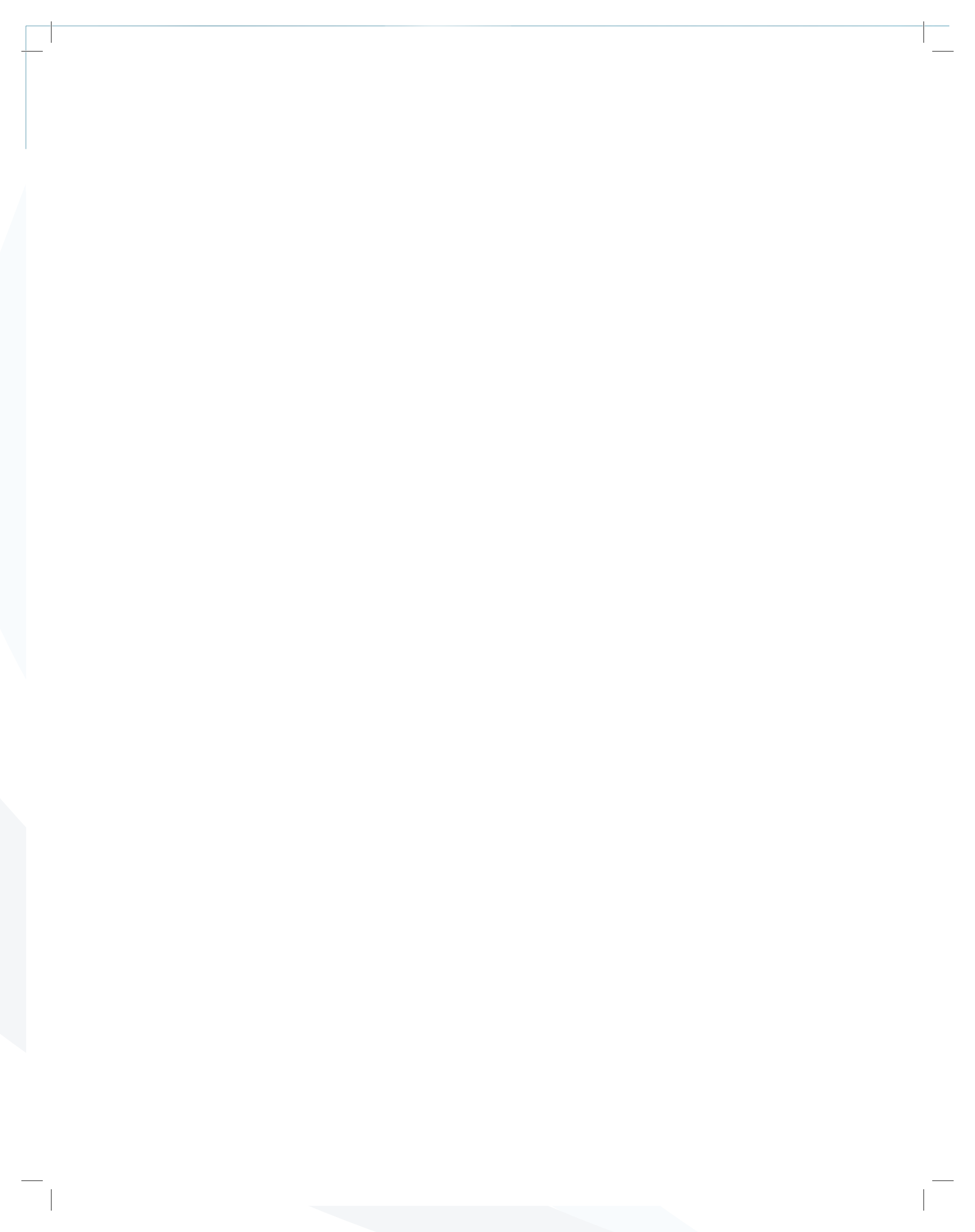




2019
ANNUAL REPORT



VISION

We will be the financial institution of choice in our communities.

MISSION

We are committed to enhancing the quality of life of our members by providing opportunities for financial prosperity through innovative solutions, trusted financial information and excellent service.

All about you... our Members

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.

CONTENTS






Board of Directors & Committees	6
Corporate Information	7
Photo Gallery	8
Member Profile	11
Report of the Board of Directors	13
Financial Review	16
Report of the Credit Committee	22
Report of the Supervisory Committee	23
Independent Auditors' Report	25
Audit Report and Financial Statements	28
NOTES	42

All about you... our Members

BOARD OF DIRECTORS

				
		<p>Left to Right:</p> <p>Noel Nurse Anthony H. Branker, Dip. BDMS, JP Eian W. J. Clarke Nicholas A. Branker, BSc David R. A. Williams, JP Tradaine T. Ifill, BSc Kyle J. Albert</p> <p>President 1st Vice President 2nd Vice President Secretary Assistant Secretary Treasurer Assistant Treasurer</p>		



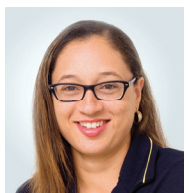

CREDIT COMMITTEE

				
Lecent C. Headley Chair	Diana Greenidge Secretary	Sonia O. Nurse, Officer	Gillian J. Burnham, Officer	Melvin Worrell Officer

SUPERVISORY COMMITTEE

		
<p>Left to Right:</p> <p>Anthony G. Inniss Chairman Kezia Nurse, BSc Secretary Mark N. Harding Officer</p>		

MANAGEMENT TEAM

			
Edmund C. Grimes CPA, CGA, FCA (Barbados) General Manager	Dionne Waterman BSc (Barbados) Accountant	Rachel L. Corbin Member Services Manager	Natasha R. Lashley Marketing Officer

EMPLOYEES

General Manager
Accountant
Member Services Manager
Marketing Officer
Administrative Assistant
Compliance Officer
Member Services Supervisor
Member Services Supervisor
Member Services Supervisor
Accounting Officer
Accounting Officer
Member Services Officer
Member Services Officer- Delinquency
Securities Officer
Accounts Clerk
Member Services Loans Clerk
Member Services Loans Clerk
Member Services Loans Clerk
Member Services Representative
Member Services Representative
Member Services Representative
Member Services Representative

Edmund C. Grimes, CPA, CGA, FCA (Barbados)
Dionne P. Waterman, BSc
Rachel L. Corbin
Natasha R. Lashley
Nandy S. J. Nedd, BBA, MEd
Anita Chandler-Marshall, MICA
Nicole N. Webster
Gale A. Williams
Kim N. Belgrave
Raheem Riviere, BSc
Shurkim Alleyne, BSc
Kyle J. Herbert, BSc
Ann P. Roach
Nichola N. Thomas
Kathy-Ann U. Bascombe, Dip. Theol.
Cherish V. Thorne
Dwayne Trotman, BSc
Sheena S. Freeman
Faith-Marie P. Bryan
Kim Taylor
Subira A. Jelani
Shanika Beckles

AUDITORS

M E Murrell & Co

BANKERS

Republic Bank Barbados
First Citizens Bank Barbados

REGISTERED OFFICE

1st Floor James Fort Building
Corner Hincks and Prince Alfred Streets
Bridgetown, Barbados

SATELLITE OFFICES

Sargeant's Village, Christ Church

Kensington Mall
Fontabelle, St. Michael

ATTORNEYS-AT-LAW

Denaz Law Chambers

Tel. (246) 431-0803/431-0984,
Fax. (246) 431-0006
Website: www.lifetimecu.com
E-mail: info@lifetimecu.com

Tel: (246) 228-5040/228-5043;
Fax. (246) 434-0492
Website: www.lifetimecu.com
E-mail: info@lifetimecu.com

All about you... our Members

ANNUAL GENERAL MEETING



EDUCATION GRANTS AND SCHOLARSHIP



11-PLUS CELEBRATION



HAZEL WEEKES' RETIREMENT



All about you... our Members

HEALTH WALK





Jennifer Lynch

Jennifer Lynch more popularly known as Sue Lynch, played a pivotal role in the establishment of the BS&T Employees' Co-operative Credit Union, now Lifetime Co-operative Credit Union. Sue joined the Barbados Shipping & Trading Co. Ltd in the mid 1980's as the Personnel Officer for the Group. She reported to Sir Clyde Walcott who was the Chief Personnel Officer at the time; and worked closely with Mrs. M. Ann Hewitt, now Ann, Lady Hewitt, who was the Group's Training Manager.

Sue recalls that the idea of a Credit Union came from the senior management team of the BS&T Group. They encouraged the establishment of a credit union for the employees, as they felt there was a need for an institution whereby employees could have an opportunity to save and utilize their own savings for loans. Sue was given the task of researching the legal and operational requirements for starting a co-operative credit union. She began by visiting several local company-associated credit unions to review their operations and by-laws. She also held several meetings with the Registrar of Co-operatives, the regulator at that time. After completing her research, she took on the task of writing the credit union's first By-laws, which on completion, were submitted to the Registrar's department for approval.

The BS&T Employees' Co-operative Credit Union officially started on August 31st, 1989 with an initial membership of 260 persons. As a part of her role as Personnel Officer, Sue was responsible for producing a

quarterly in-house Group newsletter, and this was the medium used to market the Credit Union to employees of the Group.

Reflecting on the early days of the credit union, Sue noted that Sir Douglas Lynch, the then Chairman of BS&T, was very supportive of the formation of the credit union for employees. This was evidenced by the fact that though the credit union was established as a separate entity from the Group of Companies, it operated initially from within the BS&T Head Offices on Hincks Street. Sir Douglas would later provide the credit union with its own space within the building at Hincks Street and with its first computer.

The Credit Union grew rapidly within the first two years of operation, this growth was attributed to the support given to this venture by many employees of the Group; as well as due to the expansion of the group, which would later include the Almond Beach Hotels.

The organization did not start with a Manager responsible for the day to day operations. It comprised of a Board of Management, Credit Committee and a Supervisory Committee. The first Board of Management included: President – Kenneth Branker; Vice President – Eian Clarke; Secretary – Sue Lynch; Assistant Secretary – Richard Marshall and Treasurer – Osmond Grant. Ann, Lady Hewitt chaired the first Credit Committee while Mark Douglas chaired the first Supervisory Committee.

Sue noted that in the early days, while the operational aspects were manageable, there were some challenges with the IT component. The software, specifically designed for credit unions, presented a learning curve for those using it, particularly in the area of data input. This was soon mastered by those tasked with using the programme.

Though Sue spent only five years with the Group, she was confident that the institution that she had assisted in getting "off the ground", would continue to grow and thrive. Her certainty was based on her assessment that the credit union was in the capable and committed hands of a group of enthusiastic persons including – Ann, Lady Hewitt, Osmond Grant, Ken Agard, Mark Douglas and E.W. "Heads" Marshall to name a few. When asked about the changes she has seen in the

All about you... our Members

institution she helped to establish, she noted that the organization today is professionally managed and more structured in terms of its operations, people and skill sets.

Over the years Sue has maintained her credit union membership, and thirty years on, she is still a member. Today, this retired HR professional is a Consultant in Human Resource Management and Organizational Development; and in her spare time, she is learning to play the flute. We thank Sue for her contribution to the establishment of our credit union. She will remain an indelible part of this institution's history.

The year ended March 31, 2019 may be described as the toughest one that our Credit Union has endured from its inception to date. It was marked with the restructuring of our investment instruments with the Government of Barbados, significant loan losses, and an overall contraction of our loan portfolio. These circumstances also presented themselves during a year in which we were committed to higher expenses to grow the Credit Union and were therefore the main contributors to a net loss for the year.

FINANCIAL PERFORMANCE

Total assets grew by \$1.1 million, driven by growth of members' savings by \$1.7 million. Conversely, net loans fell by \$0.5 million, comparing unfavourable with record growth of \$3.2 million in the previous year. With the objective of maximizing investment income, we invested cash inflows and transferred some of our demand deposits to term deposits with higher yields. Cash and cash equivalents were therefore reduced by \$2 million as investments increased by \$3.6 million.

Interest earned on loans was roughly the same as in the previous financial year. However, investment interest fell by a net amount of \$153,000 despite the growth of investments. The effect of the Barbados Economic Recovery and Transformation (BERT) program regarding the restructuring of our Government's debt was the most significant reason for this reduction of earnings. Our resulting forfeiture of interest on Government instruments was \$143,000 for the year under review. Market interest rates continued to fall. Therefore, as our interest-bearing investments matured, most were reinvested at significantly lower rates. Considering the market conditions, your Board took decisions throughout the year to reduce interest rates on all deposit types, while ensuring that our rates remained competitive. With these decisions, interest expense fell by \$130,000 and Net Interest Income fell by \$24,000.

Other Income fell by \$27,000 from the previous year due to lower investment gains and lower dividend earnings. The provision for doubtful loans increased by \$307,000 and other operating expenses increased by \$188,000. Operating expenses increased due to the addition of the new full-services branch office at the Kensington Mall, staffing, security costs, stipends for elected Officers, our information technology network and relocating the Credit Union's Main Office. This combination of factors resulted in a Net Loss of \$415,000, compared to Net Income of \$131,000 in the previous financial year. Despite the disappointing result, the Board and Management maintain their commitment and assurances to members, that is, to ensure that our Credit Union remains stable, while offering the best possible service, savings returns and benefits to members.

LOANS AND DELINQUENCY

Throughout its history, our Credit Union has been cautious in its lending policies to curtail its loan risk; and perhaps more intensely in recent years we are operating in some very problematic and uncertain economic times. Such have become a norm in business, and therefore, our Board and Management will always face the task of considering the difficult circumstances of many of our borrowing members, the ultra-competitive market in which we are operating, and the sensible risks that we can afford to take in our aim to assist members. In this context, we implemented strategies to grow the loan portfolio. We were successful in our attempts to grow non-mortgage loans. However, the mortgage portfolio contracted due to full repayment of some mortgages and foreclosures enforced by the Credit Union. Loan losses were also very substantial as reflected in our Statement of Income. These factors resulted in the contraction of Net Loans by \$443,000.

All about you... our Members

The delinquency ratio worsened from 4.8% to 5.5% as of the end of the financial year. Delinquency continues to result primarily from job-losses, and to a lesser extent from tardy over-the-counter payments. Some members have also been affected by reduced working hours and income. As has been repeated consistently in our Board of Directors Annual Reports, our Management remains committed to working with members who experience genuine difficulty but demonstrate intent to repay their debts. Such commitment has been proven, but the Credit Union will make every effort to recover all outstanding amounts that are due to its members.

GENERAL OPERATIONS

A major achievement during the year was the launch of our new full-services branch at the Kensington Mall on 01 June, 2018. As anticipated, this branch proved to be a major convenience for a significant segment of members, it contributed to membership growth and is well patronized. It has proven worthwhile thus far to open the branch for business each Saturday. All offices of the Credit Union continued to be well patronized, and our online services (Internet and Mobile access) is increasing in use among membership.

We had planned to relocate the Main Office of the Credit Union on finding a suitable and cost-effective location. This had to be expedited during the year, as all tenants were required to vacate the building at our former Cavan Lane location. We are glad to be accommodated by the same landlord in a more pleasing operating environment of the James Fort Building on Hincks Street in Bridgetown.

We have placed great emphasis on our brand awareness and membership growth and are happy to report that net membership increased by a record of two hundred and seventy-three (273) persons, compared to two hundred and twenty-two (222) in the previous year.

During February of 2019, the Credit Union began offering the Western Union money transfer service from its offices at James Fort and the Kensington Mall. This will boost our income and extend services.

CORPORATE GOVERNANCE

Your Board remains committed to the highest standard of governance by being active and informed about every sphere of the Credit Union's business and any developments that may affect it. During the year under review, we convened twenty-two (22) Board meetings, two (2) meetings of the Finance Committee and two (2) joint meetings of the Board and Committees. We maintained commitment to the development of the credit union movement with active representation at the level of the Barbados Co-operative and Credit Union League Ltd., as well as with Co-operators General Insurance Co. Ltd., of which we are shareholders.

We upheld our commitment to continuous learning, integrity, diligence and transparency; and we declare zero tolerance for misconduct of any kind in our business.

A salient consideration of our deliberations is always our members' interests. From this perspective, we have lowered lending rates, increased loan limits, made it easier for members to qualify for loans with enabling repayment terms, launched seasonal loan specials within our risk profile, offered scholarship grants to our junior members and to members' children, hosted the annual Eleven-Plus celebration for students associated with our Credit Union and hosted a Health Walk. Conversely, with falling market interest rates, we have had to lower these rates on members' savings and term deposits.

For the year under review, elected Officers received a stipend as resolved at the Annual General Meeting on June 5, 2018.

FUTURE

Some major challenges are in the forefront of your Board and Management's considerations. The loss of income from the restructuring of our investments in Government of Barbados securities is significant. The short-term yield on these investments has fallen from an average of 6.73% to 1%, which has resulted in loss of income of approximately \$344,000 annually. This comes amidst the background of falling investment yields and limited investment options. To ensure that the Credit Union remains stable and vibrant, our emphasis must remain on: (1) growing income by way of risk-worthy loans to members; (2) managing the spread between interest earned on loans and investments and interest expense on members savings; (3) increasing our active membership; and (4) investing excess cash prudently. It will also be necessary to maintain emphasis on curbing operating expenditure for both the short-term and long-term. These will continue to be our aims while maintaining the best possible service for members. We are confident about our plans and growth prospects. Nonetheless, as promised previously, we will only institute those services that are cost-effective to maintain financial stability. We will avoid risky projects.

We look forward to reaching the Credit Union's 30th Anniversary on August 31st, 2019. It has proven to be a reputable institution and its successive Boards, Committees and Management have always been careful with expenditure and prioritized the interest of members. Therefore, even as we commemorate this impressive achievement, there will be no extravagance. Additionally, we will forego participation at the upcoming Caribbean Confederation of Credit Unions Convention, as done whenever we were faced with uncertain times.

Your Board pledges its consistent diligence in the governance of our institution.

APPRECIATION

On behalf of the Board of Directors, I extend sincere appreciation to our Committees, Management and employees for their service and to our members for their patronage.



Noel M. Nurse
President, Board of Directors
June 5, 2019

All about you... our Members

OVERVIEW

The year under review was a difficult one for the Credit Union. The overall financial performance was adversely affected by a combination of factors including negative loan growth, diminished investment yields and increases in operating expenses, including a sharp increase in the provision for doubtful loans. These factors resulted in a net loss for the year.

FINANCIAL PERFORMANCE

The Credit Union grew by \$1.1 million, or approximately 2%. This was driven by members' savings which increased by \$1.7 million. This evidenced a significant slowdown, compared with growth of \$4.4 million, or 8% achieved in the previous year.

Net loan growth was negative by just short of \$0.5 million, compared to growth of \$3.2 million, or 9% in the previous year. Mortgage loans shrunk by 2.9% as the Credit Union received full payout for some mortgages and it effected foreclosures on delinquent ones. Non-mortgage loans grew by 2.6% to somewhat bolster loan interest income to roughly the same earnings of last year at \$2.9 million.

Our options for investing excess cash is limited by the Co-operative Societies Act and Regulations. Therefore, we regularly rationalize the investments in term deposits and cash equivalents with the aim of increasing yields and interest earnings. However, our best efforts were countered with lower yields as investments matured and were further crushed when the Barbados Economic Recovery and Transformation (BERT) adjustment plan took effect.

Our investments included just over \$6 million of Government of Barbados Treasury Notes and Debentures. Since the year 2012, having observed the trend of defaults among several Regional Governments and the burgeoning Government debt, we restrained from purchasing more of these instruments. This restraint proved to be the right decision considering that under the adjustment plan, the Credit Union's annual yield on Government securities has been reduced from an average rate of 6.73% to 1%. This accounted for a loss of \$143,000 of budgeted income for the latter part of the financial year.

Unrealized investment gains amounted to \$17,353 for the year, compared to \$49,541 for the previous year. Coupled with the dividends received, the return on these investments calculated to 2.7% for the year, compared to 7.4% for the previous year.

Our Credit Union continues to be very liquid as evidenced by its liquidity indicators. Since it has not been our practice to refuse deposits from members, we often resorted to reinvesting incoming cash for longer terms to increase yields and contribute to income.

As total interest income fell by \$154,000 over the year, we were compelled to reduce the rates of interest on all classes of members' savings at various times throughout the year. This resulted in the interest expense reducing by \$130,000, and therefore Net Interest Income reducing by \$24,000.

Operating expenses increased by \$0.5 million. The provision for doubtful loans of \$416,000 was the most significant cause of this increase. The substantial reason for delinquency has been job losses. It is therefore prudent to provide for the unsecured portion of loans in such instances. Given the Credit Union's low tolerance for risk, we have consistently resisted the trend of 100% mortgages over the years. This policy may also have proven wise as the falling property values coupled with foreclosure expenses also resulted in losses on foreclosures. In addition to these circumstances, we have attempted to comply with the latest and stringent requirements for doubtful loans provisioning, as required under the International Financial Reporting Standard (IFRS) 9.

Financial Review

For the year ended 31 March 2019



All about you... our Members

The Credit Union did not add to its staff number during the year but did so towards the end of the last financial year to service the rapid loan growth at that time, as well as to prepare for the Kensington Mall Branch. The increase in employment expenses therefore reflects a full year of operating with a larger staff complement. Other increases in operating expenses resulted from stipends paid to elected Officers, moving expenses, member communications including statements, increases in information technology and telecommunication costs, depreciation of infrastructure and equipment, and rental expenses for the Kensington Mall Office.

These circumstances resulted in the Net Loss of \$415,343 for the year under review.

OUTLOOK FOR 2019–2020

Some extraordinary challenges confront us. We will bear a full year of the Government's debt restructure and therefore a full year of reduced interest earnings from this instrument. Such unprecedented times require our ongoing unprecedented thought and responses. The Board and Management have crafted careful plans to grow the Credit Union and maintain its stability. We are confident about these plans.

Considering the low interest yields on investments, an objective is to grow the loan portfolio with viable loans. As was done with the recently introduced Western Union service, the Credit Union will implement other means of earning income. Management will continue to monitor market interest rates to offer good returns on the various classes of members' savings and as members demand increasingly higher levels of service, expense and risk control must nonetheless remain absolute necessities. The Board has vowed to forego optional expenditures and projects that place the Credit Union at risk.

A handwritten signature in dark ink, appearing to read "T. Ifill".

Tradaine Ifill
Treasurer, Board of Directors
June 12, 2019

All about you... our Members

PEARLS RATIO ANALYSIS

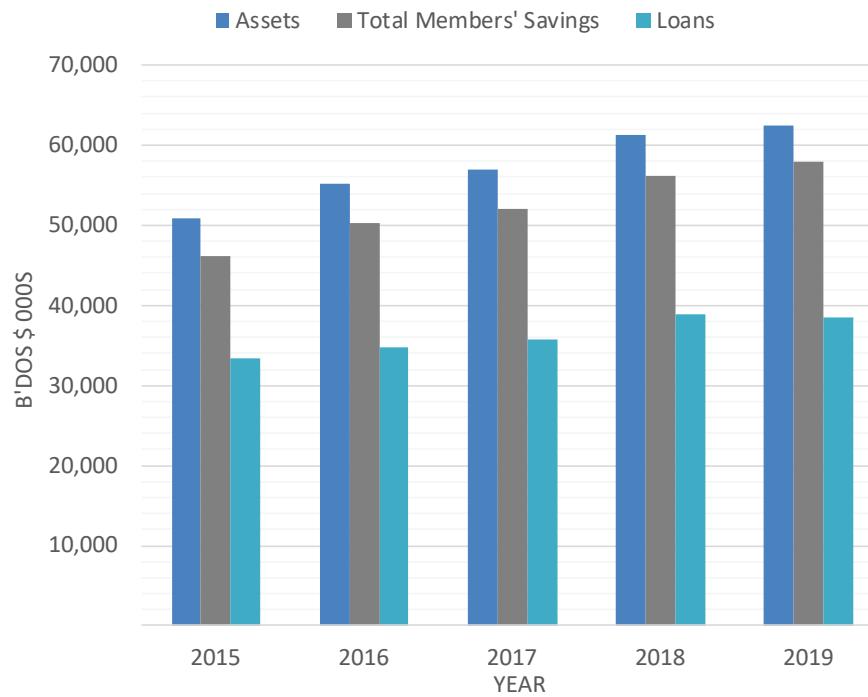
	Period to 31-Mar-19	Period to 31-Mar-18	Benchmark
Protection			
Equity (less shares) : Total assets	6.7%	7.5%	>10%
Earnings			
Return on average assets	1.1%	2.3%	> 1%
Operating expense : Gross income	81.3%	64.1%	< 50%
Asset Quality			
Delinquent loans : Total loans	5.5%	4.8%	< 5%
Rate of Growth			
Savings growth	3.1%	7.9%	10% - 20%
Loan growth	-0.4%	8.7%	8% - 15%
Liquidity			
Loans : Total assets	63.5%	64.9%	70% - 85%
Structure			
Non-earning assets : Total assets	2.5%	3.5%	< 5%
Other Relevant Ratios:			
Return on members' savings	1.2%	2.5%	None
Asset growth	1.8%	7.7%	None
Ave. yield on investments	3.2%	4.3%	None
Ave. yield on loans	7.3%	7.6%	None

5 YEAR FINANCIAL SUMMARY

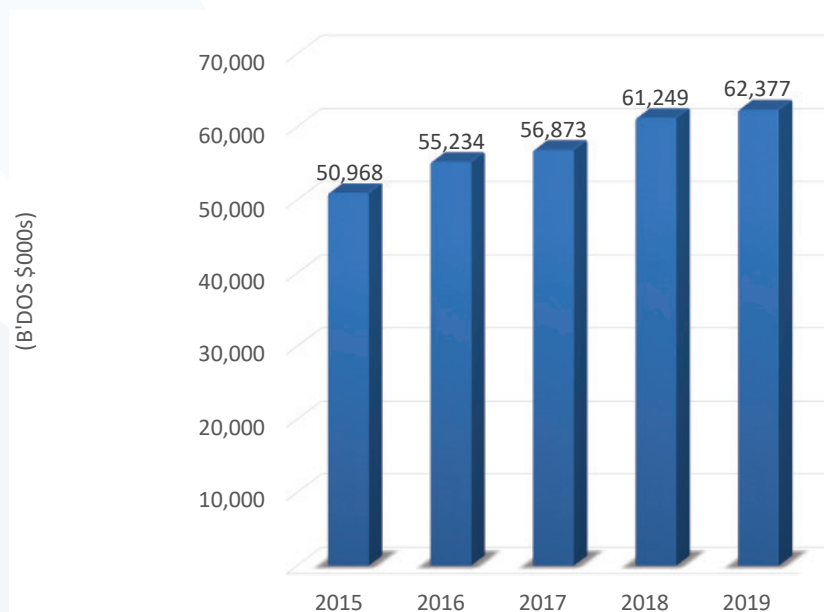
BALANCE SHEET - (\$000s)	2019	2018	2017	2016	2015
Assets					
Loans to Members	38,517	38,960	35,828	34,676	33,306
Investments & deposits	20,328	20,032	19,383	18,364	16,686
Other Assets	3,533	2,257	1,662	2,194	976
	62,377	61,249	56,873	55,234	50,968
Liabilities & Capital Reserves					
Liabilities	58,181	56,639	52,395	51,040	46,958
Reserves	4,261	4,259	3,951	3,666	3,389
Undivided Earnings	-64	351	527	527	621
	62,377	61,249	56,873	55,234	50,968
INCOME STATEMENT					
Income					
Interest - Loans	2,881	2,883	2,982	3,014	2,722
Income - Investments	668	845	910	916	936
Other Income		3	8	6	10
	3,550	3,731	3,899	3,935	3,668
Expenditure					
Administrative & general	2,727	2,265	2,119	2,061	2,004
Interest expense on deposits	988	1,024	1,072	1,060	1,003
Interest/dividend expense on Shares	91	185	314	439	472
Depreciation	158	126	111	87	48
Assets Tax			-	106,202	75,274
	3,965	3,600	3,616	3,753	3,602
Net Income for year	-415	131	284	183	66

All about you... our Members

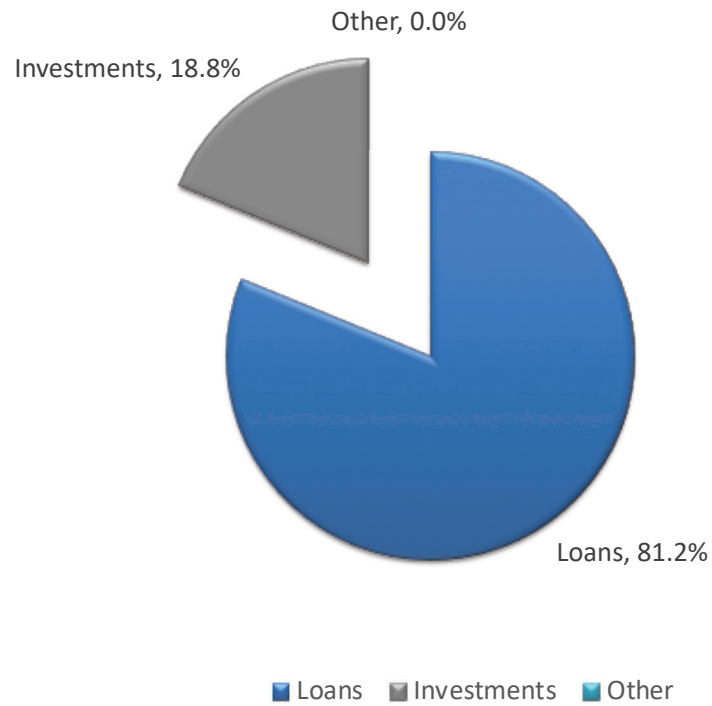
FIVE YEAR GROWTH SUMMARY



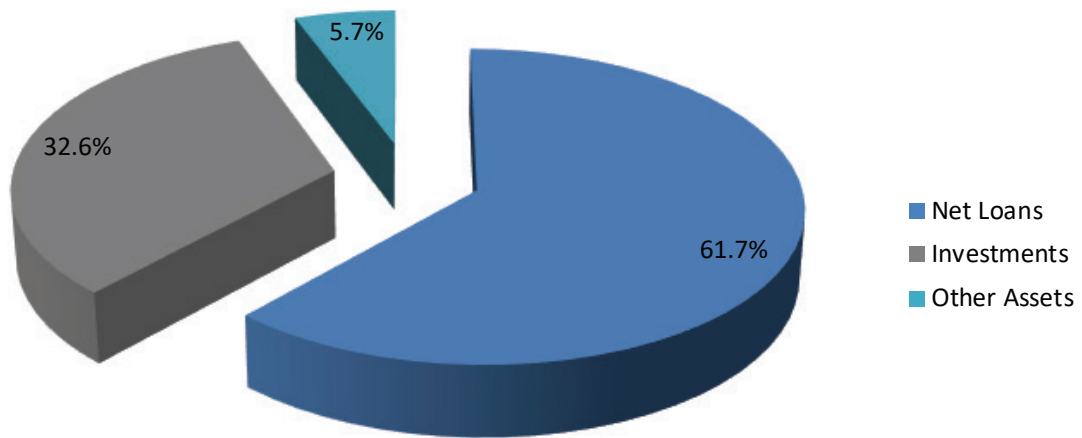
ASSET GROWTH



SOURCES OF INCOME 2019



ASSET DISTRIBUTION 2019



All about you... our Members

SUMMARY OF MEETINGS

The Credit Committee met a total of Seventy-nine (79) times over the preceding year to consider loan applications. This consisted of seventy-two (72) ordinary meetings with regards to loans for general members; and seven (7) meetings of the Extra-Ordinary Credit Committee, in which loans were considered for elected officers and employees of the Credit Union. The Committee attended two (2) joint meetings with the Board, Supervisory Committee and Management to discuss various challenges. The Committee members also attended the annual Anti-Money Laundering training session.

ANALYSIS OF LOAN APPLICATIONS BY THE COMMITTEE

The Committee reviewed 1,152 loan applications, a total of 938 were approved and 214 were denied. The reasons for loan denials were high debt-servicing ratios, inadequate collateral security, investigations revealing a history of non-payment of loans and applicants presenting inaccurate information.

The following table shows the percentage change in loan values approved and denied by the Committee from 2018 to 2019, along with the total number of loans in each year.

Loan approvals	2018/2019	2017/2018	Change in Number	% Change in Number	% Change in Value
Business	7	4	3	75%	-41%
Debt Consolidation	86	79	7	9%	-18%
Real Estate Purchase	16	14	2	14%	-5%
Real Estate Repair	37	65	-28	-43%	-50%
Vacation And Travel	45	68	-23	-34%	-36%
Vehicle Purchase	41	43	-2	-5%	9%
Vehicle Repairs	10	20	-10	-50%	-54%
Other (B.t.s., Christmas, Education, Loc & Medical)	696	786	-90	-11%	-1%
Totals Approved	938	1079	-141	-13%	-7%
Totals Denied	214	134	80	60%	33%
Total Loan Applications Received	1152	1213	-61	-5%	-2%

The table highlights an overall decrease in the number and value of loans reviewed by the Committee. Although the number of loan approvals for business, debt consolidation and real estate purchases increased, the values approved decreased by 64%. This is the second time in the past four years that the Credit Committee reviewed fewer loan applications than in an immediate prior year.

SENTIMENTS

The Committee thanks all members of staff, particularly the loans officers who worked after 4:30 p.m. to accommodate regular meetings every week and on occasions for the Extra-Ordinary meetings.

We would also like to thank the Board of Directors, members of the Supervisory Committee, all other stakeholders and members for expressing confidence in our ability to safeguard members' interests and contribute to the Credit Union's future growth.

Lecent Headley
Chair

Diana Greenidge
Secretary

Gillian Burnham
Member

Melvin Worrell
Member

Sonia Nurse
Member

Report of the Supervisory Committee

For the year ended March 31, 2019



All about you... our Members

INTRODUCTION

The current members of the Supervisory Committee are:

Anthony Inniss – Chairman | Kezia Nurse – Secretary | Mark Harding – Member

MEETINGS

The Committee convened eleven meetings during the year under review.

For the period April to June 2018, attendance was as follows:

MEMBER	TITLE	PRESENT	ABSENT
Anthony Inniss	Chairman	2	0
Kezia Nurse	Secretary	2	0
Roslyn Edghill	Member	1	1

For the period July 2018 to March 2019, attendance was as follows:

MEMBER	TITLE	PRESENT	ABSENT
Anthony Inniss	Chairman	9	0
Kezia Nurse	Secretary	9	0
Mark Harding	Member	9	0

ROLE AND OBJECTIVES OF THE SUPERVISORY COMMITTEE

The main objectives of the Supervisory Committee were to examine the operations of the Credit Union to verify adherence to the Statutory Regulations and Compliance with the relevant By-Laws. To this end, we established the following objectives for the year:

1. Examine documents of the Credit Union
2. Verify securities and other documents
3. Monitor operations
4. Investigate complaints from members
5. Verify the assets of the Credit Union
6. Review policies and procedures to issue recommendations if necessary

INTERNAL AUDITS

The Committee examined bank reconciliation statements, monthly internal financial statements and the statutory reports issued to the Financial Services Commission, which we are required to validate and sign. As usual, we found that such reports were presented on time and in good order.

The Committee reviewed samples of loan applications for members, staff and all elected Officers. This was to test for correct interest rates, terms and that appropriate signatures were affixed. Our examinations revealed that generally; rates, terms and documentation were in order.



All about you... our Members

An audit of fixed assets and fixtures was done shortly after the Main Office was relocated to the James Fort Building; all major items were accounted for.

The Committee participated in joint meetings of the Board of Directors, Committees and Management and our examinations included the review of minutes of Board of Directors meetings. We recognize the genuine effort to govern responsibly, including the review and update of important policies.

The Committee also utilized the services of the internal auditor to conduct unannounced cash and access rights audits. There were no significant discrepancies found.

COMPLAINTS

The Committee received no complaints for the period under review.

TECHNOLOGY

The Committee notes the significant cost of member statements and stationery. As the Credit Unions seeks to gravitate members to its online services, the Committee desires to see all members use these services and furnish the office with their email address so that it can save significantly on member statement and stationery expenses.

DELINQUENCY AND DOUBTFUL LOANS

The economic climate for the fiscal year under review was much more challenging than the prior year. Despite our best efforts to keep our delinquency within the five percent PEARLS benchmark, the delinquency ratio worsened beyond this limit. It is noteworthy that with the introduction of the International Financial Reporting Standard (IFRS) 9, the method of providing for Bad Debt has become more aggressive with this standard.

GENERAL

The Debt Restructuring Program by the Government of Barbados had a significant impact on the Credit Union's performance for 2018-2019. The Committee examined the negative effect that the program will have on our Credit Union for years to come and recognizes that interest income from this investment has been severely depleted. Given this circumstance and the fierce competition in the market for loans, we suggest the management team and the Finance Committee continue in their efforts to come up with strategies to address this situation.

ACKNOWLEDGEMENT

The Committee thanks the Board of Directors, the Credit Committee and our wonderful staff who made it possible for us to carry out our mandate. We look forward to continued cooperation with all parties.

Anthony G. Inniss
Chairman

Kezia Nurse
Secretary

Mark Harding
Member



M. E. Murrell & Co.
Chartered Accountants
Established 1960

"Murrell House"
Country Road
P. O. Box 624C
Bridgetown BB11000
Barbados W.I.

Telephone: (246) 426-3215
(246) 436-6710
(246) 427-0407
Facsimile: (246) 436-0856

E.mail:
murrell1965@gmail.com

INDEPENDENT AUDITORS' QUALIFIED REPORT **To the Members of Lifetime Co-operative Credit Union Ltd.**

Opinion

We have audited the financial statements of **Lifetime Co-operative Credit Union Ltd.** ("the Credit Union") which comprise the statement of financial position as at March 31, 2019, statement of changes in equity, comprehensive income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the possible effects of the matter mentioned in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, except for the possible effects of non-application of IFRS 9, the financial position of the Credit Union as at March 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

The Credit Union has attained a model to comply with the requirements of IFRS 9 but was unable to complete this process as at the date of signing of these financial statements. This model is expected to be fully integrated into operations for income year ended March 31, 2020. As a result these financial statements do not reflect the effects of IFRS 9. However during this year under review, the Credit Union adopted an aggressive approach to determine its loan loss provision which resulted in an increase of \$295,156 over the previous year.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and the Audit Committee for the Financial Statements

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

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. The Audit Committee is responsible for overseeing the Credit Union's financial reporting process.

All about you... our Members

INDEPENDENT AUDITORS' REPORT

To the members of Lifetime Co-operative Credit Union Ltd.
Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 audit'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 date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue.
- 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 the audit.

MEM M. E. Murrell & Co.



All about you... our Members

INDEPENDENT AUDITORS' REPORT
To the members of Lifetime Co-operative Credit Union Ltd.
Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Other Legal and Regulatory Requirements

This report is made solely to the Credit Union's members, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Credit and the Credit Union's members as a body, for our audit work, for this report, or for the qualified opinion we have formed.

CHARTERED ACCOUNTANTS
Barbados
June 14, 2019

 M. E. Munnell & Co.

All about you... our Members

	Note	2019	2018
Assets			
Cash & cash equivalents	6	2,463,143	4,438,095
Accounts receivable & prepayments	7	619,031	746,604
		3,082,174	5,184,699
Net loans to members	8	38,516,966	38,960,177
<i>Investments</i>	9	20,327,740	16,721,462
Plant & equipment	10	450,485	382,761
Total assets		62,377,365	61,249,099
Liabilities and equity			
<i>Liabilities</i>			
Accounts payable & accruals	11	331,754	512,440
Deposits and shares payable	12	57,849,145	56,126,485
		58,180,899	56,638,925
<i>Equity</i>			
Reserves		4,260,858	4,259,213
Undivided earnings		(64,392)	350,961
		4,196,466	4,610,174
Total liabilities & equity		62,377,365	61,249,099

See notes to financial statements.

Approved by the Board of Directors, 14 June 2019, and signed on their behalf by:



President



Treasurer

Statement of Changes in Equity

As of 31 March 2019

(Expressed in Barbados dollars)



All about you... our Members

	Statutory Reserve	Undivided Earnings	Total
Balance – 31 March 2017	3,951,410	526,746	4,478,156
Entrance fees	1,385	-	1,385
Net income for year	-	130,633	130,633
Statutory Reserve allocation	306,418	(306,418)	-
Balance – 31 March 2018	4,259,213	350,961	4,610,174
Entrance fees	1,645	-	1,645
Net loss for year	-	(415,353)	(415,353)
Statutory Reserve allocation	-	-	-
Balance – 31 March 2019	4,260,858	(64,392)	4,196,466

See notes to financial statements.

All about you... our Members

	NOTE	2019	2018
Interest income:			
Loans to members		2,881,395	2,883,192
Cash equivalents		9,064	8,821
Investments		631,856	784,753
<i>Total interest income</i>		<u>3,522,315</u>	<u>3,676,763</u>
Interest expense:			
Regular deposits		264,466	380,888
Term deposits		814,990	828,560
<i>Total interest expense</i>		<u>1,079,456</u>	<u>1,209,448</u>
<i>Net interest income</i>		<u>2,442,859</u>	<u>2,467,318</u>
Other income:			
Dividends		2,850	1,858
Sundry income/fees		24,556	52,314
<i>Net total - other income</i>		<u>27,406</u>	<u>54,172</u>
Operating expenditure:			
Depreciation	10	158,432	126,181
Staff costs		1,177,080	1,089,825
Other operating expenditure		1,550,106	1,174,851
<i>Total operating expenditure</i>		<u>2,885,618</u>	<u>2,390,857</u>
(Loss)/income for the year		<u>(415,353)</u>	<u>130,633</u>

See notes to financial statements.

Statement of Cash Flows

As of 31 March 2019

(Expressed in Barbados dollars)



All about you... our Members

	NOTE	2019	2018
Operating activities			
Net income for the year		(415,353)	130,633
<i>Adjustment for non-cash items:</i>			
Depreciation	10	158,432	126,181
Gain on disposal of asset		(1,036)	(230)
		<u>(257,957)</u>	<u>256,584</u>
<i>Changes in non-cash operating items:</i>			
Accounts receivable & prepayments		127,573	6,622
Accounts payable and accruals		(180,686)	111,192
Deposits and shares payable		1,722,660	4,132,395
Net cash provided by operating activities		<u>1,411,590</u>	<u>4,506,793</u>
Investing activities:			
Net change in:			
Loans to members		443,211	(3,132,107)
Investments		(3,606,278)	495,557
Purchase of plant and equipment	10	(225,120)	(224,008)
Disposal of plant and equipment		-	10,000
Net cash (used by) investing activities		<u>(3,388,187)</u>	<u>(2,850,558)</u>
Financing activities:			
Entrance fee		1,645	1,385
Net cash provided by financing activities		<u>1,645</u>	<u>1,385</u>
Net increase/ (decrease) in cash and cash equivalents		(1,974,952)	1,657,620
Cash and cash equivalents brought forward		4,438,095	2,780,475
Cash and cash equivalents at period end		<u>2,463,143</u>	<u>4,438,095</u>

See notes to financial statements.

All about you... our Members

1. REGISTRATION

LIFETIME CO-OPERATIVE CREDIT UNION LTD. (formerly BS&T Employees Co-operative Credit Union Ltd) was registered on August 01, 1989 in accordance with the Co-operative Societies' Act, Cap 378. The Society was continued on September 02, 1994 under the Co-operative Societies Act 1990. Further to resolution passed at the 2015 Annual General Meeting the change of name to Lifetime Co-operative Credit Union Ltd became effective February 01, 2016. The principal places of business are Corner Hincks & Prince Alfred Streets, Bridgetown, Barbados; Fontabelle, St. Michael, Barbados and Price-Lo Supermarket, Sargeant's Village, Christ Church, Barbados. The average number of employees during the year was twenty-one (prior year - nineteen).

2. PRINCIPAL ACTIVITIES

The principal activities are as follows:

- (a) The provision of means whereby savings can be effected by members and whereby shares in the Credit Union can be purchased;
- (a) The education of members in Co-operative principles and methods and the efficient management of the Credit Union's affairs;
- (b) The creation, out of savings of members and otherwise, of a source of credit available to members on reasonable terms and conditions.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements are stated in Barbados dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(b) Depreciation

Depreciation is provided on plant and equipment on a straight line basis and on the vehicle on a declining balance basis, at rates designed to reduce the cost of assets to their residual value at the end of their useful lives in the business. The annual rates being used are as follows: furniture - 10% and 20%; equipment - 12.5% to 33.33%; vehicle 20%.

(c) Taxation

The Credit Union is not required to pay taxes on its operating surplus under Section 9(g) of the Income Tax Act of Barbados.

Notes to Financial Statements

As of 31 March 2019

(Expressed in Barbados dollars)



All about you... our Members

3. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(d) *Investments*

Investments are initially recorded at cost. For subsequent measurement, investments that are classified as being held to maturity are recorded at cost or amortized cost. Marketable securities are designated as investments at fair value through profit and loss, and as such are recorded at their fair values and any gains or losses are recorded in the Income Statement for the year in which they arise. Available-for-sale assets for which there is no quoted market value in an active market, and for which there is no reliable method of measuring the fair value, are shown at cost subject to adjustment for any impairment of value. Impairment occurs where the estimated recoverable amount of an asset is less than its carrying value. Management makes an assessment as at each Balance Sheet date as to whether any assets are impaired.

(e) *Statutory Reserve*

The greater amount of either 0.5% of assets or twenty-five percent (25%) of surplus is to be transferred to a Reserve account until the capital of the Credit Union equals ten percent (10%) of the total assets of the Society, in accordance with the Co-operative Societies' legislation. Similarly, Entrance Fees are taken to a Reserve Account.

(f) *Education Fund*

A minimum amount of one percent (1%) of net income is appropriated for education in accordance with advice received from the Registrar of Co-operative Societies.

(g) *Bad debt provision*

The bad debt provision is determined after a review of all delinquent loans to identify those loans which are in arrears. Provision is made based on the period of arrears. A provision is also made for unimpaired loans based on the operating history of the Credit Union. The overall provision represents Management's best estimate of the amount which is unlikely to be collected.

(h) *Cash equivalents*

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

All about you... our Members

3. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(i) *New and amended standards and interpretations*

The accounting policies adopted are consistent with those used in the previous financial year. New standards, amendments and interpretations are noted below.

(j) *Standards in issue but not yet adopted*

New standards, interpretations and amendments to existing standards that have not been early adopted by the Credit Union are as follows:

IFRS 9 – FINANCIAL INSTRUMENTS EFFECTIVE JANUARY 01, 2018

In July 2014, the IASB released the final version of the IFRS9 Financial Instruments. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models for debt instruments in IAS 39, Financial Instruments: Recognition and Measurement, with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are recognised at either fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognised in profit or loss in-so-far as they do not clearly represent a return on investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income.

The Expected Credit Loss (ECL) allowance associated with financial assets measured at amortized cost as required by IFRS 9 is not included in these financial statements. The Credit Union has attained a model but will fully comply to this standard in income year ending March 31, 2020. The effect of this has not been determined.

IFRS 16 – LEASES (EFFECTIVE JANUARY 1, 2019)

Adoption of this standard is not expected to have a significant effect on the financial statements of the Credit Union in the period of adoption.

Notes to Financial Statements

As of 31 March 2019

(Expressed in Barbados dollars)



All about you... our Members

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) *Financial instruments*

Financial instruments consist of financial assets and liabilities. Financial assets include cash and bank deposits, accounts receivable, loans receivable and investments. Financial liabilities include accounts payable and accruals, members' deposits and shares.

(b) *Fair Value*

Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is best evidenced by a quoted market value. An estimate, based on assumptions, is made of the fair value of each class of financial instrument for which it is practical to make an estimate. The fair values of the financial instruments are estimated to be not materially different from their carrying values in the financial statements.

(c) *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As part of the risk management process, bank deposits are placed only with reputable banking institutions. Loans limits are established and approved by Management and security is generally required for loans granted. Credit risk on accounts receivable is limited by the provision made for doubtful debts.

(d) *Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. It arises because of the possibility that the entity could be required to pay its liabilities earlier than expected. Management reviews the liquidity position of the credit union periodically to assess the availability of cash resources as compared to the projected cash outflows.

(e) *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk. Interest rate risk is the risk of fluctuations in interest rates. The Credit Union's exposure to market risk on its financial instruments is disclosed in the Notes 6, 8 and 9.

All about you... our Members

5. RELATED PARTIES

- (a) Related parties exist where one party has the ability to control or exercise significant influence over the financial or operating decisions of another party. Transactions with related parties may be entered into in the normal course of business. Any such transactions are undertaken on commercial terms and conditions and are conducted at market rates.
- (b) The Credit Union has a related party relationship with its Directors. As at the Balance Sheet date loans due by Directors totalled \$711,369 (prior year \$689,621). Savings held by directors in the form of shares and deposits totalled \$388,589 (prior year \$449,457).
- (c) Key management personnel remuneration for the year totalled \$382,763 (prior year \$371,610). At the Balance Sheet date loans due by key management personnel totalled \$634,447 (prior year \$440,556). Savings held by key management personnel in the form of shares and deposits totalled \$239,028 (prior year \$236,613).

6. CASH AND CASH EQUIVALENTS

	2019	2018
Current accounts	697,390	1,017,820
Cash	259,905	109,405
Barbados Co-operative Credit Union League Ltd – shares	17,300	17,300
Central Fund Facility Trust:		
- Ordinary Deposit - 2.75% p.a. (prior year 2.75%)	191,368	182,547
- Statutory Reserve Deposits – 3.00% p.a. (prior year 3.00%)	126,712	126,712
Massy (Barbados) Ltd.		
- Demand deposits -2.25% (prior year 3.25%)	252,014	212,880
Capita Financial Services Inc.		
- Call Deposits – 1.75% (prior year 1.75%)	-	1,517,545
Signia Financial Corporation		
- Demand deposits - 1.50% (prior year 1.50%)	918,454	1,253,886
	2,463,143	4,438,095

Notes to Financial Statements

As of 31 March 2019
(Expressed in Barbados dollars)



All about you... our Members

7. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2019	2018
Interest receivable	751,025	811,731
Remote location deposits	41,491	54,224
Sundry accounts	123,815	75,238
Less: bad debts provision	(354,346)	(247,346)
Prepayments	57,046	52,757
	<u>619,031</u>	<u>746,604</u>

8. LOANS TO MEMBERS

	2019	2018
Gross loans	39,610,422	39,758,477
Provision for bad debts	(1,093,456)	(798,300)
Net loans	<u>38,516,966</u>	<u>38,960,177</u>

(a) As at the Balance Sheet date, the maturity profile of loans to members was as follows:

Amount due in	2019	2018
Less than one year	903,419	792,247
One to five years	11,823,298	12,438,117
Over five years	26,883,705	26,528,113
Total	<u>39,610,422</u>	<u>39,758,477</u>

(b) Bad debt provision

	2019	2018
Balance - start of year	798,300	752,700
Increase in principle provision	295,156	45,600
Balance - end of year	<u>1,093,456</u>	<u>798,300</u>

All about you... our Members

9. INVESTMENTS

	2019	2018
(a) Fair value investments – see part (b)	764,809	747,456
<i>Held to maturity</i>		
Massy (Barbados) Ltd.		
- PEARL deposits - 3.25%	1,050,000	1,050,000
Government of Barbados Bond – 1.00%	6,138,532	6,003,655
Barbados Port Authority Bonds	-	26,589
Signia Financial Corporation - deposits 2.25% to 5.00%	3,900,000	3,200,000
CAPITA term-deposits 0.65% to 4.30%	8,365,899	5,585,262
<i>Available-for-sale</i>		
Co-op. Gen. Insurance shares – 1,114 ordinary shares (prior year – 1,103)	108,300	108,300
Barbados Co-operative & Credit Union League - shares	200	200
	<u>20,327,740</u>	<u>16,721,462</u>

(b)

Fair value investments	Number of shares	Cost	Market - start of year	Value –end of year	Unrealized gain
Sagicor Financial	28,500	49,875	60,990	73,815	12,825
Fortress Growth Funds	103,438	437,679	614,794	621,476	6,682
Royal Fidelity Select Balanced Fund	13,192	50,000	71,672	69,518	(2,154)
		<u>539,875</u>	<u>747,456</u>	<u>764,809</u>	<u>17,353</u>

(c) Available-for-sale investments

There is no quoted market price for equity investments in Co-operators General Insurance Co. Ltd., nor in the Barbados Co-operative & Credit Union League Ltd. In such circumstances, the fair values of these equity investments cannot be reliably measured and the investments are carried at cost.

(d) The value of the ordinary shares held in Co-operators General Insurance Co. Ltd was \$311.91 per share as at March 31, 2019 (\$210.00 – 2018), the fiscal year-end date of that company. This valuation is based on the results from engagement of consultants by CGICL to carry out a Fair Value computation of the company's shares. The effect of this revaluation is not reflected in these financial statements.

Notes to Financial Statements

As of 31 March 2019
(Expressed in Barbados dollars)



All about you... our Members

10. PLANT AND EQUIPMENT

	Total	Equipment & Furniture	Vehicle
Period to March 31, 2018			
Net book value - start of year	294,704	284,527	10,177
Purchases	224,008	121,085	102,923
Disposals	(9,770)	-	(9,770)
Depreciation charges	(126,181)	(109,657)	(16,524)
Net book value - end of year	382,761	295,955	86,806
As of March 31, 2018			
Cost	1,181,545	1,078,622	102,923
Accumulated depreciation	(798,784)	(782,667)	(16,117)
Net book value	382,761	295,955	86,806
Period to March 31, 2019			
Net book value - start of year	382,761	295,955	86,806
Purchases	225,120	225,120	-
Disposals	1,036	1,036	-
Depreciation charges	(158,432)	(138,526)	(19,906)
Net book value - end of year	450,485	383,585	66,900
As of March 31, 2019			
Cost	1,353,310	1,250,387	102,923
Accumulated depreciation	(902,825)	(866,802)	(36,023)
Net book value	450,485	383,585	66,900

All about you... our Members

11. ACCOUNTS PAYABLE AND ACCRUALS

	2019	2018
Remote location withdrawals	(126,418)	(75,613)
Dividends on shares	99,834	186,742
Other accounts	358,338	401,311
	<u>331,754</u>	<u>512,440</u>

12. DEPOSITS AND SHARES PAYABLE

	2019	2018
Demand deposits and shares	34,681,081	33,164,412
Term deposits	23,168,064	22,962,073
	<u>57,849,145</u>	<u>56,126,485</u>

- There is no pre-determined rate of interest payable on the demand deposits and shares. The rates are set from time to time by the Board of Directors.
- There is no limit to the number of shares that the Credit Union is authorized to issue. The number of shares held by a member does not determine the member's voting rights since each member is entitled to one vote only at any general meeting.
- The Credit Union does not have an unconditional right to refuse to repay shares in any category when a member so requests. Consequently, shares are classified in the Balance Sheet as Liabilities instead of Equity to satisfy the requirements of IAS32 (International Accounting Standard 32). Accordingly, dividends payable on shares have been charged as an expense in the Statement of Comprehensive Income.
- The Credit Union previously applied to the Registrar of Co-operatives for changes to be made to the By-Laws to create a new class of shares called 'Qualifying Shares', in accordance with the requirements of the Co-operative Societies Amendment Act 2007-39. Each member will be required to maintain a specified number of Qualifying Shares in order to maintain membership. Qualifying Shares are intended to be classified as Equity on the Balance Sheet.

13. CONTINGENCIES

There are some legal matters that were referred to an Attorney-at Law and which have not been completed. There is no certainty as to what cost may be incurred in order to settle these matters.

Schedule of Other Operating Expenses

31 March 2019

(Expressed in Barbados dollars)



All about you... our Members

	2019	2018
Bad debts – change in provision	416,200	109,600
Bank charges	8,974	6,870
Cleaning	17,730	15,106
Courier services	11,905	8,684
Credit checks	5,692	6,579
Credit Union Convention	31,037	34,066
Donations	-	250
Education Fund provision	1,200	2,200
General	17,164	14,927
Insurance	12,080	10,994
League dues	51,155	48,512
Loan Protection & Life Savings Insurance	140,315	196,379
Marketing	98,371	102,559
Meetings	57,910	45,377
Stipends-BOD & Committee Fee	23,530	-
Member statements	46,152	18,445
Moving	14,858	-
National Development Fund	5,713	5,474
Professional fees	59,654	110,357
Rent	113,096	87,759
Repairs & maintenance	17,192	12,293
Security	66,427	31,650
Software costs	38,386	47,216
Stationery, printing and postage	42,978	35,998
SUBSCRIPTIONS	7,322	6,576
Supplies and maintenance - equipment	5,702	5,986
Training and seminars	13,777	27,311
Utilities - electricity	53,891	48,436
Utilities - telephone	24,496	19,565
Vehicle expense and parking	24,385	28,068
WAN & website charges	122,813	87,614
	<u>1,550,106</u>	<u>1,174,850</u>

All about you... our Members

Notes



All about you... our Members



2019
ANNUAL REPORT