

GROWTH & STABILITY





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.

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.

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BOARD OF DIRECTORS & COMMITTEES

BOARD OF DIRECTORS



Left to Right:

Anthony G. Inniss
David R. A. Williams, JP
Eian W. J. Clarke
Dale R. Hunte
Sonia Y. Yearwood
Ronnie R. Mascoll
Kyle J. Albert, MBA

President
1st Vice President
2nd Vice President
Secretary
Assistant Secretary
Treasurer
Assistant Treasurer

CREDIT COMMITTEE



Sonia A. Nurse
Chair



Deborah D. Grainger
Secretary



Stephny M. Ruck
Officer



Wayne A. Springer
Officer



Gurceyne A. Williams
Officer

SUPERVISORY COMMITTEE



Left to Right:

Mary A. Inniss, BA, MA, MSC
Chair

Mark N. Harding
Secretary

Jacqueline Best, BSc
Officer

MANAGEMENT TEAM



Left to Right:

Edmund C. Grimes CPA, CGA, FCA
(Barbados)
General Manager

Dionne P. Waterman, BSc, ACCA
Accountant

Pamela A. Cave-Small, MSc, CPHR
Human Resources & Administrative
Manager

Gale Williams
Business Development Manager

EMPLOYEES

Accountant
Business Development Manager
HR & Administrative Manager
Administrative Assistant
Compliance Officer
Member Services Supervisor
Member Services Supervisor
Member Services Supervisor
Accounting Officer
Accounting Officer
Securities Officer
Member Services Officer - Collections
Member Services Officer
Marketing Assistant
Member Services Clerk
Member Services Clerk
Member Services Clerk
Member Services Clerk
Member Services Representative
Member Services Representative
Member Services Representative

Dionne P. Waterman, BSc, ACCA
Gale A. Williams
Pamela A. Cave-Small, MSc, CPHR
Shon-lyn Callender
Anita Chandler-Marshall, MICA
Nicole N. Webster
Dwayne O. N. Trotman, BSc
Machel King, BSc
Raheem T. Riviere, BSc
Shurkim S. Alleyne, BSc
Nichola N. Wood, BBA
Ann P. Roach
Cherish V. Thorne
Subira A. Jelani
Sheena S. Freeman
Jalisa S. Lokey, BSc
Shanika L. Beckles
Faith-Marie P. Bryan
Kim K. Howell
Kathy-Ann U. Bascombe, Dip. of Theol.
Rommel A. Gilkes, BSc

AUDITORS

M. E. Murrell & Co. Chartered Accountants

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

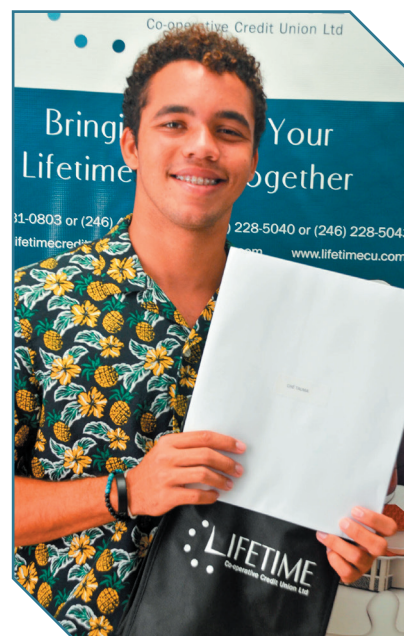
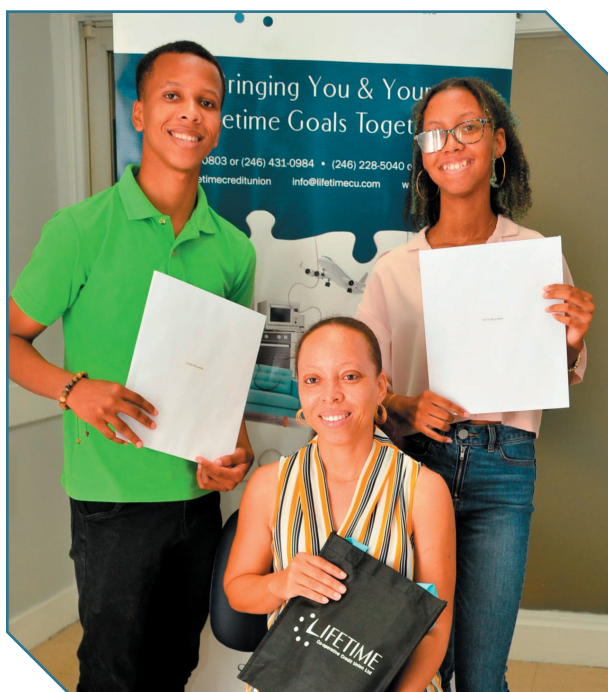
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ANNUAL GENERAL MEETING



EDUCATION GRANTS & SCHOLARSHIPS



AGROFEST 2022



MEMBER PROFILE

Ricardo Blenman

Meet Ricardo Blenman, a Lifetime Credit Union member since 1994 and Director of Voyager (Barbados) Rent-A-Car Inc.

Ricardo's entrepreneurial spirit led to the establishment of Voyager Rent-A-Car in 2004 along with his wife Dawn who is also a longstanding Lifetime Credit Union member. A family owned and run business, which has risen from humble beginnings with just two vehicles; Voyager has become the number one rated car rental service in Barbados. This well deserved rating is testament to a proud tradition of exceptional customer service and industry partnerships.

Over the last decade, Voyager has served a wide range of clients from individuals to small guesthouses, premier villas, hotels, small businesses, and large local and international corporations.

While he has entrusted the day-to-day operations to a competent and committed management and support team, Ricardo dedicates his weekends and some evenings to ensuring that he stays well informed of all aspects of the company's operations. Despite his busy schedule, he is a dedicated husband and father of four who enjoys spending quality time with his family.

Ricardo has been a proud and satisfied member of the Lifetime Credit Union since age 20.

"Lifetime is dependable and a beacon of hope for small businesses. The Credit Union was instrumental in allowing me to give birth to my dream by financing the purchase of one of the first vehicles in the Voyager fleet, and continues to provide financing as the need arises"



VOYAGER
RENT-A-CAR

VISA ACCEPTED MasterCard BHTA BARP DISCOUNTS OFFERED

FROM FUEL EFFICIENT ECONOMY VEHICLES, TO SCOOTERS, SUVs, EV'S, AND LUXURY VEHICLES, WE'RE RATED THE
#1 CAR RENTAL SERVICE IN BARBADOS

Hincks St, B'town
www.voyagerbarbados.com
reservations@voyagerbarbados.com
PBX: 429-0762 / 420-7508

Report of the Board of Directors

For the Financial Year Ended March 31, 2023

Annual Report
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On behalf of the Board of Directors, I am pleased to report that the year ended March 31, 2023, was another highly successful one for our Credit Union. Your Board and Management focused on the tasks of structuring our business for continued relevance to members, growth, and stability.

FINANCIAL PERFORMANCE

Total assets grew by \$2.4 million. This was driven mainly by growth of members' savings by \$1.6 million, compared to growth of only \$0.6 million the prior year. This again signalled the confidence that new and existing members place in our Credit Union. Net loans grew by \$4.7 million, comparing very favourably to growth of \$2.7 million the previous year. As a result, interest earned on loans increased by \$178,000 for the year.

To support the loan growth, we redeemed investments in term deposits, which resulted in less earnings from this revenue source. The effect of redemptions, along with lessening yields from these deposits, was countered by the increase in yield on our investments in Government of Barbados securities. These factors netted to increased earnings from interest-bearing investments by \$29,000.

With market savings rates being low or non-existent in recent years, it has been a clear aim of your successive Boards to pay decent rates of return on our member's savings. We therefore kept the rates of interest for members' regular savings and term deposits at the rates decided in 2019 despite earning diminishing market yields. It is our practice to pay careful attention to interest rate spread. We are pleased to report that with the overall increase in interest earnings from loans and deposits, Net Interest Income improved by \$237,000 over the prior year's value.

The investment property again proved to be a worthwhile investment. Its net operating returns for this year amount to approximately 8% of its original cost and represent a significant part of our profits. Additionally, the property increased in market value over the year, and since accounting standards now require that annual changes in value must be reflected in financial statements, the increased value contributed significantly to our net capital gains for the year. This significantly offset other unrealized losses on investments in shares and mutual funds.

As explained in previous reports, expected credit losses (ECLs) are mandated by International Financial Reporting Standard (IFRS) 9. ECLs include estimates of current and future losses on all loans, whether impaired or in good standing and these estimates are based on historical experiences and consideration of the macroeconomic environment. The Credit Union's ECL model suggested no notable change in expected losses and is therefore unchanged from the estimate of the prior financial year. Apart from the ECL results, we continued to write down the value of all loans that are known to be impaired whilst pursuing delinquents. We are delighted to report that for this year, recoveries from written-down loans of past years were much greater than new write-downs. This also significantly contributed to net earnings.

Your Board and Management has persistently scrutinized the Credit Union's operations to safeguard its long-term stability. This year we absorbed necessary increases in operating expenditure for employment expenses, and depreciation of assets. These factors, along with the revenue increases, combined to net Comprehensive Income of \$753,000 for the year. We consider this an extremely pleasing result.

Report of the Board of Directors *(Continued)*

For the Financial Year Ended March 31, 2023

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LOANS AND COLLECTIONS

Our country's recent economic recovery and reduction of unemployment increased members' optimism about borrowing. With these signs, we adjusted lending policies to grow members' loans, which is the main revenue source for the Credit Union. Such decisions are always taken with the objective of balancing the need to assist members, with the risks of lending. Sluggish or insignificant loan growth in the first half of our financial year has become a noticeable trend for Lifetime for the past three consecutive years. However, we are pleased with the overall loan growth for the year.

Our experience with delinquency throughout this year has been a recurrent wavelike series of small increases and decreases in the ratio, thus requiring constant work in this area, without which delinquency levels would increase. Job losses, and some indiscipline by borrowers, have been the major cause of delinquency. We are, as always, willing to work with members in financial difficulty to arrive at solutions. The Credit Union continues to use progressive recovery methods, ranging from prompt contact and working with members in difficult circumstances through to bailiff collections, repossessions, and the law courts. We will execute firmest recovery methods when it is necessary to protect the interests of the Credit Union. Though we acknowledge that most other credit unions are reporting much higher delinquency ratios, we will not relinquish on diligent collection efforts; this year's result bears evidence of the worth of such measures. We are firmly committed to responsible lending practices aimed at the realistic balance between facilitating viable business, while denying loans to applicants who present elevated risk factors, inadequately high debt-servicing ratios, and a poor track record of servicing debts. We ended the year with an improvement in the delinquency ratio from 7.9% last year to 7.5% this year, which bears testament to the work done to minimize it.

GENERAL OPERATIONS

The Credit Union implemented its new core information technology (IT) system during the last half of the year. This was a most significant project that consumed much time, attention, and resources. With this change, we now have the threshold to roll out new products and services to members. Particularly for card and electronic payment services, it would have been impractical to launch these with the old technology, then to expend capital again shortly after an IT change on which we were working. From an internal business perspective, we already experienced many improvements in functioning. From the member perspective, persons can now transfer funds between their accounts and to other members. Though only some improvements have been felt from the member perspective, you can be assured that our member experience will be more meaningful as we roll out new offers for loans and savings products, and as we launch the long-anticipated card services, which is now expected to be in the second quarter of the new financial year.

From our Special General Meeting (SGM) of February 28th this year, members are also aware that we worked towards a transfer of assets from the St. Leonard's Credit Union. We are happy to report that this project is progressing as members of the St. Leonard's Credit Union voted unanimously in favour of the transfer at their SGM on March 11th, 2023. We will complete the transfer of assets and membership on conclusion of the audit of that credit union's records.

Report of the Board of Directors (Continued)

For the Financial Year Ended March 31, 2023

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Another major area of emphasis was a retroactive due diligence (RDD) project mandated by our Regulators, and which is still ongoing. In keeping with anti-money laundering requirements, we must ensure that our records of member's identifications, proof of address and sources of income, are maintained up to date. We urge full cooperation by all members so that we can maintain the ambitious standards for which Lifetime is known.

Business operations progressed smoothly throughout the year except for utility disruptions that were not within our control. All offices of the Credit Union operated as expected, including operation of the branches at Sargeant Village and Kensington Mall on the Saturdays in December to support the seasonal upsurge in activity.

In keeping with our traditions, we issued the Anthony G. Inniss and M. Ann Hewitt education grants, the Noel M. Nurse scholarship, and the annual Eleven-Plus celebratory gift certificates for students associated with this institution.

Net membership increased by 262 persons during the year, compared to the increase of 228 the previous year. Our membership stood at 6,431 persons at year-end. We maintained our position of being the fourth largest local credit union by member count.

CORPORATE GOVERNANCE

Your Board maintains its commitment to the highest standards of governance. We were active and informed about the Credit Union's business and operating environment. We convened nineteen (19) Board meetings, one (1) meeting of the Finance Committee, four (4) meetings of the Property Management Committee and four (4) joint meetings of the Board and Committees. All but two (2) Board meetings were conducted online.

Your Board and Management maintains a strict policy of monitoring and controlling operating expenses. Salaries were frozen for a third successive year in 2022-2023, except for an interim bonus payment. However, we have committed to increases for the 2023-2024 financial year.

Active representation remains in place 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.

Your Board and Management maintained the constant declaration and attitude of zero tolerance for misconduct of any kind in our business, as well as commitment to continuous learning, integrity, diligence, and transparency. The Board, Elected Officers, Management and Staff engaged at a minimum in annual training as required for AML/CFT compliance, whilst operational and varied business training of Management and Staff was supported and reported to the Board. Most training was again facilitated online.

During the year, Elected Officers continued to receive a stipend as resolved at the Annual General Meeting of July 15th, 2019, based upon the profitability of the Credit Union. The stipend was paid in respect of each quarter as the Credit Union recorded a net income for each quarter of the year.

Report of the Board of Directors *(Continued)*

For the Financial Year Ended March 31, 2023

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OUTLOOK FOR 2023-2024

We are working on both organic growth from our core business activities, as well as inorganic growth by way of transfers of membership and assets to Lifetime. As we pursue growth, we believe that it must be purposeful and sustainable; growth for growth's sake may not turn out to be wise. Instead, growth must bring stability, liquidity, capital adequacy, long-term profitability, and our objective to deliver value to members across the multiple dimensions of financial products and service quality. Growing revenues, membership, loans, and assets without also growing the underlying cost structure exponentially, will be critical to our success. In this regard, I can assure that your Board and Management maintains relentless pursuit of operational efficiencies and a focus on maximizing the value of every dollar spent. We therefore took tough decisions regarding the operating structure of the Credit Union this year, and we are confident that these were in its best long-term interest.

We have worked strategically to secure our Credit Union's future, and during the new fiscal year, Management will continue to seek out strategic partnerships for loan growth and to invest profitably. These partnerships have allowed much of the successes that we achieved this year, and they will continue to yield results if maintained.

We have invested in the technology and skills to advance. The Credit Union will launch its card services and other financial products to preserve its relevance to members. Amidst such plans, it is encouraging that all quarters predict growth for the local economy this year. But we are equally mindful of economic downturns, or only moderate growth, predicted for the US, Canada, and Europe and the lagging negative effect that downturns can have on tourism arrivals and our economy. Thus, we will maintain the conservative policies on long-term and unsecured lending.

We anticipate another progressive and profitable year for the Credit Union, and your Board and Management pledges consistent diligence in the governance of our Credit Union.

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 maintaining their patronage throughout the year.



Anthony G. Inniss
President, Board of Directors
April 17th, 2023

Financial Review

For the Financial Year Ended March 31, 2023

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OVERVIEW

On behalf of the Board of Directors, I am pleased to report on the strong financial performance of our Credit Union for the year under review. I commend the Board, Management and Staff for the efforts that yielded appreciable growth and the financial results achieved.

FINANCIAL PERFORMANCE

Total assets grew by \$2.4 million, equating to 3.5% over the previous year. This was driven by growth of members' savings by \$1.6 million, and the Net Comprehensive Income of \$753,000. Net loan growth was \$4.7 million, calculating to 11.4%, compared to 6% growth of \$2.7 million in the previous year. The growth rate was slower in the first half of the year but accelerated in the latter half. Loan interest income increased by \$178,000, which equates to 6.4% over last year.

We diverted funds from investments to loans, as evidenced by the changes in assets on the Statement of Financial Position. Interest-bearing investments were reduced by \$1.6 million for this purpose. The resulting reduction of interest from redeeming these investments would have amounted to \$53,000. However, this was countered by the increase in yield on Barbados Economic Recovery and Transformation (BERT) Bonds, as we had anticipated. These yielded an additional \$83,000 this year, and therefore, the net effect was that earnings from interest-bearing investments increased by \$29,000 over the previous year.

Interest rates on members' savings were maintained at final rates agreed three years ago. Therefore, the reduction of interest expense by \$29,000 is primarily a reflection of members' maturing term deposits renewed at the most current rates. The increases in loan interest income and investment interest, coupled with the lower interest expense, resulted Net Interest Income increasing by \$237,000 for the year.

Other income was boosted by net rental income of \$341,000. This compared with \$367,000 for the previous financial year. The reduction of net earnings resulted from higher expenses for insurance, property taxes and management fees. The investment property increased in value by \$170,000, which also boosted Net comprehensive Income for the year, while our investment in mutual funds and shares in Sagcor recorded unrealized losses of approximately \$78,000 for the year.

Operating expenses for the core Credit Union business increased by \$279,000. The main increases were depreciation, Education Fund, rents and staffing costs, including the cost of changing the organizational structure. Conversely, total receipts from non-performing loans of prior years, including some larger balances, surpassed the total of more recent impairments. Therefore, we ended the year with a pleasing net position for recoveries less losses of \$182,000.

Expected credit losses (ECLs) are future losses predicted by our ECL model. There was no significant change of the model's result this year and therefore there is no change to the rounded ECL result. This year, as with last year, the portfolio continued to be a higher mix of collateralized loans.

All circumstances considered, the Net Comprehensive Income of \$753,000 is a commendable achievement for the year under review. Additionally, it has been our persistent objective to improve the institutional capital (Equity to Total Assets) ratios towards the benchmark of 10%. These again showed marked improvements this

Financial Review (Continued)

For the Financial Year Ended March 31, 2023

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year. If we exclude the value of Membership Qualifying Shares, and then include it respectively, these ratios improved from 5.5% and 6.0% in 2021, to 6.4% and 6.9% in 2022, and to 7.3% and 7.7% in 2023. This also is a very commendable achievement.

OUTLOOK FOR 2023-2024

Management has been aiming to increase loans again in the new financial year, and we are currently poised to do so. We are confident that our revenue base of loans and investments, along with the strategic initiatives to support loan growth, should continue the course to another profitable year.

The economic environment influences our results, including potential borrowers' confidence, and how we shape our appetite for lending risks. Upturns, downturns, and interest rates influence ECL results, and downturns increase likelihood of delinquency and loan losses. There are some mixed macro-economic signals at present, however. On one hand is confidence that Barbados' economy will grow for the remainder of 2023. Conversely, high inflation prevails for a third consecutive year locally and internationally. At the time of this report, indices showed current inflation rates between 6% to 10% in the US and Europe respectively. I am sharing this only to highlight the reason why we will be cautious in lending and investing. Of relevance are predictions of economic downturns in these economies, and interest rate hikes occurred almost monthly to counter inflation. Interest hikes have the effect of lowering investment values, and we already felt this effect and the effect of other foreign crises directly by this year's unrealized investment losses. Given the situations, loss controls and interest rate management will remain among our primary areas of focus.

Operating expenses will increase with a full year of depreciation for new information technology, and to implement new services, including members payment systems. It will be our aim to implement new services cost-effectively. We therefore expect a sound performance in the 2023-2024 financial year.



Ronnie Mascoll

Treasurer, Board of Directors

April 19, 2023

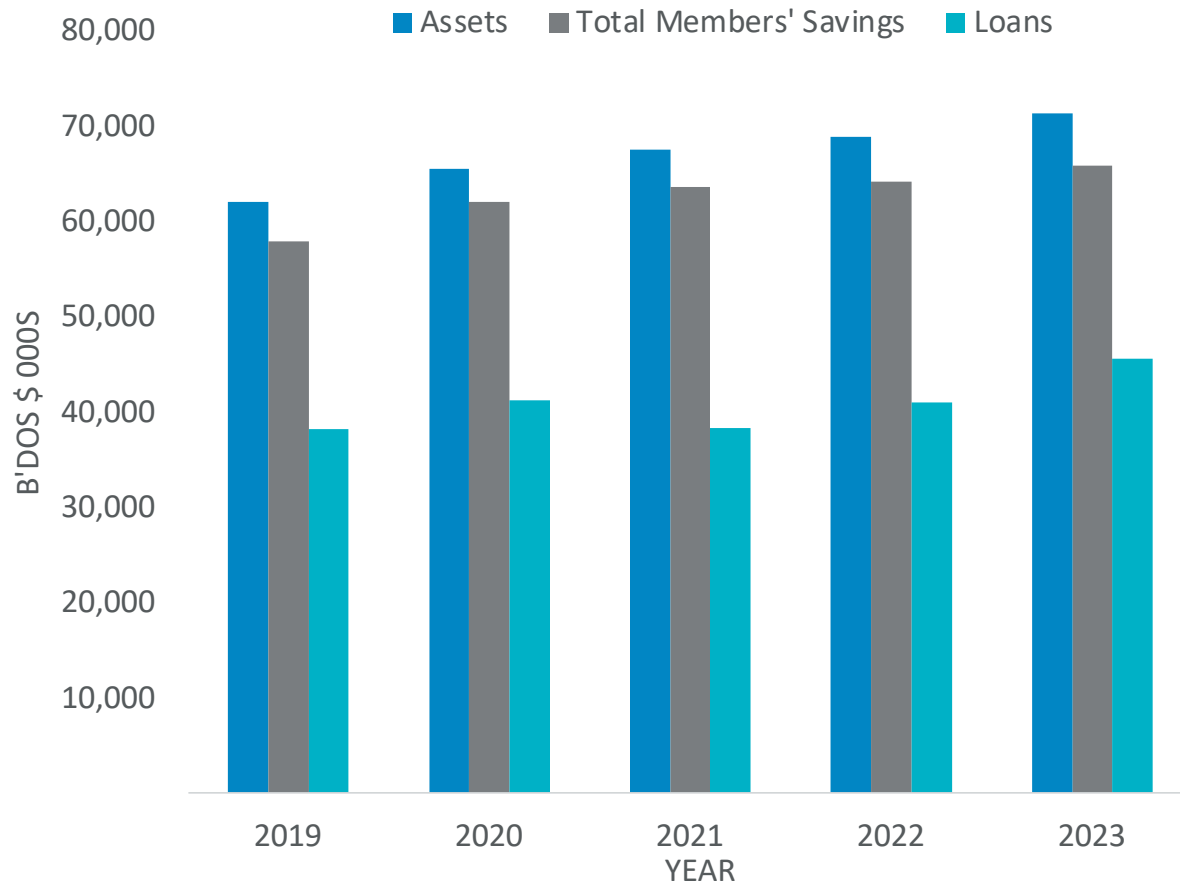
FIVE YEAR FINANCIAL SUMMARY

BALANCE SHEET - (\$000s)	2023	2022	2021	2020	2019
Assets					
Loans to Members	45,619	40,934	38,281	41,162	38,134
Investments & deposits	17,385	21,092	19,246	19,836	20,328
Investment Property	4,600	4,430	4,430		
Other Assets	3,670	2,408	5,585	4,559	3,533
	71,275	68,864	67,542	65,557	61,994
Liabilities & Capital Reserves					
Liabilities	66,107	64,451	63,808	62,145	58,181
Reserves	4,267	4,266	4,264	4,464	4,278
Undivided Earnings	900	148	-531	-1,052	-465
	71,275	68,864	67,542	65,557	61,994
INCOME STATEMENT					
Income	2,962	2,784	2,934	3,183	2,881
Interest - Loans	683	633	734	637	668
Income - Investments	341	369	108		
Other Income					
	3,986	3,786	3,776	3,820	3,550
Expenditure					
Administrative & general	2,525	2,395	2,636	3,162	2,727
Interest expense on deposits	499	526	615	794	988
Interest/dividend expense on Shares	49	52	52	72	91
Depreciation	161	134	152	195	158
Assets Tax			-	-	-
	3,234	3,107	3,456	4,223	3,965
Net Income for year	753	679	320	-403	-415

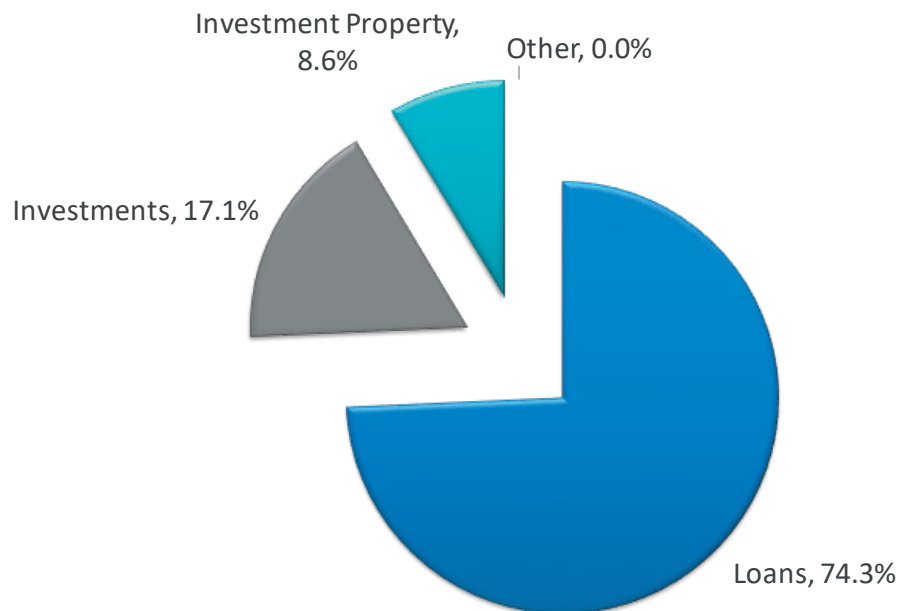
PEARLS RATIO ANALYSIS

	Period to 31-Mar-23	Period to 31-Mar-22	Benchmark
Protection			
Equity (less shares) : Total assets	7.3%	6.4%	>10%
Equity (including qualifying shares) : Total assets	7.7%	6.9%	
Earnings			
Return on average assets	1.9%	1.8%	> 1%
Operating expense : Gross income	70.8%	70.2%	< 50%
Asset Quality			
Delinquent loans : Total loans	7.5%	7.9%	< 5%
Rate of Growth			
Savings growth	2.5%	1.0%	10% - 20%
Loan growth	10.9%	6.9%	8% - 15%
Liquidity			
Loans : Total assets	68.2%	63.7%	70% - 85%
Structure			
Non-earning assets : Total assets	3.8%	1.8%	< 5%

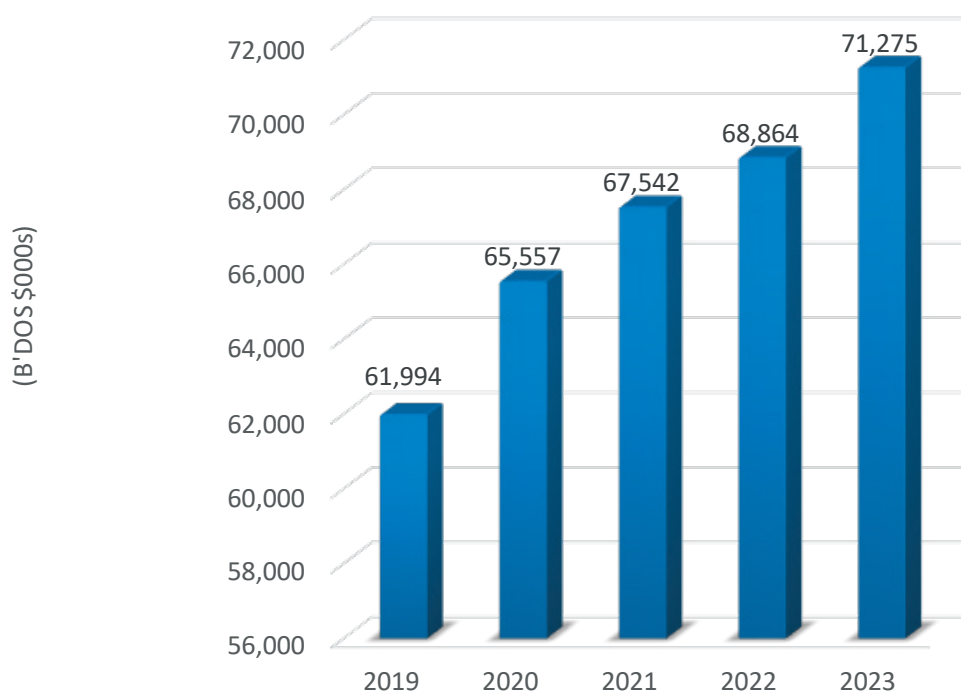
FIVE YEAR GROWTH SUMMARY



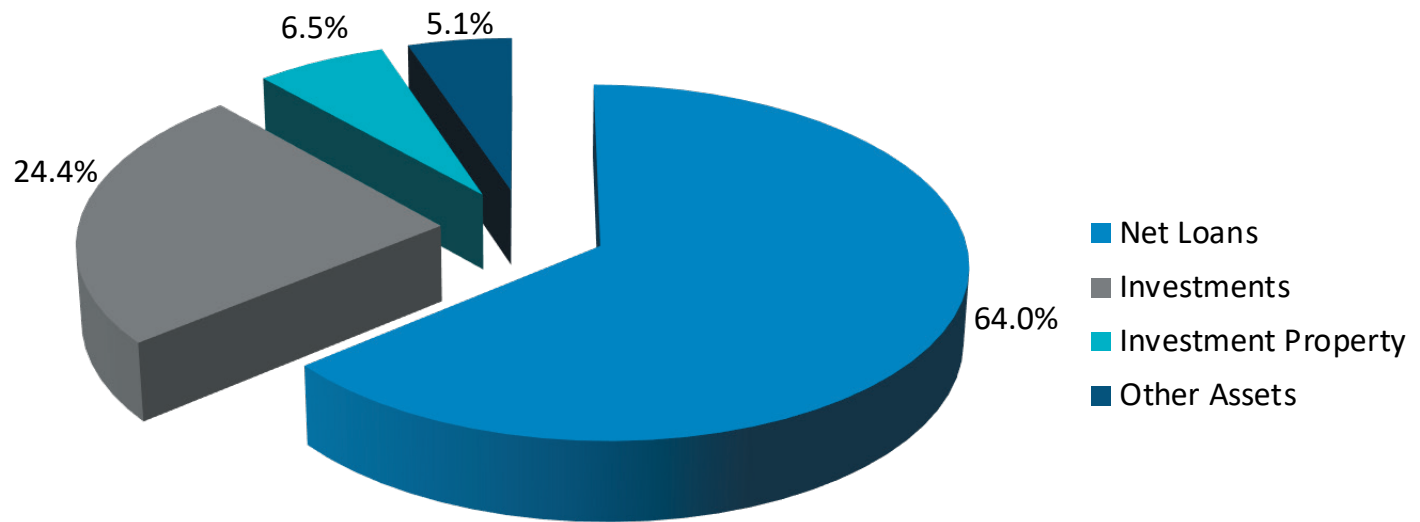
SOURCES OF INCOME 2023



ASSET GROWTH



ASSET DISTRIBUTION 2023



Report of the Credit Committee of the LIFETIME Co-operative Credit Union Limited

for the period April 2022 to March 2023

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Meetings Attended

The Credit Committee met for virtual weekly meetings of which 48 were regular and 9 were Extra-Ordinary. The Committee participated in 4 Joint meetings with the Board of Directors, Supervisory Committee and the Management.

Loan Applications

A total of 334 loan applications, inclusive of 11 restructures were presented for deliberation, of which 222 were approved. Regrettably, 112 of these applications were denied. Reasons varied from high debt-servicing ratios to inadequate or fictitious information from some applicants. Additionally, investigations by lending officers at times revealed a history of non-service of loans or hire purchase contracts with other institutions.

The table below summarizes the cumulative loans approved for the period April 2022-March 2023 compared to April 2021 - March 2022.

Category	No of loans 2021/2022	Approval Values April 2021 to March 2022	Change	No of loans 2022/2023	Approval Values April 2022 to March 2023
Business	1	\$ 8,400.00	2	3	\$ 54,786.41
Debt Consolidation	14	\$ 185,132.38	-13	1	\$ 14,251.92
Real Estate Purchases	12	\$ 2,429,700.00	16	28	\$ 8,273,338.41
Real Estate Repairs	30	\$ 327,430.06	-20	10	\$ 104,267.83
Vacation & Travel	2	\$ 9,264.26	2	4	\$ 20,965.00
Vehicle Purchases	41	\$ 2,037,009.37	2	43	\$ 2,158,346.66
Vehicle Repairs	8	\$ 59,990.00	-7	1	\$ 8,050.00
Other (B.T.S/Christmas/ Education/LOC/ Education & Medical/ Funeral)	340	\$ 2,728,869.74	-208	132	\$ 1,001,209.59
Totals	448	\$ 7,785,795.81	-226	222	\$ 11,635,215.82
Number of loans denied	72			112	
Value of loans denied	\$528,324.38			\$1,513,523.92	

Loan Disbursements

There was an increase in the amount of loan funds disbursed although the number of disbursements was fewer than the previous year. However, denied loans were greater in dollar value compared to the prior year.

The category Real Estate Purchases increased significantly, while the Real Estate Repairs decreased by approximately one-third of the previous year's business. There was one approved Debt Consolidation out of the many that were reviewed by this Committee, and three Business loans, which was a plus for the Credit Union. Additionally, all other loans under "Other" Categories decreased by a substantial amount.

Report of the Credit Committee of the LIFETIME Co-operative Credit Union Limited

for the period April 2022 to March 2023

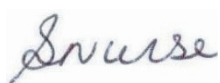
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Sentiments

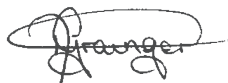
The Committee expresses thanks to all the members of staff particularly the Lending Officers and Member Services Manager, who worked after 4:30 p.m. to accommodate regular meetings every week, and on occasions when Extra-Ordinary Committee meetings were necessary.

At this time, we the Credit Committee would like to thank Ms. Rachel Corbin for her time and dedicated service to the Credit Union, and we wish her continued success in her future goals. We would also like to thank the Board of Directors, Supervisory Committee, Management, and members for having confidence in us, as we aim to safeguard and assist members in the future growth of the Credit Union.



Sonia Nurse

Chairperson



Deborah Grainger

Secretary



Stephny Ruck

Officer



Wayne Springer

Officer



Gurceyne Williams

Officer

REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED MARCH 31, 2023

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Introduction

The Committee Members

Mary Inniss – Chairperson

Mark Harding – Secretary

Jacqueline Best – Member

Are pleased to present our report for the 33rd Annual General Meeting.

The Co-operative Society Act (CSA) Co-operative Societies Regulations and the Financial Services Commission Act 2010-21 have vested significant powers and responsibilities in the Supervisory Committee. Based on the Acts, Regulations and By-laws we underscored that the role of the Supervisory Committee is fundamental to the transparency and accountability of the Credit Union and the safeguard of members' assets.

Section 212 requires the Supervisory Committee to examine the books of the credit union concerning the cash instruments; properties and securities of the Credit Union; confirm the deposits of the members and perform other duties as are prescribed by this Act, the Regulations, and By-laws 73 of the Lifetime Co-operative Credit Union Limited.

Section 216 establishes the operational standards for the Committee, and we met nine (9) times for the period under review to faithfully carry out that mandate.

April 1st 2022- March 31st 2023

MEMBERS	POSITION HELD	PRESENT	ABSENT/APOLOGIES	TOTAL NUMBER OF MEETINGS
Mary Inniss	Chair	9	-	9
Mark Harding	Secretary	9	-	9
Jacqueline Best	Officer	9	-	9

Additionally, we attended four (4) Joint meetings and Five (5) extra ordinary credit committee meetings.

REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED MARCH 31, 2023

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Review Of Operations

- Audits were conducted by us and an external auditor in the specific areas:
- Financial Statements
- Bank reconciliations
- Review of Board of Directors Minutes
- Loan processing of Staff Members, Board of Directors, and Committee Members
- Loan and Mortgage Securities
- Payables
- Cash Accounts
- Delinquency Reports Management
- Compliance re Opening of Accounts
- Compliance re large deposits
- Teller's Audit of all locations
- Tests for the integrity of the functioning of the Computer System
- Investments
- Sign off of Monthly returns for Financial Services Commission (FSC)

The results of the audit have not revealed any misappropriation and major discrepancies however, certain administrative procedural areas were highlighted for improvement.

Risk Management and Compliance

Based on the sample audits which included the review of the Board of Director's minutes, the investment portfolio, and the quarterly financials, it would appear, that the Board of Directors are operating under transparency in their decision making. The responsibility and accountability do not present any non-compliant issues and therefore the overall oversight and controlled mechanisms revealed the tenacity of the Board of Directors to manage the affairs wisely.

Delinquency

Delinquency continues to be a concern to the Supervisory Committee. The proposed delinquency committee has not yet been established. It is still very much on the table as we have presented how it would function and the importance of the functions of this committee to the Board of Directors for review. We have not been able to undertake a proper and deep analysis for feedback in this area as the presentation of the delinquency report has become very cumbersome and challenging to work with. It is promised that there should be some improvement in this area to which the committee eagerly looks forward.

REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR ENDED MARCH 31, 2023

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Members' Complaint

We are happy to report that no complaints reached the Committee for the year under review.

Call to General Membership

To assist your Credit Union in maintaining compliance; in satisfaction of the FSC's endeavour to promote financial stability by combatting Anti Money Laundering- (AML) and Financing of Terrorism (CFT): regarding the strengthening of the operations of Credit Unions and promoting financial stability. We call on you to update your records by presenting the requisite documentation to your customer representative.

Appreciation

The Supervisory Committee expresses thanks to the Board of Directors, the Credit Committee, The General Manager and Staff of the Credit Union for their support during the year under review.

Mary Inniss
Chairperson

Mark Harding
Secretary

Jacqueline Best
Officer



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

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INDEPENDENT AUDITOR'S REPORT

**To the Members of Lifetime Co-operative Credit Union Ltd.
Report on the Audit of the Financial Statements**

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, 2023, statements 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at March 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 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 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. Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

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

Auditor's 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 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. Mis-statements 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 Credit Union'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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activity of the Credit Union to express an opinion on the financial statements.

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.

INDEPENDENT AUDITOR'S REPORT

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

Auditor's 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 the Co-operatives Societies 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 Union's members as a body, for our audit work, for this report, or for the opinion we have formed.



CHARTERED ACCOUNTANTS
Barbados
May 18, 2023

Lifetime Co-Operative Credit Union Ltd
Statement of Financial Position
As of 31 March 2023
(Expressed in Barbados dollars)


Annual Report
2023

	Note	2023	2022
Assets			
Cash & cash equivalents	6	2,128,189	1,688,362
Accounts receivable & prepayments	7	791,864	458,733
		2,920,053	2,147,095
Net loans to members	8	45,618,939	40,934,097
Investments	9	17,385,294	21,092,023
Investment property	9.1.	4,600,000	4,430,000
Plant & equipment	10	750,428	260,756
Total assets		71,274,714	68,863,971
Liabilities and equity			
<i>Liabilities</i>			
Accounts payable & accruals	11	313,835	284,250
Deposits and shares payable	12	65,793,025	64,166,414
		66,106,860	64,450,664
<i>Equity</i>			
Statutory reserves		4,267,493	4,265,528
Undivided surplus		900,361	147,779
		5,167,854	4,413,307
Total liabilities & equity		71,274,714	68,863,971

See notes to financial statements.

Approved by the Board of Directors on May 18, 2023, and signed on their behalf by:


President


Treasurer

Lifetime Co-Operative Credit Union Ltd
Statement of Financial Position
As of 31 March 2023
(Expressed in Barbados dollars)

Annual Report
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	Statutory Reserve	Undivided Surplus	Total
Balance – 31 March 2021	4,264,023	(530,890)	3,733,133
Entrance fees	1,505	-	1,505
Net income for year	<u>-</u>	<u>678,669</u>	<u>678,669</u>
Balance – 31 March 2022	4,265,528	147,779	4,413,307
Entrance fees	1,965	-	1,965
Net income for year	<u>-</u>	<u>752,582</u>	<u>752,582</u>
Balance – 31 March 2023	<u>4,267,493</u>	<u>900,361</u>	<u>5,167,854</u>

Lifetime Co-Operative Credit Union Ltd.
Statement of Comprehensive Income
For the period ended 31 March 2023
(Expressed in Barbados dollars)

Annual Report
2023

	Note	2023	2022
Interest income:			
Loans to members		2,962,064	2,783,863
Cash equivalents		3,176	3,162
Investments		477,100	447,768
<i>Total interest income</i>		<u>3,442,340</u>	<u>3,234,793</u>
Interest expense:			
Regular deposits		110,823	109,327
Term deposits		437,104	468,392
<i>Total interest expense</i>		<u>547,927</u>	<u>577,719</u>
<i>Net interest income</i>		<u>2,894,413</u>	<u>2,657,074</u>
Other income:			
Net rental income		341,499	368,748
Sundry income/fees		75,850	48,568
<i>Net total - other income</i>		<u>417,349</u>	<u>417,316</u>
Add (Less):			
Net change in expected credit loss		182,376	60,058
		<u>182,376</u>	<u>60,058</u>
Operating income		<u>3,494,138</u>	<u>3,134,448</u>
Operating expenditure:			
Depreciation	10	160,760	134,499
Staff costs		1,360,761	1,221,213
Other operating expenditure		1,346,440	1,233,702
<i>Total operating expenditure</i>		<u>2,867,961</u>	<u>2,589,414</u>
Net comprehensive income before:		626,177	545,034
Other comprehensive income			
Fair value gain on investment property and investments in equity instruments designated as FVTOCI		120,510	118,912
Dividend income		5,895	14,723
Comprehensive income		<u>752,582</u>	<u>678,669</u>

Lifetime Co-Operative Credit Union Ltd.
Statement of Cash Flows
For the period ended 31 March 2023
(Expressed in Barbados dollars)

Annual Report
2023

	Note	2023	2022
Operating activities			
Net income for the year		626,177	545,034
<i>Adjustment for non-cash items:</i>			
Unrealised gain		120,510	118,912
Depreciation	10	160,760	134,499
Gain on disposal of asset		-	-
		<u>907,447</u>	<u>798,445</u>
<i>Changes in non-cash operating items:</i>			
Accounts receivable & prepayments		(333,131)	394,849
Accounts payable and accruals		29,585	21,206
Deposits and shares payable		<u>1,626,611</u>	<u>621,041</u>
Net cash provided by operating activities		<u>2,230,512</u>	<u>1,835,541</u>
Investing activities:			
Net change in:			
Loans to members		(4,684,842)	(2,653,338)
Investments		3,706,729	(1,845,946)
Investment property		(170,000)	-
Purchase of plant and equipment	10	<u>(650,432)</u>	<u>(153,533)</u>
Net cash (used by) investing activities		<u>(1,798,545)</u>	<u>(4,652,817)</u>
Financing activities:			
Entrance Fees		1,965	1,505
Increased investment		<u>5,895</u>	<u>14,723</u>
Net cash provided by financing activities		<u>7,860</u>	<u>16,228</u>
Net change in cash and cash equivalents during year		439,827	(2,801,048)
Cash and cash equivalents brought forward		<u>1,688,362</u>	<u>4,489,410</u>
Cash and cash equivalents at period end		<u>2,128,189</u>	<u>1,688,362</u>

See notes to financial statements.



1. Registration and Principal Activity

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 a 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.

2. Principal Activities

The principal activities are as follows:

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

3. Significant Accounting policies

(a) *Basis of preparation*

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.

Impact of COVID-19 The duration and extent of the COVID-19 pandemic and related financial and public health impacts of the pandemic are uncertain. As such, the economic events and conditions in the future may be materially different from those estimated by the Company at the reporting date. No matters have arisen since the end of the financial year which have significantly affected or may affect the operations of the Company. The Company, will continue to closely monitor the situation in order to plan its response, if necessary.

(b) *Depreciation*

Depreciation is provided on plant and equipment and vehicle on a straight-line 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) *Use of estimates and judgments*

The preparation of these financial statements in conformity with IFRS requires management to make judgments and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting years. Actual results may differ from those estimates. Estimates and judgments are continually evaluated and are made based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. The credit union's results, and operations have been and will continue to be impacted by the COVID-19 pandemic and related uncertain macroeconomic environment. The effect of these events and how long they will continue have introduced additional uncertainty around estimates, including a higher degree of uncertainty in determining reasonable and supportable forward-looking information and assessing significant increase in credit risk used in measuring expected credit loss ("ECL").

The most significant uses of estimates and judgments include the following:

(i) Fair value of financial instruments

Where the fair value of financial assets and liabilities cannot be derived from active markets, The Credit Union uses valuation techniques that include inputs derived from either observable market data or management's judgment.

(ii) Impairment losses on financial assets

The measurement of impairment losses under IFRS 9, Financial Instruments ("IFRS 9") requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The credit union's ECL allowance calculations are outputs of complex models with several underlying assumptions.

(d) *Taxation*

The Credit Union is exempt from taxation under Section 9(g) of the Income Tax Act of Barbados.



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.

(f) *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.

(g) *Education Fund*

A minimum amount of one percent (1%) of net income is appropriated for education.

(h) *Cash equivalents*

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

(i) *Adopted Standard*

At the date of authorization of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published. None of these standards or amendments to existing standards have been adopted early by the Credit Union. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Credit Union's financial statements.

3. Significant Accounting policies...continued

(j) Financial instruments

Financial assets and financial liabilities are recognized on the statement of financial position of the Credit Union when it becomes a party to contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities are added or deducted from the fair value of the financial asset as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of the financial asset or liability at fair value through profit loss are recognized immediately in profit or loss.

All regular way purchases or sale of financial assets are recognized or derecognized on a trade date basis.

All recognised financial assets are measured subsequently in their entirety at amortised cost or fair value depending on the classification of the financial asset.

(k) Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held with the business model for which the objective is to hold the financial asset to collect contractual cash flows; and
- The contractual terms of the asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(1) Amortised cost and effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective rate of interest to the gross carrying amount of the financial asset.



3. Significant Accounting policies...continued

(2) Equity instruments designated at FVTOCI

On initial recognition, the Credit Union may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI (fair value through other comprehensive income). Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Society manages together and has evidence of a recent actual pattern of short-term profit taking.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment re-valuation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit and loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Credit Union has designated all investments in equity instruments that are not held for trading as FVTOCI

(1) Measurement and recognition of expected credit losses.

The expected credit loss (ECL) model requires management to make judgments and estimates in a number of areas. Management must exercise significant judgment in determining whether there has been a significant increase in credit risk since initial recognition and in estimating the amount of ECLs. The calculation of ECLs includes the incorporation of forward-looking forecasts of future economic conditions, which requires significant judgment to determine the forward-looking variables that are relevant for each portfolio and the scenarios and probability weights that should be applied. Management also exercises expert credit judgment in determining the amount of ECLs at each reporting date by considering reasonable and supportable information that is not already incorporated in the modeling process. Changes in these inputs, assumptions, models and judgments directly impact the measurement of ECLs.

Measurement of expected credit losses is a function of the probability of default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount as at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Credit Union in accordance with the contract and all cash flows that the Credit Union expects to receive discounted at the original effective interest rate.

The Credit Union recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment in the carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserves and does not reduce the carrying amount of the financial asset in the statement of financial position.

3 Significant Accounting policies...(continued)

m. Impairment of financial assets

In relation to the impairment of financial assets, IFRS9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Credit Union to account for expected credit losses and changes in those credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Society to recognize a loss allowance for expected credit losses on:

1. Debt investments measured subsequently at amortised cost or at FVTOCI; and
2. Trade receivables and contract assets.

In particular, IFRS 9 requires the Credit Union to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on the financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchase or originated credit-impaired financial asset), the Credit Union is required to measure the loss allowance for the initial financial instrument at an amount equal to 12 months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at amount equal to lifetime ECL for trade receivables and contract assets in certain circumstances.

4. Financial risk management

(a) 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.

(b) 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.

(c) 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.

(d) 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.



4. Financial risk management (continued)

(e) *Write-off*

Loans and debt securities are written off when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Credit Union determines that the borrower does not have the assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in impairment losses on financial instruments in the statement of income and statement of comprehensive income. Financial assets that are written off are still subject to enforcement activities in order to comply with the Credit Union's procedures for recovery of amounts due.

5. Related parties

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

6. Cash and cash equivalents

	<u>2023</u>	<u>2022</u>
Current accounts	1,190,276	514,734
Cash	165,619	225,483
Barbados Co-operative Credit Union League Ltd – shares	17,300	17,300
Central Fund Facility Trust:		
- Ordinary Deposit –0.75% p.a. (prior year 0.75%)	207,155	204,041
- Statutory Reserve Deposits – 1.25% p.a. (prior year 1.75%)	126,712	126,712
Massy (Barbados) Ltd.		
- Demand deposits -2.25% (prior year 2.25%)	417,606	374,809
SigniaGlobe Financial Group Inc.		
Demand deposits - 0.5 - 1.00% (prior year 0.5 – 1.00%)	3,521	225,283
	<u>2,128,189</u>	<u>1,688,362</u>

The effect of the adoption of IFRS 9 has been calculated to have an immaterial effect on Cash and Cash Equivalents and hence no ECL is provided for at the end of the year under review.

Lifetime Co-Operative Credit Union Ltd.
Notes to Financial Statements
Year ended 31 March 2023
(Expressed in Barbados dollars)

Annual Report
2023

7. Accounts receivable and prepayments

	2023	2022
Interest receivable	202,175	200,398
Sundry accounts	718,678	404,699
Prepayments	181,826	116,118
	1,102,679	721,215
Less: bad debts provision	(310,815)	(262,482)
	791,864	458,733

8. Loans to members

The Credit Union offers ordinary loans and products to members at rates varying from 3.4% to 16% (2022: 3.4% to 16%) per annum. The maximum loan limit is 10% of the entity's equity base. A line of credit facility is also in place offering members revolving credit up to \$10,000 (2022: \$10,000) at the interest rate of 16% (2022: 16%) per annum. Interest charged by the Credit Union is computed on the reducing balance basis.

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

<i>Amount due in</i>	2023	2022
Less than one year	366,824	565,433
One to five years	10,364,243	17,515,037
Over five years	37,908,820	25,769,465
	48,639,887	43,849,935
Less: Expected credit loss (ECL)	(3,020,948)	(2,915,838)
Total	45,618,939	40,934,097

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8. Loans to members(continued)

**Loans Structure
2023**

	Consumer Loans	Mortgages	Total
Gross loans	24,096,538	24,543,349	48,639,887
Less Expected Credit Loss	(1,753,390)	(1,267,558)	(3,020,948)
	<u>22,343,148</u>	<u>23,275,791</u>	<u>45,618,939</u>

**Loans Structure
2022**

	Consumer Loans	Mortgages	Total
Gross loans	21,326,276	22,523,659	43,849,935
Less Expected Credit Loss	(1,820,826)	(1,095,012)	(2,915,838)
	<u>19,505,450</u>	<u>21,428,647</u>	<u>40,934,097</u>

Expected Credit Loss by stage- 2023

	Stage 1	Stage 2	Stage 3	Total
Consumer	418,466	581,956	752,968	1,753,390
Mortgages	<u>106,325</u>	<u>227,483</u>	<u>933,750</u>	<u>1,267,558</u>
	<u>524,791</u>	<u>809,439</u>	<u>1,686,718</u>	<u>3,020,948</u>

Expected Credit Loss by stage - 2022

	Stage 1	Stage 2	Stage 3	Total
Consumer	250,840	861,905	708,081	1,820,826
Mortgages	<u>90,094</u>	<u>253,728</u>	<u>751,190</u>	<u>1,095,012</u>
	<u>340,934</u>	<u>1,115,633</u>	<u>1,459,271</u>	<u>2,915,838</u>

Residential mortgages are repayable in bi-weekly and monthly blended principal and interest instalments over an agreed term generally not exceeding a period of thirty (30) years. Residential mortgages are mainly secured by residential properties. Commercial loans and personal loans, including line of credit loans, are repayable to the Credit Union in weekly, bi-weekly and monthly blended principal and interest instalments over an agreed term, except for line of credit loans, which are repayable on a revolving credit basis and require minimum monthly payments. All loans, except for mortgage loans, are open and, at the option of the borrower, may be repaid at any time without notice. Types of collateral generally obtained by the Credit Union include, but are not limited to: member's personal property such as vehicles; cash and marketable securities; mortgage charges; fixed, floating or specific general security agreements; and personal guarantees.

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9. Investments

Investments in equity instruments
designated as at FVTOCI

	2023	2022
(a) Fair value investments – see part (b)	1,305,805	1,384,760
<i>Held to maturity</i>		
Massy (Barbados) Ltd.		
- PEARL deposits - 3.25%	1,050,000	1,050,000
Government of Barbados Bonds - see part (d)	5,908,644	6,138,532
Government of Barbados Boss Bonds	600,000	600,000
Signia Financial Group Inc.	3,500,000	5,300,000
CAPITA Financial Services Inc. term-deposits 0.75% to 2.90%	4,583,805	6,213,608
	15,642,449	19,302,140
Less: expected credit loss	(23,889)	(23,889)
	15,618,560	19,278,251
<i>Available-for-sale</i>		
Co-operators General Insurance Co. 1,198 ordinary shares – (2021 - 1,191 ordinary shares) -(c)	460,729	428,812
Barbados Co-operative & Credit Union League Ltd.- shares	200	200
	17,385,294	21,092,023

Fair value investments	Number of shares	Cost	Market -start of year	Value –end of year	Unrealized gain/(loss)
Sagicor Financial Company Limited	28,500	49,875	104,692	96,582	(8,110)
Fortress Growth Funds	103,438	437,679	801,003	738,443	(62,560)
Sagicor Renewable Energy Fund	400,000	400,000	400,000	396,000	(4,000)
Barbados Sustainable Energy Co-op Society	1,000	1,000	1,000	1,000	-
Royal Fidelity Select Balanced Fund	13,192	50,000	78,065	73,780	(4,285)
		938,554	1,384,760	1,305,805	(78,955)

- (c) During income year 2023 the Credit Union adjusted the carrying value of its shares in Co-operators General Insurance Co. Ltd. to reflect the share value resulting from a valuation commissioned by the investee companies. During income year 2023 the Credit Union received 7 shares in lieu of dividends of \$2,450.

Fair value March 31, 2022	Increased Investment during year	Fair value March 31, 2023
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Co-operators General
Insurance Co. Ltd. 1,198 shares

428,812

31,917

460,729

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9. Investments(continued)

- (a) Government of Barbados treasury notes and debentures and series B amortising strips with maturities of 5,6,7,8,9,10,11,12,13,14 and 15 years.

The interest rates are as follows:

Issuance through year 3	1.0%
Year 4	2.5%
Year 5 –maturity	3.75%

Interest will be paid quarterly and the principal of each strip will be repaid in four equal quarterly installments beginning one year prior to the final maturity of the strip.

The allocation of aggregate principal amount among strips are as follows:5-Year:

5- Year:7.49%	11- Year: 9.37%
6- Year: 7.78%	12- Year: 9.72%
7- Year: 8.07%	13- Year: 10.10%
8- Year: 8.38%	14 - Year: 10.48%
9 -Year: 8.70%	15 - Year: 10.88%
10- Year: 9.03%	

9.1 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes. Investment property is initially recorded at cost and subsequently measured at cost less accumulated impairment losses. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in net income.

During the income year 2021 the Credit Union purchased a property for \$4,366,177and benefited from an unrealized gain of \$68,823 that same year, resulting in a valuation of \$4,430,000. In compliance with International Financial Reporting Standards, the Credit Union has adopted the fair value method of reporting for its investment property which determines that the said property should be valued each reporting period. As at year end the Directors have determined a change in the market value of \$4,600,000 resulting in an unrealized gain of \$170,000.

During the current financial year, the Credit Union realized \$341,499 (2022 \$368,748) in net rental income from its investment property.

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10 Plant and equipment

	Total	Equipment & Furniture	Vehicle
Period to March 31, 2023			
Net book value - start of year	260,756	255,611	5,145
Purchases	650,432	650,432	-
Disposals	-	-	-
Depreciation charges	<u>(160,760)</u>	<u>(160,760)</u>	<u>-</u>
Net book value - end of year	<u>750,428</u>	<u>745,283</u>	<u>5,145</u>
As of March 31, 2023			
Cost	2,193,110	2,090,187	102,923
Accumulated depreciation	<u>(1,442,682)</u>	<u>(1,344,904)</u>	<u>(97,778)</u>
Net book value	<u>750,428</u>	<u>745,283</u>	<u>5,145</u>
Period to March 31, 2022			
Net book value - start of year	241,722	215,992	25,730
Purchases	153,533	153,533	-
Disposals	-	-	-
Depreciation charges	<u>(134,499)</u>	<u>(113,914)</u>	<u>(20,585)</u>
Net book value - end of year	<u>260,756</u>	<u>255,611</u>	<u>5,145</u>
As of March 31, 2022			
Cost	1,542,680	1,439,757	102,923
Accumulated depreciation	<u>(1,281,924)</u>	<u>(1,184,146)</u>	<u>(97,778)</u>
Net book value	<u>260,756</u>	<u>255,611</u>	<u>5,145</u>

11. Accounts payable and accruals

	2023	2022
Dividends on shares	53,000	80,312
Other accounts	<u>260,835</u>	<u>203,938</u>
	<u>313,835</u>	<u>284,250</u>

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12. Deposits and shares payable

	<u>2023</u>	<u>2022</u>
Demand deposits and shares	42,179,134	41,173,030
Term deposits	<u>23,613,891</u>	<u>22,993,384</u>
	<u><u>65,793,025</u></u>	<u><u>64,166,414</u></u>

- (a) 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.
- (b) 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.
- (c) The Credit Union does not have an unconditional right to refuse to repay shares in any category when a member so requests. Consequently, non-membership 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 non-membership shares have been charged as an expense in the Statement of Comprehensive Income when applicable.
- (d) The Credit Union previously applied to its regulator 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. Comparative figures

Certain of the comparative figures have been reclassified to comply with this year's financial statements presentation.

14. Going concern

The Credit Union has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The Credit Union is not aware of any material uncertainties that may cause significant doubt regarding the credit union's ability to continue as a going concern. The financial statements have been prepared on a going concern basis.

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	2023	2022
Bank charges	19,971	11,240
Cleaning	31,939	39,989
Courier services	320	605
Credit checks	31,448	22,397
Donations	2,300	7,500
General	25,332	16,520
Education Fund provision	30,000	1,200
Insurance	16,824	21,324
League dues	59,004	57,113
Loan Protection & Life Savings Insurance	67,200	63,900
Marketing	96,795	102,976
Meetings	30,092	27,168
Stipends BOD & Committee Fee	26,400	26,400
National Development Fund	6,300	6,500
Professional fees	176,603	115,934
Regulatory fees	39,554	33,834
Rent	150,240	120,077
Repairs & maintenance	25,564	28,945
Security	136,300	132,617
Software costs	66,801	77,062
Stationery, printing and postage	30,688	24,985
Subscriptions	11,255	10,293
Supplies and maintenance - equipment	8,325	4,397
Training and seminars	10,650	9,473
Utilities - electricity	56,030	47,367
Utilities - telephone	23,005	23,672
Vehicle expense	28,957	20,845
WAN & website charges	138,543	184,369
	1,346,440	1,233,702





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