

4.3 The member was informed that the by-laws submitted under the previous leadership had been returned for further review. The board of directors had since reviewed the by-laws and presented it to members at a special membership meeting. As at the date of the meeting, the by-laws were with Mr. Kurby Auguste, Financial Advisor at the FSRA for reviewing.

4.4 A motion to confirm the matters arising out of the minutes was moved by Margaret Velinor and seconded by Juliette Emmanuel.

5.0 ADOPTION / CONFIRMATION OF REPORTS

(i) Board of Directors

5.1 President of the board, Dr. Simone St. Fort presented the report on behalf of the Board of Directors, as stated on pages 9 to 10 of the booklet.

5.2 She highlighted that the financial year 2021 was dominated by the covid 19 pandemic which resulted in great uncertainty and presented a difficult trading environment for all businesses. She added that the period required great dedication and commitment for managing the institution. Therefore, she paid tribute to the board of directors, the supervisory and credit committees, finance committee and all other volunteers of the credit union.

5.3 Dr. St. Fort indicated that their dedication to the credit union was an exemplary one as the financial year 2021 proved challenging to the committee members who still consistently conducted meetings via online meeting platforms when face to face was not possible.

5.4 She highlighted the members support over the past year and noted that the credit union had assisted its members with loans for home construction and renovation, vehicle, land, medical and debt consolidation. She was elated to announce the overall growth in the financial position of the credit union as at December 2021 and highlighted the growth in areas such as savings, loans and investments, all of which had exceeded expectations in such a challenging era.

5.5 Dr. St. Fort went on to provide a synopsis of the Loans portfolio. She noted that the credit union was duty bound to provide financial assistance to its members, whilst bearing in mind the ability of those members to service the loans. She noted the increase in the membership and stated the total loans granted for the period under review was nine million, one hundred and forty-nine thousand, and fifty-nine dollars (\$9,149,059.00).

5.6 She went on further to discuss the unresolved issue of delinquency that had plagued the credit union for decades. She stated the total delinquency as of December 31, 2021 was one million, eight hundred sixty eight thousand, eight hundred and forty one dollars (\$1,868,841.00). She indicated that to consider the possibility of the payment of dividends, the board considered several factors including the uncertainties for the future due to the pandemic and the recommendation from the Financial Services Regulatory Authority to continue to strengthen the reserves of the credit union.

5.7 In closing, Dr. St. Fort indicated that the board continued to focus on providing a high quality of service to meet its member's needs. She encouraged members to continue to support the variety of products with reduced interest rates offered by the credit union. She gave an overview of the corporate social responsibility of the credit union through its support to the churches, schools, clubs and members.

5.8 Dr. St. Fort encouraged members to make full use of the services offered and to encourage others to be a part of the movement. She then wished members a successful 41st Annual General Meeting.

Member's Feedback

5.9 Member Alympia Lionel enquired on whether the credit union took delinquent members to court as was done in the past and whether those who had gotten a court judgement continued to honour their payments.

5.10 President St. Fort assured the member that the credit union continued to take members who defaulted on payments to court and confirmed that most persons continued to honour their legal obligation albeit being in small amounts.

5.11 Member Alympia Lionel asked whether the current board was doing anything different from what obtained in the past, to reduce the total delinquency.

5.12 The member was informed that police officers were hired to perform the groundwork for the credit union such as serving letters.

5.13 Member Lionel asked whether the credit union was taking measures to reduce delinquency at the credit committee level.

5.14 The member was informed that they were taking actions at that level by being mindful of the loans being considered for approval.

5.15 Member Lionel noted the information presented about the new members during the reporting period and stated her concerns with the absence of information regarding closed and dormant accounts.

5.16 The member was informed that the format of the report was changed and that information relating to her concerns could be obtained at the office or will be presented at the next special general membership meeting which will tentatively be held in June.

5.17 Member Leona Edward expressed her concern with the presentation of the information regarding delinquency. She recommended that the portfolio be split to indicate the value of delinquent loans that were from the various categories. She added that the high level of delinquency remained of concern to her and noted that her recommendation made in 2021 to hire a risk officer had not been implemented. Having said this, she asked what was being done at the credit committee level to curb delinquency.

5.18 In response to the member's question, the treasurer indicated that at least 75% of the delinquency portfolio existed prior to their tenure and this signified a significant improvement in the quality of underwriting. He added that training was being provided to staff, committee members and the loan officer; therefore, he believed that the loans were being vetted properly at all levels.

5.19 Member Leona Edward asked how the quality of training prevented the institution from repossessing an asset received as collateral.

5.20 The member was informed that security was being requested for loans and that further information would be provided during the presentation of the treasurer's report.

5.21 Secretary Chaddie Faucher added that the questions, suggestions, and concerns raised were valid concerns. He stated that in addition to the training provided to the committee members, the skill-set of the credit committee and loans officer had improved. The Credit Committee met frequently to ensure due diligence was exercised and stated that there had been an improvement in the delinquency position albeit not being where the credit union wanted to be and that this was because of a collective effort. He also noted that the investment policies had been improved and reminded members that the reports presented were that of the 2021 financial year.

5.22 Member Nadine George referred to the statement made regarding 75% of the delinquency reported existed before their tenure and indicated that the Cooperatives Society's Act made provisions for the treatment of such loans through sections 28 and 29.

5.23 Secretary Faucher thanked the member for the recommendation and indicated that the board believed that delinquency commenced from the vetting of the loan and as such, they strengthened the loans procedures, and placed emphasis on matters such as security for the loans.

Adoption of the Board of Director's report

5.24 A motion to adopt the Board of Directors report was moved by Alympia Lionel and seconded by Scholastica Jn. Charles.

(ii) Auditor's Report

5.25 Members were referred to pages 30 to 71 of the AGM booklet for the auditor's report which was presented by Mr. Gordon Alcindor.

5.26 Mr. Alcindor confirmed that the financial statements being presented were true, fair and free from material misstatements. As such, there were no areas of concern.

5.27 Mr. Alcindor went further to lament the increase in the provision for bad debt for the 2021 financial year. He referred the members to note 9 of the financials for a breakdown of the loan categories and the provision amount allocated to each loan category.

5.28 He informed members that net income had increased in comparison to the year 2020 which recorded a net surplus of two hundred and twenty thousand, six hundred and eighteen dollars (\$220,618). He stated that a total of one hundred and forty-five thousand, three hundred and fifty-seven dollars (\$145,357) was paid to members during the year for interest on members deposits and withdrawable shares. Thus, the net income for 2021 was three hundred and thirteen thousand, two hundred and thirteen dollars (\$313,213.00).

5.29 Mr. Alcindor noted the net increase in interest income of two hundred and twelve thousand, three hundred and seventy-two dollars (\$212,372) and stated that there was an increase in both the interest on loans and interest on investments over the year 2020.

5.30 Members were informed that although operating expenses had increased slightly, the management team should be recognised for the control exercised in operating expenses.

5.31 Mr. Alcindor referred the meeting to the interest expense in the amount of one hundred and forty-five thousand, three hundred and fifty-seven dollars (\$145,357.00). He stated that the amount was attributed to the biannual payment of interest on shares and deposits to its members and applauded the decision to make that payment.

5.32 In his assessment of the balance sheet, Mr. Alcindor noted the significant increase in the investment securities from five million, four hundred and seventy-two thousand and two dollars (\$5,472,002.00) to seven million, ninety-five thousand, five hundred and eighty dollars (\$7,095,580.00). He added that the credit union still had excess cash at its disposal and that they were having discussions regarding the use of the excess cash by increasing the investment portfolio or by way of loans to its members and all that was geared towards increasing interest payment to its members in the future.

5.33 Mr. Alcindor stated that loans had increased by only approximately one million, one hundred thousand dollars (1,100,000.00) and that was due to bad debt management procedures which caused management to exercise caution during the loan screening process.

5.34 He was elated to announce that notwithstanding the ongoing pandemic, member's deposits had increased by approximately two million, six hundred thousand dollars (2,600,000.00).

5.35 At this juncture, members were given an opportunity to ask questions.

Member's feedback

5.36 Member Leona Edward commended the credit union, management, staff and the board for the satisfactory management of the credit union. She indicated that she was very pleased with the progress of the institution as the assets had increased from approximately fourteen million dollars in 2018 to approximately twenty-one million dollars in 2021. She also noted that over the years there had been no increase in capacity notwithstanding the increase in assets. She indicated that she believed that a credit union of that magnitude should have a compliance officer to oversee the risks facing the institution. In that vein she moved a motion to hire a risk and compliance officer at the credit union to oversee the risks and compliance matters across the institution. She indicated that this would allow the manager to focus on the operations of the credit union. The motion was seconded by member Nadine George.

5.37 The results of the voting were as follows:

Number of members for the motion:	52
Number of members against the motion:	0
Number of members who abstained:	0

5.38 Member Nadine George referred to the Corporate Social Responsibility report and stated that the main goal of the credit union was not to accumulate funds, but rather to give back to the members and the community. She recommended an increase in the amount spent on corporate social responsibility and stated that she looked forward to seeing an increase being reported at the next AGM.

5.39 On a point of clarity, Assistant Treasurer, Devon Stanley, informed the meeting that Corporate Social Responsibility should be replaced with Cooperative Social Responsibility as the credit union was not in the business of making a profit.

5.40 Member Patrick Velinor indicated that motions were being moved with insufficient clarity being provided to the members. He recommended that the credit union ensured that motions were explained in depth and that members understood the motion being moved before voting.

5.41 The member's concern was noted and accepted.

5.42 Member Richard Edwin referred to the collapse of two international banks and the implications for institutions that had such international investments. He communicated the risks of such investments and asked whether there was any indication that the credit union was moving in that direction.

5.43 The member was informed that such investments fluctuated and that it wasn't common. He was further informed that it may be stable for now but we may lose in the future. The auditor advised that the institution proceed with caution when considering such investments.

Adoption of the Auditor's Report

5.44 A motion to adopt the auditor's report was moved by Mr. Devon Stanley and seconded by Dr. Simone St. Fort.

(iii) Treasurer's Report

5.45 A summary of the Treasurer's Report from pages 20 to 26 of the AGM booklet was presented by the treasurer, Mr. Paul Kallicharan.

5.46 He commenced by discussing the national economic performance for the post covid 19 recovery. He stated that the country's GDP had improved by 12% in 2021 following a 24.4% contraction in the 2020 financial year and stated this meant the economy satisfactorily rebounded. He further noted that in the latter part of 2021, commodity prices increased and signified an increased inflation of 2.4% in 2021. Members were also informed that there was a recovery in the tourism industry and that public debt stock in 2021 was 90% of GDP.

5.47 Mr. Kallicharan continued to explain the change in the dynamics of the Mabouya Valley which impacted the credit union. He noted the decline in the banana industry and the overall contraction of the agricultural sector, the increase in higher academic achievement, the dependency of minibus drivers on sectors such as tourism, wholesale and retail, business services and real estate. Most noteworthy was that whilst employment in the banana industry was on a steady decline, growth in employment from these sectors had redefined the MVCCUSL landscape.

5.48 He went on to discuss the credit union's return on investment. He noted the board's decision to invest in securities in 2021. Thus, the total investments had increased by 30 percent for that period and that had contributed to a 13.8% increase in investment income.

5.49 Mr. Kallicharan further added that statutory reserves should account for 10% of assets and that the credit union had fallen short of this requirement for many years. As such, the board took a decision to transfer funds from the education reserves and the government reserves into the statutory reserve. This decision had improved the statutory reserve to 9.5%. As such, he believed that the statutory reserves would meet the 10% requirement by the end of the 2022 financial year.

5.50 In relation to the asset growth of the credit union, it grew from 10% in 2020 to 18% in 2021. This showed the confidence members had in the management of the credit union had increased.

5.51 Mr. Kallicharan went on to discuss the issue of bad loans. He explained that provisions for bad loans were mandatory, and it meant that a percentage of the profit should be allocated for the provision for bad loans. He explained the implications of member's default on their loans and encouraged members to ensure their loans are serviced on time. He further noted that the board would take serious decisions on managing those aged bad loans and that it was fitting to inform the members of the board's intent.

5.52 In closing, he highlighted the outlook for the credit union. The board plans to improve access to the members funds by way of the introduction of an ATM, an increase in the number of special membership meetings, enhance return on investments, training of staff to provide quality financial service and effective management of delinquency and improvement in customer satisfaction to reduce turn-around time of transactions.

Member's feedback

5.53 Member Margaret Velinor expressed her concerns with the level of customer service provided, as the long lines did not portray a good image of the credit union. She went on to suggest that most of the people on the queue were for the Western Union service. She recommended that a teller be assigned specifically to the Western Union transactions, payment of bills and a separate teller and line for members transactions.

5.54 The member's suggestion was accepted by the chairperson.

5.55 Member Jennifer Francis communicated her concerns with the aged members standing in the line for several hours and suggested that the credit union make provision to reduce the wait time for the elderly.

5.56 The member's recommendation was accepted by the chairperson.

5.57 Member Urban Glace recommended that the credit union increase its complement of tellers as there should never be one teller operating at any time. He noted this practice was common and recommended that the credit union introduces a lunch rotation scheme to ensure that there was always more than one teller to serve the members.

5.58 The member's concern and recommendation were accepted.

5.59 Member Patrick Velinor referred to the proposed training of staff and commended the board for this initiative. He recommended that the board consider the importance of providing training/education opportunities for the members. He added that members should be informed of critical information such as the treatment of delinquency and its impact on patronage refund.

5.60 Assistant Treasurer Devon Stanley informed the members that the operational matters were received and would be addressed by the office manager.

5.61 Member Sherman Dujon enquired on the distinction between corporate social responsibility and cooperative social responsibility.

5.62 Assistant Treasurer Devon Stanley explained that the bank's main goal was to make a profit whereas the cooperative's main goal was to better the lives of the people.

5.63 A member asked whether there were any incentives for the farmers to protect food security.

5.64 Treasurer Paul Kallicharan indicated that the interest rate for agricultural loans used to range from 10% – 12% per annum. However, the credit union had revised the interest rate in all loan categories and the interest rate for agricultural loan was now 7%.

5.65 Member Richard Edwin stated the relationship between the board and the membership seemed to be drifting away. He noted it was Important for the cooperative sector to develop and grow in that regard and that he was concerned that this was not happening. He recommended that they consider taking steps to re-evaluate the approach of the relationship between the credit union and the membership.

5.66 Mr. Kallicharan noted that the proposed consultations would address the same.

Adoption of the Treasurer's Report

5.67 Mr. Emrand Matthew moved a motion to adopt the treasurer's report. The motion was seconded by Ms. Alymphina Lionel.

(iv) Supervisory Committee Report

5.68 The supervisory committee report was presented by the chairperson, Ms. Servina Eudovic as presented on page 27 of the AGM booklet.

5.69 Ms. Eudovic highlighted the supervisory committee's composition for the 2021 financial year. She also provided a synopsis of the role of the committee. She noted that the committee increased the number of audits conducted with a view of enhancing cash management, operational efficiency, and the business environment.

5.70 Ms. Eudovic lamented the high number of dormant accounts at the institution and indicated that the committee made a recommendation to the office to contact the customers to decide the way forward.

5.71 Chairperson Eudovic indicated that the committee was satisfied that the controls were followed to protect member's assets and sustain a secure and safe future. She affirmed the committee's commitment to "steer the affairs of the credit union appropriately so that members' contribution will yield the needed interest".

5.72 In closing she communicated that the committee was grateful for the opportunity to serve and looked forward to a secure and successful 2022.

Member's Feedback

5.73 There were no questions in relation to the Supervisory Committee report.

Adoption of the Supervisory Committee's Report

5.74 Ms. Alymphina Lionel moved a motion to adopt the report of the Supervisory Committee. The motion was seconded by Mrs. Nadine George.

(v) Credit Committee Report

5.75 The Credit Committee's report was presented by the chairperson, Ms. Talia Gustave as presented on pages 28 and 29 of the AGM booklet.

5.76 Ms. Gustave highlighted the credit committee's composition for the 2021 financial year. She also provided a synopsis of the role of the committee.

5.77 She highlighted the need to be cognisant that the monies available for lending belonged to the members. As such, she made an appeal for members to consistently disclose their full financial position when applying for loans, as this would allow the committee to make better decisions, as well as determine the member's ability to repay.

5.78 Ms. Gustave confirmed that a total of five hundred and thirty-seven (537) loans, totalling an amount of nine million, one hundred forty-nine thousand, one hundred and fifty-nine dollars (9,149,159) were granted during the period under review and that signified an increase of one million, four hundred seventy-one thousand and seventy-five dollars (\$1,471,075) over the loans granted in 2020. She indicated that she believed the social media presence contributed to the increase in the loan's portfolio.

5.79 In relation to the delinquency status of the credit union, Ms. Gustave indicated that the issue of delinquency remained a cause for concern to the committee. She believed that the loss of jobs and decrease in salary brought about by the pandemic, contributed to the increased delinquency and encouraged those members to visit the credit union to engage the credit management officer. A synopsis of the delinquency by age was presented to the members.

5.80 In conclusion, Ms. Gustave encouraged members to borrow wisely, save regularly and to maintain regular payments on their loan with the credit union. She further encouraged members to avail themselves to the different products and services offered by the credit union.

Member's Feedback

5.81 There were no questions in relation to the Supervisory Committee report.

Adoption of the Credit Committee's Report

5.82 A motion was moved by Ms. Juliette to adopt the Credit Committee's Report. The motion was seconded by Ms. Scholastica Jn Charles.

(vi) Any other Sub-Committee Report

5.83 There were no other sub-committee reports.

6.0 ELECTIONS

6.1 The report of the Nominations Committee was presented by Ms. Claudia Louison. Ms. Louison stated the committee was appointed in accordance with subsection 54(2) of the Co-operatives Society Act, Revised Cap 12.06 of 2006 and the By-Laws subsection 14(1)a, with the main purpose of selecting and nominating suitable members to fill in vacancies for elections.

6.2 She added, the committee comprised of one representative from the Board, Dr. Simone St. Fort, member Scholastica Jn Charles, guidance counsellor and member Claudia Louison, Justice of the peace and chairperson.

6.3 Ms. Louison communicated that there were four vacancies on the Board of Directors, four on the Credit Committee and one on the Supervisory Committee. She mentioned the members being nominated to fill in the various vacancies and their biographies, as presented on pages 1 to 8 of the nominations committee report.

(i) Board of Directors

6.4 Manager Sylvia Wells introduced the nominees for the vacant positions on the Board of Directors.

6.5 Member Leona Edward enquired on the action taken by the Board for persons who recorded a low attendance at meetings.

6.6 The member was informed that the 2020 AGM was held in October 2021. Therefore, the statistics for the newly elected persons would represent attendance for 2 months. She further stated that the results for 2022 would be different.

6.7 There were no further nominations from the membership, so the nomination presented by the Nominations Committee remained the same.

6.8 A motion for nominations to be closed was moved by Ms. Talia Gustave. The motion was seconded by Ms. Joycelyn Joseph.

6.9 There were only four nominees for the four vacant positions. As such, the following nominees were appointed unopposed:

Paul Kallicharan
Devon Stanley
Sophia Velinor
Hudas Malcolm

(iii) Supervisory Committee

6.10 The nominees from the nominations committee were presented to the members.

6.11 Member Amana Mentor nominated Sherman Dujon. The nomination was seconded by Alymphiah Lionel. The nomination was accepted by the member.

6.12 Ms. Alymphiah Lionel moved a motion that nominations to the Supervisory Committee be closed. The motion was seconded by Ms. Margaret Velinor.

6.13 The nominees were presented to the members prior to the casting of ballots.

6.14 Following the election process, the results were as follows:

Servina Eudovic	41
Sherman Dujon	28
Collia Shoulette	09

6.15 The final listing of members to serve on the Supervisory Committee was as follows:

Servina Eudovic	to serve her second term until 2025 (2 years)
Sherman Dujon	(alternate 1)

6.16 The mistress of ceremony congratulated Servina Eudovic for being re-elected to serve on the supervisory committee.

(iii) Credit Committee

6.17 Ms. Alymphiah Lionel moved a motion that nominations for the Credit Committee be closed. The motion was seconded by Ms. Sophia Velinor.

6.18 The nominations presented by the Nominations Committee remain unchanged.

6.19 There were only four nominees for the four vacant positions. As such, the following nominees were appointed unopposed:

Charlana Marcel
Heidi Serieux
Sabinus Noel
Shirleen Chastenet

7.0 APPOINTMENT OF AUDITOR

7.1 A resolution was presented to the membership as appended to these minutes as Appendix II. The resolution proposed that the members approve that the Board of Directors of the Mabouya Valley Co-operative Credit Union Society Limited be empowered to appoint an Auditor to hold office until the close of the next Annual General Meeting.

7.2 The resolution was proposed by Mr. Paul Kallicharan and seconded by Ms. Sholastica Jn Charles.

7.3 The results were as follows:

No. In Favour	No. Opposed
68	0

The resolution was passed.

8.0 DECLARATION OF DIVIDENDS

8.1 A resolution was presented to the membership as appended to these minutes as Appendix III. The resolution proposed that the meeting approve the payment of 2% dividend on Equity / Permanent shares to be credited to member's deposits for the period January 01 to December 31, 2021.

8.2 The resolution was proposed by Dr. Simone St. Fort and seconded by Ms Scholastica Jn Charles.

8.3 The results were as follows:

No. In Favour	No. Opposed
63	0

The resolution was passed.

9.0 DECLARATION TO PROVIDE HONORARIUM FOR OFFICERS

9.1 A resolution was presented to the membership as appended to these minutes as Appendix IV. The resolution proposed that the meeting approve an honorarium in the sum of Nineteen thousand, five hundred dollars \$19, 500.00 to be disbursed amongst the officers of the Mabouya Valley Co-operative Credit Union Society Limited at a rate to be determined by the Board of Directors based on the performance of those officers in terms of attendance at meetings to facilitate the fulfilment of the functions they were elected to perform.

9.2 Member Leona Edward recommended that the resolution be tabled for the payment of honorarium going forward.

9.3 The member was informed that the payment of honorarium is subject to the profitability of the institution and as such it must be assessed annually.

9.4 The resolution was proposed by Dr. Simone St. Fort and seconded by Nadine George.

9.5 The results were as follows:

No. In Favour	No. Opposed	No. Abstained
70	0	1

The resolution was passed.

10.0 ANY OTHER BUSINESS

10.1 The executive team for the upcoming financial year was presented to the membership.

10.2 The Mistress of Ceremony thanked the members for attending the meeting.

11.0 ADJOURNMENT

11.1 The prescribed business of the meeting concluded, and the meeting adjourned at 10:31 p.m. upon a motion moved by Ms. Alymphie Lionel and seconded by Ms. Christophe Augustus.

Secretary:



Read and Confirmed at the 42nd General Meeting of members held on day of

..... 2023.

Moved By: _____ Seconded By: _____

Chairperson/President



APPENDIX I

List of attendees.

	Name		Name		Name		Name
1	LISSA DANIEL	26	CHARLANA MARCEL	51	CHRISTY ALEXANDER	76	SHIROUD NORVILLE
2	KERISA MOISE	27	CASSIUS AIMBALE	52	SHARON LINTON-JOHN	77	EMRAND MATTHEW
3	SANDRA JOSEPH	28	SHARILINE POLIUS HARRY	53	LEONA EDWARD	78	VERNETTE EMMANUEL
4	LORETTA ALBERT	29	TEA THER THOMAS	54	CHADDIE FAUCHER	79	LINSBERT FERDINAND
5	NILEJAH FRANCIS	30	TASSEL EUGENE	55	KIMRAN CHARLES	80	SHYIAN BERNARD
6	SYLVIA AVRIL WELLS	31	FERGUS EDWIN	56	LENIUS GEORGE	81	PETER ALFRED
7	BERNICE ERISTHEE	32	PAUL ABBOTT	57	MARIETTA GUSTAVE	82	SHANA INNOCENT
8	LAUREN GITTENS	33	KIRMICHAEL FELIX	58	CLEMENT DANIEL	83	CLAUDE EDWIN
9	JANELLE JULES	34	AUGUSTUS CHRISTOPHE	59	JAMES LIONEL	84	TANISHA SANDIFORD
10	TESSALIE TISSON	35	ANGELINA DEMAR	60	TREVOR WELLS	85	IVALINE ABBOTT
11	MARINA EDWIN	36	AMANA MENTOR	61	CONNY LEWIS	86	SERVINA EUDOMIC
12	DEDARY CLIFFORD WELLS	37	SHIRLEY GIDDINGS	62	PATRICK VELINOR	87	MARK THAURILLE
13	CHANTAL JOSEPH	38	JOYCELINE JOSEPH	63	HUDUS MALCOLM	88	OLIVER MONROSE
14	JENNIFER FRANCIS	39	CLARICE EMMANUEL	64	ELIZABETH LEON	89	SHERMAN DUJON
15	CATHERINE JULES	40	TENNYSON ESTEPHAN	65	ERENA GUSTAVE	90	SHORNILLE EMMANUEL
16	SOPHIA VELINOR	41	LEONARD THOMAS	66	TALIA GUSTAVE	91	SUZANNE JOSEPH
17	ALYMPHIA LIONEL	42	SABINUS NOEL	67	REBERTHA WILFRED		
18	NISA CHASTENET	43	PAULINUS INNOCENT	68	BERNARD MATHURIN		
19	MARY CHASTENET	44	LLOYD CLIFFORD	69	RIANA ST ROSE		
20	SABINA OVILLE	45	NADINE E STEPHEN	70	HEIDI SIMON SERIEUX		
21	PAUL KALLICHARAN	46	LEO ANTHONY	71	URBAN GLACE		
22	DEBBIE MARTIAL	47	YAMMANE BENJAMIN	72	SAYEL EDWIN		
23	CLARENCE WILLIAM	48	JULIETTE EMMANUEL	73	COLLIA SHOULETTE		
24	DEVON STANLEY	49	SCHOLASTICA JN CHARLES	74	SIMONA STFORT		
25	CLAUDIA LOUISON	50	VICKEY JOSEPH	75	WILLIAM LOUISON		

TREASURER'S REPORT



Emrand Matthew
TREASURER

The External Auditor, Mr. Gordon Alcindor has reviewed the statements of financial position of the Mabouya Valley Co Operative Credit Union Society Ltd for the year ending December 31, 2022 and presented a qualifying report. It is also a legal obligation as a board to compliment this Annual General Meeting with specific reports, and to account for our stewardship for the period under review. As a consequence, I am delighted to present to you, the esteemed members, the Treasurer's Report on the fiscal performance of the Mabouya Valley Co-Operative Credit Union Society Ltd. for the financial year ended December 31, 2022.

Last year 2021, my predecessor reported `von the recovery path that the Credit Union embarked on in the immediate post Covid-19 era and the negative consequences of a decline in performance in Agriculture, our community's once dominant earning sector. Irrespective of the negative economic consequences on members and households, the Board of Directors and management were duty bound to implement strategies that ensured judicious use of resources to continue the growth trajectory of the Co Operative. The initiatives ensured that the Co Operative remained resolute as it continued to demonstrate resilience during the harsh economic period.

THE FOLLOWING FACTORS NEGATIVELY AFFECTED THE CO-OPERATIVE:

- Unemployment stood at 17.36%. Although there was a decrease by 2.16% from 19.52% in 2021, (Saint Lucia Statistics Department, 2022) a lower unemployment rate will generally contribute to improvement in various sectors of the economy and positively impact the micro economy.
- Aggressive marketing strategies by other Co-operatives.
- Current transportation system in the Mabouya Valley does not encourage employment in the hospitality sector, especially night shift.
- Dwindling loyalty. Consumers are generally interested in the 'best deal' as opposed to remaining loyal towards institutions that does not appear to give back or contribute towards their personal agenda.

The following key areas of financial performance are highlighted and discussed:

1. FINANCIAL STATEMENT

KEY COMPONENTS OF FINANCIAL POSITION

Portfolio	2021	2022	Net Effect	% Change
Investment Securities	7,095,580	7,145,910	50,330	1%
Members Loans & Adv.	8,338,979	11,683,282	3,344,303	40%
Total Assets	21,106,585	24,920,480	3,813,895	18%
Members' Deposits	18,440,120	21,748,956	2,58	18%
Members' Shares	933,914	1,009,524	0.04	8%
Statutory Reserve	1,061,734	1,064,559	2,825	0.3%
Retained Earnings	465,645	874,553	408,908	88%
Total Member Equity	2,586,416	3,057,343	470,927	18%

● An increase by one percent (1%) in the investment portfolio does not represent an acceptable position. Cash exposure is of high concern to the Board of Directors and Management, and therefore, a review of the current market has been done with a view to improving the portfolio.

● A remarkable increase by forty percent (40%) over 2021 in loans issued to members represents a shift in members patronizing the Co Operative. This auger well for the Co Operative as both members and the institution stands to benefit from issuing good loans. Much of this is accredited to the revision of the interest rates.

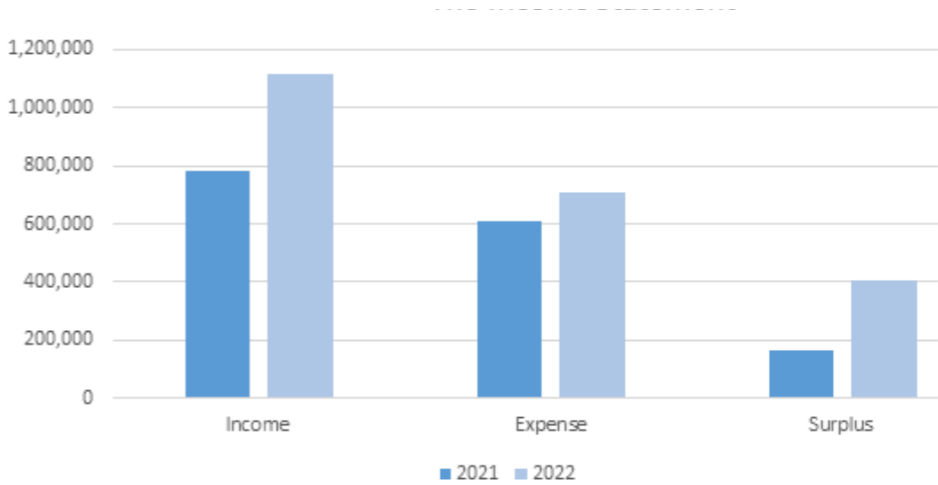
● Growth of total assets by eighteen percent (18%) over 2021 paints a good picture for the Co Operative as it contributes to a good working capital (Current Assets minus Current Liabilities).

● Members Deposit: An increase by 18% over 2021 indicates that members generally have an intension to save. The Co-Operative endeavors to educate members to ensure that greater emphasis is placed on permanent shares as opposed to deposits.

2. INCOME STATEMENT

THE INCOME STATEMENT

Components	2021	2022	Net Effect	% Change
Net Interest Income	912,315	1,033,657	121,342	13%
Expense	612,487	709,501	97,014	16%
Surplus	167,856	408,909	241,053	144%



- The interest earned from loans during the financial year under review exceeded that of the previous year by 20.4%.
- Despite the absence of any significant improvement in investment, interest recorded was 24% over 2021.
- Interest expense increase by 71%, this is largely due to payments made to a significantly higher amount in members withdrawable shares.
- Growth of \$121,342 or 13% was registered
- A marked improvement of 144% over 2021 in surplus was achieved.

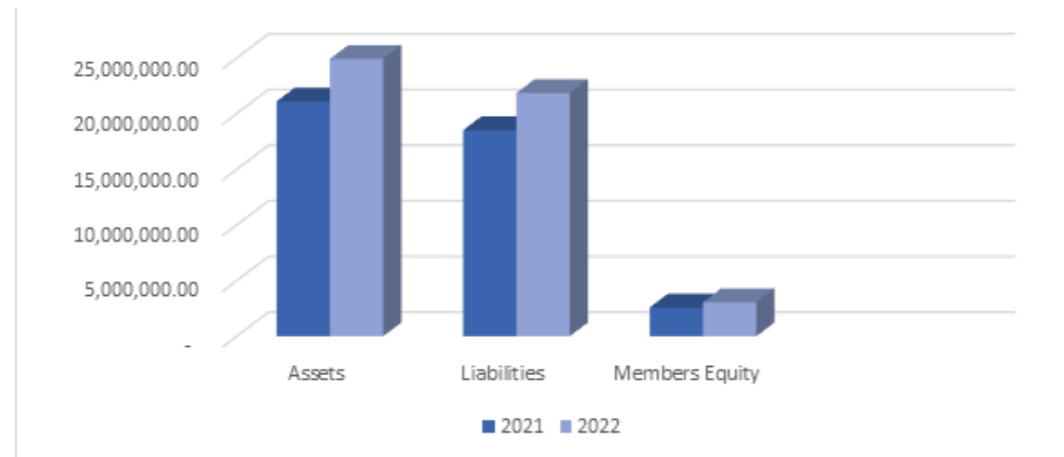
3. THE FINANCIAL POSITION

Assets: The Co-Operative reports Assets of \$24.9 million, growth by \$3.8 million, or 18% as compared with last year's \$21.1 million. Loans to members was the primary contributor as it increased from \$8.3 million to \$11.6 million.

Liabilities: During the period under review, Total Liabilities grew by \$3.3 million showing an 18% increase over the previous year. The main contributing factor was an increase in Members Savings.

Members' Equity: for the year 2021 members equity was \$2.5 million, in 2022 an increase of \$0.47 million to \$3 million was realized.

FINANCIAL POSITION



4. Other Key Indicators

INVESTMENT PORTFOLIO & INTEREST

Year	Investment Securities Value (\$Mill)	Interest on Securities % Effect	Variance Value	Change % % Effect
2019	2.95		96,492	
2020	5.47	85.40%	219,235	127.20
2021	7.10	29.80%	249,390	127.2%
2022	5.02	-41.43%	308,998	13.8%

● **Statutory Reserve**

It is a legal requirement to maintain a reserve of twenty-five (25%) of the net surplus before dividends. The Society has ensured that this statutory requirement is maintained.

● **Delinquency**

The delinquency rate continues to be a challenge for the institution. An appeal is being made to members to service their loans as per the loan agreement. Members are encouraged to seek an audience with the Manager or the Loans Officer at the earliest opportunity to discuss difficulty in meeting their obligation.

CONCLUSION

The Co-operative has demonstrated the ability to withstand the challenges encountered during the worst pandemic in this century. Every sector of the economy was affected, and just one year after the restoration to normalcy, the reported growth in the major areas of Net Assets, Net Income, Surplus and Members Equity are good indicators for the Co-operative. The Board of Directors will continue to advocate and implement the necessary strategies to ensure that your money is safe and utilized in the most prudent manner.

I wish to express my profound gratitude to you the Members, Board of Directors, Staff and other stakeholders that have contributed to the continued success of the Co-operative. Let us look forward to a better 2023.


Mr. Emrand Matthew
TREASURER

SUPERVISORY
COMMITTEE
REPORT

Rebertha Wilfred

CHAIRPERSON

The Supervisory Committee is pleased to provide a report for the financial year ending December 31, 2022.

For the year under review, the Supervisor committee comprised the following members:

1. Ms. Rebertha Wilfred – Chairperson
2. Ms. Servina Eudovic – Secretary
3. Ms. Ivaline Abbott – Member
4. Ms. Conny Lewis – Member
5. Mr. Kimran Charles – Member

The Supervisory committee serves an important function and the Mabouya Valley Co-operative Credit Union Society Ltd. The main functions of the Supervisory Committee are to ensure and safeguard, that the Board of Directors and Management established to maintain and follow procedures and practices, which are in accordance with the legal framework that governs the credit Union; as well as our by-laws that protect the interest and investments of each member's assets.

The committee also endeavor to ensure that effective measures and controls are put in place to protect, not just members, but all stakeholders of the credit union. Training programs for the Supervisory Committee has been an asset to providing better services to the credit union and its members at large.

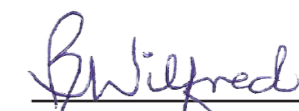
During the financial year 2022, The supervisory committee continued its work in improving the financial position of the credit Union, doing so in accordance with the legislative framework.

The committee, however, intensified on the audits conducted with a focus of enhancing cash management opportunities, efficiency, and the business environment in which the credit Union operates. We have reviewed receipt books, checkbooks as well as Dormant or inactive accounts, and delinquent accounts.

It was noted that the number of dormant accounts with recommendations were made to contact customers to decide the way forward with these accounts and to ensure and show continued professional customer care services, and improvement in maintaining a strong relationship to prevent fraud.

Given the recommendations and reviews performed during the year 2022. We are satisfied that members contacted were pleased to review and put measures in place to maintain continued productivity. The committee will continue to harness the reins to focus on the financial future of our credit union and its members.

On behalf of the entire committee, we appreciate, and thank you, our members for the opportunity to serve you with confidence and trust. The Mabouya Valley Co-Operative Credit Union Society Ltd. look forward to a productive, secure, and successful 2023.


Ms. Rebertha Wilfred
Chairperson

CREDIT COMMITTEE REPORT



Cassius Aimable CHAIRPERSON

For the year under review, the Credit Committee was made up of the following members:

- | | | |
|----|-----------------------|-------------|
| 1. | Cassis Aimable - | Chairperson |
| 2. | Charlana Marcel - | Secretary |
| 3. | Sabinus Noel - | Member |
| 4. | Heidi Simon-Serieux - | Member |
| 5. | Shirleen Chastanet - | Member |

The credit committee is responsible for decisions on loan requests that go beyond the authority of the credit management officer or otherwise require special attention. The committee reviews these requests and the relevant information to determine how to proceed. These decisions are made in alignment with the credit union's standard lending policy while evaluating the risk exposure to the credit union.

1. ANALYSIS OF LOANS

For the period under review, the year ended December 31st 2022, six hundred forty-eight (648) loans were granted, with a total value of Twelve million Four Hundred Ninety Thousand Six Hundred and Ninety-nine Dollars (\$12,590,699.00). In comparison to the previous financial year, 2021, the total value of loans was Nine million one hundred forty-nine thousand one hundred fifty-nine dollars (\$9,149,159.00)

An increase in the value of loans, year over year of Three million Four Hundred Forty-one Thousand Five Hundred Forty Dollars (\$3,441,540.00) was realized.

LOANS BY NUMBER & VALUE

	2022	2021
Loans By #	648	536
Loans By Value	\$12,590,699	\$9,149,159

This increase was attributed to a revision of the credit union's interest rates, making the credit union more attractive to members and more competitive on the market. The social media exposure also contributed to the increase in loan applications in the form of information made more readily available. Additionally, the loan process was made simpler for members by providing visual aids at the customer area of the credit union and more education was provided by staff to members.

2. DELINQUENT LOANS


A positive shift was noted in the delinquency figures recorded for the financial year under review in comparison to the previous year, 2021. A reduction in the total value of delinquent loans was captured, amounting to One million Eight Hundred Sixty-eight Thousand Eight Hundred Forty-one Dollars and Twelve cents (\$1,868,841.12). An overall decrease of Three Hundred Fourteen Thousand Five Hundred Sixty-six Dollars and Thirty-nine cents (\$314,566.39). It must be noted however, that delinquency continues to be an issue at the credit union. The credit committee implores delinquent members to rectify this situation, visit the credit union, and let's find a solution that works for you.

DELINQUENT LOANS BY AGE

Delinquency Age	2022		2021	
	Loans By Number	Loans By Value	Loans By Number	Loans By Value
30-60 Days	42	\$697,889.91	52	\$1,159,210.45
61-90 Days	9	\$234,885.42	6	\$67,170.23
91-180 Days	18	\$117,925.70	13	\$233,165.89
181-270 Days	14	\$67,162.66	5	\$200,896.01
271-365 Days	15	\$37,956.58	3	\$33,332.37
Over 12 months	21	\$398,484.46	8	\$175,066.71
Total	119	\$1,554,274.73	87	\$1,868,841.12

3. CONCLUSION

The Credit Committee wishes to thank the management and staff of the Credit Union for their continued support, patience, and understanding during the last year and for all efforts made towards the improvement of our establishment. The committee would also like to thank the members of the credit union for continuing to put our credit union first. We hope that we have served to your satisfaction and in all of our best interest.


Mr. Cassius Aimable
Chairperson

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Page 6	Statement of Comprehensive Income
Page 7	Statement of Cash Flows
Page 9 - 40	Notes to the Financial Statements

Mabouya Valley Co-operative
Credit Union Society Limited
Financial Statements
Year Ended December 31, 2022
(Expressed in Eastern Caribbean Dollars)

To the Members of Mabouya Valley Co-operative Credit Union Society Limited.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mabouya Valley Co-operative Credit Union Society Limited (the Credit Union), which comprise the statement of financial position as at December 31, 2022, and the statements of changes in equity, comprehensive income and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in St. Lucia and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information Included in the Credit Union’s 2021 Annual Report

Other information consists of the information included in the Credit Union’s 2022 Annual Report other than the financial statements and our auditor’s report thereon. Management is responsible for the other information. The Credit Union’s 2022 Annual Report is expected to be made available to us after the date of this auditor’s report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR’S REPORT (CONT’D)

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 IFRSs, 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.

Auditor’s Responsibility 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 auditor’s 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 Credit Union’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Auditor's Responsibility for the Audit of the Financial Statements (Cont'd)

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

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

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



Chartered Accountants
Castries, St. Lucia
September 22, 2023

Mabouya Valley Co-operative Credit Union Society Limited 4

Statement of Financial Position

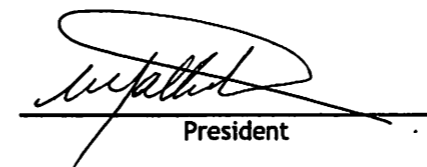
As at December 31, 2022

(Expressed in Eastern Caribbean Dollars)

	Notes	2022 \$	2021 \$
ASSETS			
Cash	6	4,666,403	5,022,424
Investment securities	7	7,145,910	7,095,580
Loans and advances to members	8	11,683,282	8,338,979
Receivables and prepayments	10	1,071,360	294,910
Property and equipment	11	353,525	354,692
TOTAL ASSETS		24,920,480	21,106,585
LIABILITIES AND MEMBERS' EQUITY			
Liabilities			
Members' deposits	12	21,748,956	18,440,120
Accounts payable and accruals	13	114,181	80,049
Total Liabilities		21,863,137	18,520,169
Members' Equity			
Members' shares	14	1,009,524	933,914
Statutory reserve	15	1,166,786	1,061,734
Members' funds	16-17	190,489	125,123
Undivided earnings		690,544	465,645
Total Members' Equity		3,057,343	2,586,416
TOTAL LIABILITIES AND MEMBERS' EQUITY		24,920,480	21,106,585

The accompanying notes form an integral part of these financial statements.

APPROVED ON BEHALF OF THE BOARD:-



President



Treasurer

Mabouya Valley Co-operative Credit Union Society Limited

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Statement of Changes in Members' Equity
For the Year Ended December 31, 2022
(Expressed in Eastern Caribbean Dollars)

	Notes	Development Fund	Education Fund	Statutory Reserve	Undivided Earnings	Permanent Shares	Total
		\$	\$	\$	\$	\$	\$
Balance as at January 1, 2021		67,309	34,854	1,017,370	373,324	864,857	2,357,714
Total comprehensive income for the year 2021		-	-	-	167,856	-	167,856
Allocation for:							
- Statutory reserve	15	-	-	41,964	(41,964)	-	-
- Education fund	16	-	16,786	-	(16,786)	-	-
- Development fund	17	16,786	-	-	(16,786)	-	-
Entrance fees	15	-	-	2,400	-	-	2,400
Members' training expense	16	-	(10,611)	-	-	-	(10,611)
New shares issued 2021	14	-	-	-	-	69,057	69,057
Balance as at December 31, 2021		84,095	41,029	1,061,734	465,644	933,914	2,586,416
Total comprehensive income for the year 2022		-	-	-	408,909	-	408,909
Allocation for:							
- Statutory reserve	15	-	-	102,227	(102,227)	-	-
- Education fund	16	-	40,891	-	(40,891)	-	-
- Development fund	17	40,891	-	-	(40,891)	-	-
Entrance fees	15	-	-	2,825	-	-	2,825
Members' training expense	16	-	(16,417)	-	-	-	(16,417)
New shares issued 2022	14	-	-	-	-	75,610	75,610
Balance as at December 31, 2022		124,986	65,503	1,166,786	690,544	1,009,524	3,057,343

Mabouya Valley Co-operative Credit Union Society Limited 6

Statement of Comprehensive Income
For the Year Ended December 31, 2022
(Expressed in Eastern Caribbean Dollars)

	Notes	2022 \$	2021 \$
Interest income			
Interest on loans		973,297	808,282
Interest on investments		308,998	249,390
		<u>1,282,295</u>	<u>1,057,672</u>
Interest expense			
Interest on members deposits		72,956	55,814
Interest on members withdrawable shares		175,682	89,543
		<u>248,638</u>	<u>145,357</u>
Net interest income		<u>1,033,657</u>	<u>912,315</u>
Other income	23	191,662	158,133
Impairment losses - loans and advances to members	9	<u>(106,909)</u>	<u>(290,105)</u>
		<u>84,753</u>	<u>(131,972)</u>
Non-interest and operating expenses			
Operating expenses	18	124,346	122,711
Personnel expenses	19	251,204	221,649
Member meeting expenses	20	31,449	29,789
Occupational expenses	21	116,519	116,171
Board and committee expenses	22	11,458	13,143
CUNA insurance		172,538	107,490
Bank charges		1,987	1,534
		<u>709,501</u>	<u>612,487</u>
Net surplus being total comprehensive income for the year		<u><u>408,909</u></u>	<u><u>167,856</u></u>

The accompanying notes form an integral part of these financial statements.

Mabouya Valley Co-operative Credit Union Society Limited 7

Statement of Cash Flows

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

	Notes	2022 \$	2021 \$
Cash Flows from Operating Activities			
Net surplus for the year		408,909	167,856
Adjustments for:			
Interest income on investments		(308,998)	(249,390)
Interest expense		248,638	145,357
Impairment losses on loans and advances		106,909	290,105
Depreciation	11	17,187	18,382
Cash flows before changes in operating assets and liabilities		472,645	372,310
Increase in loans and advances to members		(3,445,500)	(1,474,082)
Increase/(decrease) in receivables and prepayments		(776,450)	394,341
Increase in members deposits		1,099,798	1,539,794
Increase in members withdrawal shares		2,203,325	1,044,731
Training expense		(16,417)	(10,611)
Increase (decrease) in accounts payable and accruals		34,132	(62,889)
Net cash (used in)/generated from operating activities		(428,466)	1,803,593
Interest received from investments		308,998	249,390
Interest paid		(248,638)	(145,357)
Net cash (used in)/generated from operating activities		(368,106)	1,907,626
Cash Flows from Investing Activities			
Purchase of property and equipment	11	(16,020)	(941)
Purchase of investment securities		(50,330)	(1,623,578)
Net cash used in investing activities		(66,350)	(1,624,519)
Cash Flows from Financing Activities			
Proceeds from share issue	14	75,610	69,057
Entrance fees	15	2,825	2,400
Net cash generated from financing activities		78,435	71,457
(Decrease)/increase in Cash		(356,021)	354,564
Cash - Beginning of the Year		5,022,424	4,667,860
Cash - End of the Year	6	4,666,403	5,022,424

The accompanying notes form an integral part of these financial statements.

Mabouya Valley Co-operative Credit Union Society Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

1. Corporate Information

On 23rd December 2010, the La Resource Co-operative Credit Union by a resolution passed in accordance with Section 10 and 48 of the Co-operative Societies Act revised edition Chapter 12.06 of 2001 and regulation 19 of the Co-operative Society regulations amended its name to Mabouya Valley Co-operative Credit Union Society Limited. The La Resource Co-operative Credit Union Limited was previously registered as Society #31 in accordance with the provision of the Co-operative Society Law No 17 of the Laws of Saint Lucia (1946) and the regulations made on the 8th day of January 1980.

The registered office and principal place of business of the credit union is in the Mabouya Valley Basin, Saint Lucia. The objectives of the society are:

- To promote thrift among its members by providing ways and means whereby savings can be affected and whereby shares in the society can be acquired.
- To educate its members in the co-operative on principles and methods in family financial management and in the efficient management of its affairs.
- To undertake all other acts and things as are incidental or conducive to or consequential upon the attainment of the above objects.

2. Date of Authorisation of Issue

These financial statements were authorised for issue by the Board of Directors on September 20, 2023.

3. Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Basis of Preparation

The preparation of financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Areas involving a higher degree of judgment or complexity, or areas where estimations and assumptions are significant to the financial statements are disclosed in Note 5.

These financial statements of Mabouya Valley Co-operative Credit Union Society Limited are prepared under the historical cost convention except the following material items in the statement of financial position that are measured at fair value. Equity investments are recognised at fair value through other comprehensive income whereas, land and building measured at revalued amounts.

The Credit Union presents its statements of financial position on a non-classified basis in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the year-end date(current) and more than twelve months after the year-end date (non-current), present in the notes. The Credit Union classifies its expenses by the nature of expenses.

The following are non-current balances: non-current investment securities, property, plant and equipment, long- term portion of members' loans and advances, non-current savings, deposits and borrowing.

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Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

3. Significant Accounting Policies (Cont'd)

(a) Basis of Preparation (Cont'd)

The following are current balances: cash and cash equivalents, current investment securities, current portion of loans and advances due within one year, accounts payables and accruals, and current shares and deposits, accounts receivable and prepaid expenses.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(b) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including: cash, treasury bills, deposits with other banks, and other short-term securities.

(c) Financial Instruments

The Credit Union classifies financial assets to the following IFRS 9 measurement categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments designated as measured at FVOCI
- Equity instruments at FVTPL

IFRS 9 classification is based on the business model in which a financial asset is managed and its contractual cash flows. As at the reporting date, no financial instruments were measured at FVOCI.

On initial recognition, financial assets are classified by the Credit Union as follows:

Debt Instruments

Debt instruments, including loans and debt securities, are classified into one of the following measurement categories:

- Amortized cost;
- FVOCI; and
- FVTPL

Investments in debt instruments are measured at amortized cost if it meets both of the following conditions and is not designated as fair value through profit or loss (FVTPL).

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the outstanding principal balance.

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Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

3. Summary of Significant Accounting Policies (Cont'd)

(c) Financial Instruments (Cont'd)

Business model assessment

Business model assessment involves determining how financial assets are managed in order to generate cash flows. The Credit Union's business model assessment is based on the following categories:

- *Hold to Collect* - The objective of the business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model.
- *Hold to collect and sell* - both collecting contractual cash flows and sales are integral to achieving the objectives of the business model.
- *Other Business model* - *this business model is neither hold-to-collect nor hold-to-collect and sell.* The Credit Union determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. The model is not assessed on an instrument-by-instrument basis, but rather at a portfolio level and based on factors such as:
 - How the performance of the financial assets held within that business model are evaluated and reported to the credit Union's management personnel.
 - The risks that affect the performance of the assets held within a business model (and, in particular, the way those risks are managed).
 - The expected frequency, value and timing of sales activity.

The stated policies and objectives for the portfolio and the operation are those policies in practice, in particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching duration of the financial assets to the duration of the financial liabilities that are funding those assets or realising cash flows through the sale of the assets.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the credit Union's expectations, the Credit Union does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of contractual cash flows

As a second step in the classification process the Credit Union assesses the contractual terms of the financial assets to identify whether they meet the solely payments of principal and interest (SPPI) test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as profit margin.

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Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

3. Summary of Significant Accounting Policies (Cont'd)

(c) Financial Instruments (Cont'd)

Debt instruments measured at amortized cost

Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost. Interest income on these investments is recognized in interest income using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated by taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate.

Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss (ECL) approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit loss (ACL) in the statement of financial position.

Debt instruments measured at fair value through other comprehensive income.

Investments in debt instruments are measured at fair value through other comprehensive income where they meet the following two conditions and they have not been designated at FVTPL:

- Contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- Are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognized in profit and loss. Upon disposal, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the income statement.

Impairment on debt instruments at FVOCI is calculated using the expected credit loss (ECL) approach. The ECL on debt instruments measured at FVOCI does not reduce the carrying amount of the asset in the Statement of Financial Position, which remains at fair value.

Equity instruments

All equity securities are measured at fair value. On initial recognition the Credit Union may make an irrevocable decision to present in OCI gains and losses from changes in fair value of certain equity instruments. When insufficient information is available to measure fair value, then the instrument is measured at cost when it represents the best estimate of fair value. When an equity instrument classified at FVOCI is sold the cumulative profit or loss recorded in OCI is not recycled to profit or loss. Dividends recorded from securities measured at FVOCI are recognised in profit or loss.

A financial instrument with a reliably measurable fair value can be designated at FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the selling or repurchasing.

Mabouya Valley Co-operative Credit Union Society Limited 13

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

3. Summary of Significant Accounting Policies (Cont'd)

(c) Financial Instruments (Cont'd)

Financial Liabilities

At initial recognition financial liabilities are measured at fair value plus or minus, in the case of financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Financial liabilities other than loan commitments, financial guarantees and derivatives are subsequently measured at amortised cost.

Impairment of financial assets

Scope

The adoption of IFRS 9 has fundamentally changed the Credit Union's impairment model by replacing IAS 39's incurred loss approach with a forward looking three-stage expected credit loss (ECL) approach.

Expected credit loss impairment model

The three stage ECL allowance model is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss (LTECL), unless there has been no significant increase or deterioration in credit risk since origination, in which case, the allowance is based on the 12 months expected credit loss (12m ECL). The 12m ECL is the portion of the LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both lifetime expected credit losses and 12 month expected credit losses are calculated on an individual basis but for purposes of determining the probability of default and loss given default financial assets are grouped according to common characteristics.

The three-stage approach applied by the Credit Union is as follows:

Stage 1: 12-months ECL

The Credit Union assesses ECLs on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Credit Union recognises a provision on the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. Stage 1 loans include those instruments that are in arrears for 30 days or less and those facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2: Lifetime ECL-not credit impaired

The Credit Union assesses ECLs on exposures where there has been a significant increase in credit risk since initial recognition but is not credit impaired. This category includes loans which are over 30 days but less than 90 days in arrears. For these exposures, the Credit Union recognises as a provision a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

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Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

3. Summary of Significant Accounting Policies (Cont'd)

(c) Financial Instruments (Cont'd)

Impairment of financial assets (Cont'd)

Stage 3: Lifetime ECL- credit impaired

The Credit Union identifies, individually, ECLs on those exposures that are assessed as credit impaired based on whether one or more events that have a detrimental effect on the estimated future cash flows of that asset have occurred. Loans that are overdue for 90 days or more are considered credit impaired. For exposures that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

Measurement of ECL

ECLs are probability weighted estimates of credit losses. They are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and cash flows that the Credit Union expects to receive);
- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *Undrawn loan commitments:* the present value of the difference between contractual cash flows that are due to the Credit Union if the commitment is drawn down and the cash flows that the Credit Union expects to receive.

The inputs used to estimate the expected credit losses are as follows:

- *Probability of Default (PD)* - The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
- *Exposure at default (EAD)* - The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- *Loss Given Default (LGD)* - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of EAD.

Forward looking information

The standard requires the incorporation of forward-looking information in the estimation of expected credit losses for each stage and the assessment of significant increases in credit risk. It considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Mabouya Valley Co-operative Credit Union Society Limited 15

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

3. Summary of Significant Accounting Policies (Cont'd)

(c) Financial Instruments (Cont'd)

Impairment of financial assets (Cont'd)

Macroeconomic factors

The standard also requires incorporation of macroeconomic factors in models for ECLs. In its models, the Credit Union conducted an assessment of a range of forward-looking economic information as possible inputs, such as GDP growth, non-performing loans ratios and inflation.

The standard recognises that the inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be used as temporary adjustments using expert credit judgement.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Credit Union considers both quantitative and qualitative information and analysis based on its historical experience and credit risk assessment. The Credit Union considers as a backstop that significant increase in credit risk occurs when an asset is more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECLs to 12-months.

Expected Life

For instruments in Stage 2 or 3, loss allowances reflect expected credit losses over the expected remaining life of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

Presentation of allowances for ECLs

Loss allowances for ECLs are presented in the Statement of Financial Position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- Undrawn loan commitments and financial guarantees generally as a provision in other liabilities.
- Debt instruments measured at fair value through OCI and the ECLs are not recognized in the Statement of Financial Position because the carrying amounts of these assets remain their fair values. However, the loss allowance is disclosed and is recognized in the fair value reserve in equity with a corresponding charge to profit and loss. The accumulated loss recognised in OCI is recycled to profit or loss upon derecognition of the assets.

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Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

3. Summary of Significant Accounting Policies (Cont'd)

(c) Financial Instruments (Cont'd)

Impairment of financial assets (Cont'd)

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then the assessment is made of whether the financial asset should be derecognized in ECLs and measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discontinued from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit Impaired Financial Assets

At each reporting date the Credit Union assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit impaired (referred to as "Stage 3 financial assets"). A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower;
- A breach of contract such as default or past due events;
- The restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - Adverse changes in the payment status of borrowers in the group; or
 - National or economic conditions that correlate with defaults on the assets in the group.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans that are overdue for 90 days or more are considered credit impaired.

Mabouya Valley Co-operative Credit Union Society Limited 17

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

3. Summary of Significant Accounting Policies (Cont'd)

(c) Financial Instruments (Cont'd)

Impairment of financial assets (Cont'd)

Definition of default

The Credit Union considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- Significant financial difficulty of the borrower;
- Default or delinquency of principal and interest by a borrower;
- Restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not normally consider;
- Measurable decrease in the estimated cash flows from the loan or the underlying assets that secure the loan; or
- The disappearance of an active market for a security because of financial difficulties.

The Credit Union considers that default has occurred and classifies the financial asset as credit impaired when it is more than 90 days past due.

Write-offs

The write-off of a financial asset is a derecognition event. Loans and related impairment losses are either written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, they are generally written off after receipt of any proceeds from the realization of collateral. In circumstances where the new realizable value on any collateral has been determined and there is no reasonable expectation of recovery, write-off may be earlier.

(d) Property and Equipment

Property and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Co-operative and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the declining balance method to allocate cost to their residual values over their estimated useful lives, as follows:

Assets	Depreciation Rate
Leasehold Improvement	20%
Furniture and equipment	10% - 25%
Computer Software	33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of income.

Mabouya Valley Co-operative Credit Union Society Limited 18

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

3. Significant Accounting Policies (Cont'd)

(e) Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the statement of income over the period of the borrowings using the effective interest method.

(f) Members' Shares

Members' shares issued by the Co-operative are classified as equity to the extent that they do not meet the definition of a financial liability. Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, from the proceeds.

(g) Dividend on Members' Shares

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(h) Interest Income and Expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Co-operative estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(i) Fee and Commission Income

Fees, commissions and other income are recognised on an accruals basis when the related service has been provided.

(j) Dividend Income

Dividend income from available-for-sale equities is recognised when the right to receive payment is established.

Mabouya Valley Co-operative Credit Union Society Limited 19

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

3. Significant Accounting Policies (Cont'd)

(k) Foreign Currency Translation

(i) Functional and presentation currency

Items in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Eastern Caribbean dollars, which is the Co-operative's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on non-monetary items are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity, if any.

(l) Provisions

Provisions are recognized when the Co-operative has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(m) Taxation

The Co-operative is not liable to income taxes in accordance with Section 25(1) (q) of the Income Tax Act Cap 15.02.

(n) Financial Instruments

Financial instruments carried on the statement of financial position include cash, investment securities, loans and advances to members, deposits and shares from members, borrowings, accounts payable and accruals. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item.

(o) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

Where necessary, comparative figures have been adjusted to conform with changes in the presentation in the current year.

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Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management

Objectives, policies and processes

The Board of Directors has overall responsibility for risk management. The authority for designing and operating the processes that addresses the objectives is delegated to the Treasurer.

Strategy in using financial instruments

By its nature, the Co-operative's activities are principally related to the use of financial instruments. The Co-operative accepts deposits and shares from members and seeks to earn an interest margin by lending to members while maintaining sufficient liquidity to meet all claims that may fall due.

The Co-operative also seeks to raise its interest margins by obtaining above average margins, net of allowances, through investing in various financial instruments.

The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency and interest rate risks.

(a) Credit Risk

The Co-operative takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred at the reporting date. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Co-operative's portfolio, could result in losses that are different from those provided at the reporting date. Management therefore carefully manages its exposure to credit risk.

The Co-operative structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower. Such risks are monitored on a revolving basis. Limits on the level of credit risk by products are approved by the Board of Directors.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and personal guarantees.

Impairment and Provisioning Policies

Impairment provisions are recognised for financial reporting purposes only for losses that have been incurred at the reporting date based on objective evidence of impairment. Some accounts are reviewed monthly and others quarterly and sometimes when individual circumstances require.

Impairment losses on individually assessed accounts are determined by an evaluation of the incurred loss at the financial reporting date on a case by case basis and are applied to all individually significant accounts. The assessment encompasses collateral held and the anticipated receipts for those individual accounts. This forms our specific provisioning.

The collective provisioning requires our judgment about the risks of default and loss associated with a pool of accounts. These accounts are in a segment that is considered to be "Pass" and or "Special Mention". Management determines whether objective evidence of impairment exist based on the following criteria:

- Delinquency in payments of principal and interest
- Cash flow constraints of members
- Breach of loan covenants
- Deterioration of members competitive position
- Deterioration in the value of collateral
- Economic conditions

Mabouya Valley Co-operative Credit Union Society Limited 21

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

Maximum exposure to credit risk before collateral held or other credit enhancements are as follows:

	2022 \$	2021 \$
Maximum exposure to credit risk:-		
Cash at bank	4,666,403	5,022,424
Investment securities	7,145,910	7,095,580
Loans and advances to members	11,683,282	8,338,979
Receivables	1,071,360	294,910
	<u>24,566,955</u>	<u>20,751,893</u>

Credit risk from financial assets is minimised through advancing loans only after careful assessment of the borrower, obtaining collateral before advancing loans, and placing deposits with financial institutions with a strong capital base. The risk accepted in relation to one borrower is restricted to 10% of the shareholder's equity. Exposure to credit risk is also managed in part by obtaining collateral and guarantees for loans receivable. The collateral may consist of real estate, member deposits and shares, equipment or vehicles. The credit quality of each individual investment is internally assessed based on the financial strength, reputation and market position of the issuing company and the ability of that company to service the debt.

The above table represents a worst case scenario of credit risk exposure to the Co-operative at December 31, 2021 and 2020, without taking account of any collateral held. For financial assets included in the statement of financial position, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

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Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(i) Loans and advances to members past due but not impaired

Loans up to 90 days past due are not considered impaired unless information is available to indicate otherwise. Therefore, the gross amount of loans and advances by class to members that were past due but not impaired were as follows:

	2022 \$	2021 \$
Past due up to 30 days	1,714,691	1,270,309
Past due 31 - 60 days	435,611	469,671
Past due 61 - 90 days	331,818	348,310
	<u>2,482,119</u>	<u>2,088,290</u>

(i) Loans and advances to members individually impaired

The table below shows the individually impaired loans and advances to members before taking into consideration the cash flows from collateral held.

The breakdown of the gross amount of individually impaired loans and advances by class are as follows:

	Manufacturing And Business \$	Personal \$	Education \$	Mortgage \$	Total \$
As at December 31, 2022					
Individually impaired loans	109,875	1,049,134	6,261	77,253	1,242,523
As at December 31, 2021					
Individually impaired loans	73,224	787,063	12,942	443,334	1,316,563

4. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

The Co-operative operates primarily in Saint Lucia. Based on the country of domicile of its counterparties, exposure to credit risk is concentrated in this location, except for investments which have other exposures.

The following table breaks down the Co-operative's credit exposure at gross amounts without taking into account any collateral held or other credit support by the industry sectors of the Co-operative's counterparties.

	Financial Institutions	Manufacturing Business	Personal	Govern-ment	Education	Mortgage	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$
As at December 31, 2022								
Financial assets								
Cash at bank	4,235,215							4,235,215
Investments securities	3,275,259			3,870,650				7,145,909
Loans and advances to members	-	342,200	6,343,626		135,295	5,769,579		12,590,699
Receivables	1,012,455						58,905	1,071,360
	8,522,929	342,200	6,343,626	3,870,650	135,295	5,769,579	58,905	25,043,184
As at December 31, 2021								
Financial assets								
Cash at bank	4,625,218							4,625,218
Investments securities	3,243,227			3,852,353				7,095,580
Loans and advances to members		285,289	4,728,724		31,545	4,103,606	36,597	9,149,164
Receivables	258,313							294,910
	8,126,758	285,289	4,728,724	3,852,353	31,545	4,103,606	36,597	21,164,872

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Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(b) 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. The Co-operative is exposed to equity securities, price risk arising from available-for-sale investments securities

(c) Currency Risk

The Co-operative takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The co-operative's exposure to currency risk is minimal since most of its assets and liabilities in foreign currencies are held in United States dollars. The exchange rate of the Eastern Caribbean dollar (EC\$) to the United States dollar (US\$) has been formally pegged at EC\$2.70 = US\$1.00 since 1974.

Notes to the Financial Statements
For the Year Ended December 31, 2022
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4. Financial Risk Management (Cont'd)

(d) Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Co-operative takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board of Directors sets limits on the level of mismatch of interest rate repricing that may be undertaken.

The table below summarises the Co-operative's exposure to interest rate risks. Included in the table are the Co-operative's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Up to 6 months \$	6 to 12 months \$	1 to 5 Years \$	Over 5 Years \$	Non-interest bearing \$	Total \$
As at December 31, 2022						
Financial assets						
Cash at bank	4,075,118				160,097	4,235,215
Investment securities	2,232,759	1,042,500	2,867,298	1,003,353		7,145,909
Loans and advances to Members	316,516	378,861	6,756,993	5,138,330		12,590,699
Receivables	184,075				887,285	1,071,360
Total financial assets	6,808,468	1,421,361	9,624,291	6,141,683	1,047,382	25,043,183
Financial liabilities						
Members' deposits and withdrawable shares	21,748,956				114,181	21,748,956
Accounts payable and accruals					114,181	114,181
Total financial liabilities	21,748,956				114,181	21,863,137
Total interest repricing gap	(14,490,488)	1,421,361	9,624,291	6,141,683	933,201	3,180,046

Notes to the Financial Statements
For the Year Ended December 31, 2022
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Financial Risk Management (Cont'd)

(d) Interest Rate Risk (Cont'd)

	Up to 6 months \$	6 to 12 months \$	1 to 5 Years \$	Over 5 years \$	Non-interest bearing \$	Total \$
As at December 31, 2021						
Financial assets						
Cash at bank	3,654,181	-	-	-	971,037	4,625,218
Investment securities	2,200,727	2,891,500	1,000,000	1,003,353	-	7,095,580
Loans and advances to Members	53,398	324,532	4,574,201	4,197,033	-	9,149,164
Receivables	110,768	-	-		184,142	294,910
Total financial assets	6,019,074	3,216,032	5,574,201	5,200,386	1,155,179	21,164,872
Financial liabilities						
Members' deposits and withdrawable shares						

Mabouya Valley Co-operative Credit Union Society Limited 27

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(d) Interest Rate Risk (Cont'd)

The Co-operative manages part of its credit risk through the insistence of borrowing members acquiring Savings.

The table below summaries the interest rates on the financial assets and liabilities held at the reporting date:

	2022 %	2021 %
Financial Assets		
Cash and cash equivalents	0-0.50	0-0.50
Investments	3.00-7.10	3.00-7.10
Member loans and advances	7.00-12.00	7.00-12.00
Financial Liabilities		
Deposits from members	1.00	1.00
Withdrawable shares	1.00	1.00

(e) Liquidity Risk

Liquidity risk is the risk that the Co-operative is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

The Co-operative is exposed to daily calls on its available cash resources from maturing members' deposits and loan draw downs. The Co-operative does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Board of Directors sets limits on the minimum proportion of maturing funds available to meets such calls and on the minimum level of borrowing facilities that should be in placed to cover withdrawals at unexpected levels of demand.

(f) Liquidity Risk Management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Co-operative. It is unusual for the Co-operative to be completely matched as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses

The contractual maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Co-operative and its exposure to changes in interest rates.

Mabouya Valley Co-operative Credit Union Society Limited 28

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(g) Non-derivatives Cash Flows

The table below presents the cash flows payable by the Co-operative under non-derivative financial liabilities by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Co-operative manages the inherent liquidity risk based on expected undiscounted cash inflows.

	Up to 1 Month \$	2 months to 1 year \$	Over 1 year \$	Total \$
As at December 31, 2022				
Financial liabilities				
Members' deposits	9,271,547			9,271,547
Members' withdrawable shares	12,463,288			12,463,288
Accounts payable and accruals	114,181			114,181
Total financial liabilities	21,849,016			21,849,016
As at December 31, 2021				
Financial liabilities				
Members' deposits	8,180,157			8,180,157
Members' withdrawable shares	10,259,963			10,259,963
Accounts payable and accruals	80,049			80,049
Total financial liabilities	18,520,169			18,520,169

(h) Fair Values of Financial Assets and Liabilities

Fair Value Hierarchy

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable willing parties who are under no compulsion to act and is best evidenced by a quoted market value if one exists. The following methods and assumptions were used to estimate the fair value of financial instruments.

The fair values of cash, accounts receivable and accounts payable and accruals, members' deposits, members' SSSA and other short-term instruments are assumed to approximate their carrying amounts due to their short-term nature. The fair value of off-statement of financial position commitments are also assumed to approximate the amounts disclosed in Note 32 due to their short-term nature.

Mabouya Valley Co-operative Credit Union Society Limited 29

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(h) Fair Values of Financial Assets and Liabilities (Cont'd)

Investment Securities

Assets classified as available for sale are at fair value based on market prices or broker price quotations. For unlisted securities, fair value is estimated on their cost as the amounts are immaterial. For investment securities classified as loans and receivables fair value is estimated using discounted cash flows.

Loans and Advances to Members

Loans and advances are net of their provision for impairment. The estimated fair values of loans and advances represent the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

	Level 2 \$	Level 3 \$	Total \$
As at December 31, 2022			
Financial Assets for which at fair values are disclosed			
Investment securities	7,687,021		7,687,021
Loan and advances to members		13,026,631	13,026,631
	<u>7,687,021</u>	<u>13,026,631</u>	<u>20,713,652</u>
As at December 31, 2021			
Financial Assets for which at fair values are disclosed			
Investment securities	7,586,355	-	7,586,355
Loan and advances to members	-	9,690,152	9,690,152
	<u>7,586,355</u>	<u>9,690,152</u>	<u>17,276,507</u>

There were no financial instruments that traded in an active market. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available. If all significant inputs required to fair value an instrument are observable, the instrument is Level 2.

If one or more significant inputs is not based on observable market data, the instrument is included in Level 3.

Mabouya Valley Co-operative Credit Union Society Limited 30

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(h) Fair Values of Financial Assets and Liabilities (Cont'd)

The table below summarises the carrying amounts and fair values of those financial assets and financial liabilities not presented on the Co-operative's statement of financial position at their fair value.

	Carrying amount		Fair value	
	2022 \$	2021 \$	2022 \$	2021 \$
Financial assets				
Loans and advances to members	12,590,699	9,149,164	13,026,631	9,690,152
Investments				
Investment securities	7,145,910	7,095,580	7,687,021	7,586,355

The carrying amounts of all financial liabilities are assumed to approximate their fair values.

(i) Capital Management

The Co-operative's objectives when managing capital are:-

- To comply with the statutory capital requirements of the Co-operative Societies Act of Saint Lucia and enforced by the Financial Services Regulatory Authority (FSRA);
- To safeguard the Co-operative's ability to continue as a going concern so that it can continue to provide returns for members and benefits for other stakeholders;
- To maintain a strong capital base in an effort to maintain members, creditors and other parties' confidence and to sustain future development of the Co-operative and;
- To provide cushion in the event of market instability.

The Board of Directors monitors the return on capital, which is defined as surplus for the year divided by average total assets, and also the level of dividends paid to members. Section 119 of the Co-operative Societies Act Cap 12.06 requires the Co-operative to maintain statutory and other reserves at not less than 10% of its liabilities. As at the year end the minimum reserve requirement was \$2,186,314 (2021 - \$1,837,481). The Co-operative was not in compliance at December 31, 2022.

Mabouya Valley Co-operative Credit Union Society Limited 31

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(i) Capital Management (Cont'd)

Capital adequacy is monitored quarterly using the PEARLS ratios prescribed by the World Council of Credit Unions for determining capital adequacy and which has been adopted by the Financial Services Regulatory Authority (FSRA). PEARLS require that each credit union maintain minimum of 10% total assets as its capital base. As at year end the minimum capital required was \$2,492,048 (2021 - \$2,110,659). The regulatory capital is divided into two levels:-

- Institutional Capital: Share Capital, Retained Earnings, Statutory Reserves: and
- Transitional Capital: Education and Development Fund.

	2022 \$	2021 \$
Institutional capital		
Share capital	1,009,524	933,914
Retained earnings	889,053	465,645
Statutory reserve	1,166,786	1,061,734
Total institutional capital	3,065,363	2,461,293
Transitional capital		
Education fund	24,612	41,029
Development fund	84,095	84,095
Total transitional fund	108,707	125,123
Total regulatory capital	<u>3,174,070</u>	<u>2,586,416</u>

The risk-weighted assets are measured by an estimation of market, credit, interest and other risk associated with each asset and with due consideration to the collateral proffered. In addition, management and Board of Directors monitor movements in asset levels on a monthly basis.

The Co-operative was in compliance with this requirement at year-end.

Mabouya Valley Co-operative Credit Union Society Limited 32

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

5. Critical Accounting Judgements, Estimates and Assumptions

The Co-operative makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment losses on loans and advances

The Co-operative reviews its loan portfolio to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in the statement of income, the Co-operative makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before a decrease can be identified with an individual loan in that portfolio.

(b) Impairment of available-for-sale equity investments

The Co-operative determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Co-operative evaluates among other factors, when there is evidence of deterioration in the financial health of investee industry and sector performance, changes in technology and operational and financial cash flows.

6. Cash

	2022 \$	2021 \$
Cash on hand	431,187	397,206
Cash at bank	4,235,215	4,625,218
	<u>4,666,402</u>	<u>5,022,424</u>

Interest earned on bank balances at an average rate of 0.50% (2020 - 0.50%) per annum. Under section 119 (3) of the Act, the Co-operative is required to maintain a liquidity reserve calculated as 15% of members shares and deposits. As at year end this amounted to \$2,884,302 (2020 - \$2,508,068).

The following bank deposits and investments securities have been identified to meet the requirements of the Act.

	2022 \$	2021 \$
Cash at bank - FNB	4,143,255	4,158,310
Cash at bank - BOSL	91,960	466,908
Capita Financial Services Inc. - Fixed Deposit	1,099,764	1,067,732
Financial Investments & Consultancy Services Ltd. - Fixed Deposit	2,175,496	2,175,496
First Citizens Investment Services Ltd -Government Treasury Bills	3,870,650	3,852,353
	<u>11,381,125</u>	<u>11,720,799</u>

The liquid assets that have been identified by the Co-operative to meet the requirements of the Act amount to \$11,381,125 (2021 - \$11,720,799). As at the year end, the Co-operative met the liquidity reserve requirement.

Mabouya Valley Co-operative Credit Union Society Limited 33

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

7. Investment Securities

	2022 \$	2021 \$
Held to Maturity		
Capita Finance Investment	1,099,764	1,067,732
Financial Investment & Consultancy Services Ltd	2,175,496	2,175,496
British American- Fixed deposit (BAICO)	102,292	102,292
First Citizen's Investments Services Ltd.	3,870,650	3,852,353
	7,248,202	7,197,873
Less: Fixed deposit impairment	(102,292)	(102,292)
Total investment securities	7,145,910	7,095,581

8. Loans and Advances to Members

	2022 \$	2021 \$
Loans and advances to members	12,590,699	9,149,159
Provision for impairment of loans	(976,019)	(869,110)
	11,614,680	8,280,049
Interest receivable on loans	68,602	58,930
	11,683,282	8,338,979

Interest is earned at rates ranging between 9% - 12% (2020: 9%-12%) per annum.

9. Provision for Impairment of Loans

Movement in provision for impairment of loans is as follows:-

	2022 \$	2021 \$
Balance - at beginning of year	869,110	579,005
Written-off during the year	-	-
Provision made during the year	106,909	290,105
Balance - at end of year	976,019	869,110

Mabouya Valley Co-operative Credit Union Society Limited 34

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

9. Provision for Impairment of Loans (Cont'd)

Provision for Loans and advances to members are summarized as follows: -

Year: 2022	Value \$	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Personal loans	1,780,799	49,423	-	27,492	76,915
Mortgages and real estate	5,969,775	314,592	624	125,508	440,724
Vehicle	2,451,641	25,586	-	115,423	141,009
Business	290,254	25,011	-	37,996	63,007
Education	218,309	14,364	-	5,361	19,725
Debt consolidation	1,801,009	129,520	2,419	53,028	184,967
Agriculture	19,205	16,921	-	-	16,921
Refinancing	59,707	1,828	-	30,923	32,751
	12,590,699	577,245	-	395,731	976,019
Allowance for loss	12,590,699	577,245	3,043	395,731	976,019

Year: 2021

Mabouya Valley Co-operative Credit Union Society Limited

Notes to the Financial Statements
For the Year Ended December 31, 2022
(Expressed in Eastern Caribbean Dollars)

11. Property and Equipment

	Furniture and Equipment \$	Computer and Equipment \$	Land \$	Computer Software \$	Leasehold Improvement \$	Total \$
Cost						
At December 31, 2020	78,406	103,290	275,591	25,199	96,325	578,811
Additions	941	-	-	-	-	941
At December 31, 2021	79,347	103,290	275,591	25,199	96,325	579,752
Additions	4,593	11,427	-	-	-	16,020
At December 31, 2022	83,940	114,717	275,591	25,199	96,325	595,772
Accumulated Depreciation						
At December 31, 2020	29,519	76,013	-	13,988	87,159	206,679
Charge for the year (Note 21)	7,340	5,475	-	3,733	1,833	18,381
At December 31, 2021	36,859	81,488	-	17,721	88,992	225,060
Charge for the year (Note 21)	7,120	6,110	-	2,490	1,467	17,187
At December 31, 2022	43,979	87,598	-	20,211	90,459	242,247
Net Book Value						
At December 31, 2022	39,961	27,119	275,591	4,988	5,866	353,525
At December 31, 2021	42,488	21,802	275,591	7,478	7,333	354,692
At December 31, 2020	48,887	27,277	275,591	11,211	9,166	372,132

12. Members' Deposits

	2022 \$	2021 \$
Members' deposits	9,285,669	8,180,157
Members' withdrawable shares	12,463,287	10,259,963
	<u>21,748,956</u>	<u>18,440,120</u>

Interest paid on members' deposits and withdrawable shares were at a rate of 1.0% (2020: nil) per annum.

13. Accounts Payable and Accruals

	2022 \$	2021 \$
Trade payables	17,622	17,622
Rent payable	-	-
Accruals	14,500	-
Other payable	82,059	62,427
	<u>114,181</u>	<u>80,049</u>

14. Members' Shares

Below shows the movement in members' shares for the year: -

	2022		2021	
	Number of Shares	Share capital \$	Number of shares	Share capital \$
Balance - beginning of year	186,782	933,914	172,971	864,857
Net shares purchased	15,122	75,610	13,811	69,057
Balance - end of year	<u>201,904</u>	<u>1,009,524</u>	<u>186,782</u>	<u>933,914</u>

15. Statutory Reserve

The Co-operative maintains a reserve fund pursuant to Section 119 (2) of the Act, in which not less than twenty five percent (25%) of the net surplus before dividends are carried. In addition, all entrance fees, transfer and other fines are carried to this fund.

	2022 \$	2021 \$
Opening balance	1,061,734	1,017,370
Transfer from education and development fund	-	-
	<u>1,017,370</u>	<u>1,017,370</u>
Entrance fee	2,825	2,400
Add: 25% net surplus for the year	102,227	41,964
Closing balance	<u>1,166,786</u>	<u>1,061,734</u>

Mabouya Valley Co-operative Credit Union Society Limited 37

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

16. Education Fund

In accordance with a resolution passed by members, when the society indicates a surplus at least 10% of the surplus will be transferred to the education fund.

	2022 \$	2021 \$
Opening balance	41,029	34,854
Transfer to statutory reserve	-	-
	41,029	34,854
Add: 10% net surplus for the year	40,891	16,786
Less: training	(16,417)	(10,611)
Closing balance	65,503	41,029

17. Development Fund

In accordance with Section 120 of the Act, the society shall establish and maintain a development fund by contributing an amount not exceeding 10% of the society's realized surplus to the National League.

	2022 \$	2021 \$
Opening balance	84,095	67,309
Transfer to statutory reserve	-	-
	84,095	67,309
Add: 10% net surplus for the year	40,891	16,786
Closing balance	124,986	84,095

18. Operating Expenses

	2022 \$	2021 \$
Security expenses	36,119	36,690
License fees	5,812	5,515
Legal fees	5,194	3,700
Stationery and office supplies	42,734	42,280
League dues	-	920
Auditing fees	16,500	18,125
Insurance	8,477	8,477
Scholarship	2,500	3,000
Special events	7,010	4,004
	124,346	122,711

19. Personnel Expenses

	2022 \$	2021 \$
Salaries and wages	241,147	218,755
Staff expenses	10,057	2,894
	251,204	221,649
Average number of employees	9	8

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Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

20. Member Meeting Expenses

	2022 \$	2021 \$
Advertising and promotions	15,362	15,380
Special membership meeting	6,314	-
Donation	4,950	350
AGM expenses	4,823	14,059
	31,449	29,789

21. Occupational expenses

	2022 \$	2021 \$
Utilities	42,120	37,902
Repairs and maintenance	19,902	23,131
Depreciation (Note 11)	17,187	18,382
Rent expense	36,000	36,000
Travelling expense	1,310	756
	116,519	116,171

22. Board and Committee Expenses

	2022 \$	2021 \$
Meeting and other expenses	11,458	13,143

23. Other Income

	2022 \$	2021 \$
Commission and foreign exchange gains	87,947	79,982
Other income	41,611	26,837
Sale of passbooks	3,595	3,235
Recovered loans	21,255	48,079
	154,408	158,133

24. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

In the normal course of business, the Co-operative extends credit to members of the board of directors, credit committee, supervisory committee and members and other key management personnel. These transactions are entered into with related parties on commercial terms and conditions, at market rates.

The following are the loan balances of board of directors, members of the supervisory committee and credit committee and other management personnel.

	Management Personnel \$	Committee Members \$	Board of Directors \$	Total \$
Loans outstanding at January 1, 2022	39,472	-	31,386	70,858
Net issued/(repaid) during the year	105,166	-	417,270	522,436
Loans outstanding at December 31, 2022	144,638	-	448,656	593,294
Loans outstanding at January 1, 2021	58,279	121,511	55,181	234,971
Net issued/(repaid) during the year	(18,807)	(121,511)	(23,795)	(164,113)
Loans outstanding at December 31, 2021	39,472	-	31,386	70,858

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Notes to the Financial Statements

For the Year Ended December 31, 2022

(Expressed in Eastern Caribbean Dollars)

24. Related Party Transactions (Cont'd)

The following are the aggregate of shares and deposits of board of directors, members of the supervisory committee and credit committee and other management personnel.

	Management Personnel \$	Committee Members \$	Board of Directors \$	Total \$
Shares and deposits at January 1, 2022	27,291	2,229	52,516	82,036
Net savings/(withdrawals) during the year	12,904	-	(3,323)	9,581
Shares and deposits at December 31, 2022	40,195	2,229	49,193	91,617
Shares and deposits at January 1, 2021	34,178	93,703	50,751	178,632
Net savings/(withdrawals) during the year	(6,887)	(91,474)	1,765	(96,596)
Shares and deposits at December 31, 2021	27,291	2,229	52,516	82,036

Key Management Compensation

	2022 \$	2021 \$
Salaries and other short-term benefits	116,956	91,756

25. Co-operative Societies Act Compliance Requirements

Liquidity Reserve Requirements. The liquid assets at the year-end comprised:

	2022 \$	2021 \$
Cash	4,666,403	5,022,424
Investment securities	7,145,910	7,095,580
	11,812,313	12,118,004

Total investment securities and cash	11,812,313	12,118,004
Total members savings and deposit	21,748,956	18,440,120

Liquidity ratio	54%	66%
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Statutory Reserve Requirements

	2022 \$	2021 \$
Statutory and other reserves	1,173,266	1,186,857
Total liabilities	21,863,137	18,520,169

Reserve to liability ratio	5%	6%
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Notes to the Financial Statements

For the Year Ended December 31, 2022

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26. Dividends

No dividend was paid for the year (2021: Nil).

27. Subsequent Event

There were no subsequent events that occurred after the financial reporting date and up to the date of the audit report.