

GECCU LTD

General Employees Co-operative Credit Union Ltd

44th

Annual General Meeting



Reports and Accounts 2009

Methodist Church Hall, Kingstown

THURSDAY 10TH JUNE 2010

"Educating, Motivating & Activating our Membership"

Credit Union Song

With us there are no barriers, cause we are all
The same the more of us the happier the louder
We'll proclaim that we are owner members our rule is
honesty. We are the Credit Union and the entire world
can see.

Chorus:

Together we give and receive together we help each
other to achieve cause in our world today it's not safe to
be alone. Let make each other's cares to be our own.

We all will be true savers though it be great or small.
We will become shareholders providing loans for all.
So when great need arises there's no uncertainty once in
the Credit Union there's help for you and me.

We pledge to be of service to better our land.
We harbour no prejudice upon this theme we stand.
One man, one vote, for members of high or low degree.
For in the Credit Union there's pure democracy.

Credit Union Prayer

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 pardoning that we are pardoned
And it is in dying that we are born to eternal
life
Bless, O Lord our deliberations and grant that
whatever
We may say and do will have
Thy blessing and guidance through Jesus

Christ our Lord. Amen

National Anthem of St. Vincent and the Grenadines

St. Vincent land so beautiful,
With joyful hearts we pledges to thee
Out loyalty and love, and vow
To keep you ever free.

Refrain:

What e'er the future brings
Our faith will see us through
May peace reign from shore to shore,
And God bless and keep us true.
Hairoun! Our fait and blessed isle
Your mountains high, so clear and green,
Are home to me, though I may stray,
A haven, calm serene.

Our little sister islands are
Those gems, the lovely Grenadines,
Upon their seas and golden sands,
The sunshine ever beams.

Lyrics: Phillis Joyce Mclean Punnet

Music: Joel Bertram Miguel.

**GENERAL EMPLOYEES' CO-OPERATIVE
CREDIT UNION LIMITED**

(GECU LTD)



VISION

To be accepted as the first choice financial institution by our members and the general public.

MISSION

To enhance the quality life of all members by their ownership of a stable and efficient institution offering quality services in keeping with members' needs.

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NOTICE/AGENDA OF THE 44th ANNUAL GENERAL MEETING

Dear Members,

Notice is hereby given that the 44th Annual General Meeting of the General Employees' Co-operative Credit Union Limited is scheduled to take place on Thursday 10th June, 2010 at the Methodist Church Hall, Kingstown at 4:30 p.m.

OPENING SESSION

1. Call to Order – President
2. Prayers
3. National Anthem
4. Silent Tribute
5. Apologies for Absence
6. Welcome – President
7. Greetings – Guest Societies

CLOSED SESSION

1. Ascertainment of Quorum
2. Minutes of the 43rd Annual General Meeting
3. Matters arising from Minutes
4. Reports and Elections
 - (a) Board of Directors
 - (i) Board of Directors' Report
 - (ii) Treasurer's Report
 - (iii) Auditors' Report
 - (iv) Election of Board of Directors
 - (b) Credit Committee
 - (i) Credit Committee's Report
 - (ii) Election of Credit Committee
 - (c) Supervisory Committee
 - (i) Supervisory Committee's Report
 - (ii) Election of Supervisory Committee
 - (d) Education Committee
 - (i) Education Committee's Report
5. Election of Auditors
- ~~6. New Business~~
7. Closing Exercise

Co-operatively yours,

STANDING ORDERS

1. (a) A member to stand when addressing the Chair.
(b) Speeches to be clear and relevant to the subject before the meeting.
2. A member shall only address the meeting when called upon by the Chairman to do so, after which he shall immediately take his seat.
3. No member shall address the meeting except through the Chairman.
4. A member shall not speak on the subject twice except.
 - (a) The Mover of a motion-who has the right to reply.
He rises to object or explain (with the permission of the Chair)
5. The Mover of a Procedural Motion. – (Adjournment lay on the table, Motion to Postpone) to have no right to reply.
6. No speeches to be made after the “Question” has been put and carried or negated.
7. A member rising on a “Point of Order” to state the point clearly and concisely. (A “Point of Order” must have relevance to the “Standing Orders”).
8. (a) member should not “Call” another member” “To Order” but may draw the attention of the Chair to a “Breach of Order”).

(b) In no event shall a member call the Chair to order.
9. A “Question” should not be put to the vote if a member desires to speak on it or move an amendment to it except, that a Procedural Motion, the “Previous Question”
10. “Proceed to the next Business” or the Closure: “That the Question be Now Put”, may be moved at any time.
11. When a motion is withdrawn any amendment to it falls.
12. The Chairman to have the right to a “Casting Vote”.
13. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost”.
14. Provision to be made for protection by the Chairman from vilification (Personal Abuse).

No member shall impute improper motives against another member.



PRESIDENT'S MESSAGE

My Brothers and Sisters, on behalf of the Board of Directors, I take this opportunity (indeed it is a profound pleasure) to welcome you to our 44th Annual General Meeting. The reports to be presented at this meeting will demonstrate that amidst a challenging economic environment, which has also impacted on the socio-cultural climate of our country, GECCU continues to perform well.

Strategically, the Board of Directors continues to ensure that the governance of our Credit Union remains a priority. The turbulent waters of economic uncertainties that we are currently navigating demand strong, dedicated and experienced leadership. Our social responsibility has heightened and our four full-time offices continue to perform well in their service to our members and the wider community. Indeed we continue to be blessed with a highly motivated staff and volunteers. Our investments in the training and development of our people remains a priority and we continue to work closely with the Internal Auditor and Supervisory Committee to constantly improve our internal systems and processes.

Our claim that we “are fortified for the future” has been tested by the impact of the failure of CL Financial on our Credit Union. This has occasioned a large provision from our reserves in keeping with the requirement of the International Accounting Standards (IAS 39). Although the Governments of the OECS have given assurance of a positive redress of this situation, GECCU has, on the advice of our Auditors and the approval of the Registrar of Co-operatives, provided fully for the eroding time value of our investments in these instruments. We have been able to do so comfortably, given the large reserves built up over the years and the extremely strong liquidity position of our Credit Union. We continue to pass the test and indeed so much so that we are still able to announce a payment of a Dividend and Rebate to our members.

While our Credit Union is impacted by these overall conditions, we have been able to achieve significant growth in membership and generally good financial results in key segments of our operations because of our focus on member service, cost-containment, an unrelenting commitment to quality, use of ever-improving systems technology and the maintenance of a robust risk and control culture.

GECCU must continue to lead by good example. We must continue to put people first. We must endeavour

to give our staff and volunteers the necessary tools to prepare them for the future and the inevitable challenges that it will bring. By doing this we will ensure that this great and noble organization not only survives but remains viable and relevant regardless of the circumstances.

I am heartened by GECCU's dedication to education and a strategic, focussed approach to our business. We have and must continue to do so cognisant of the fact that the Credit Union philosophy is good business.

The financial environment poses some real challenges but equally, it presents us with marvellous opportunities. There is no doubt in my mind that we have the human resource base to make lemonade from lemons. We have done so successfully to date and I have no doubt that we will continue to do so.

During the year we would have experienced our share of personal tragedies with the loss of some of our loved ones to that great equaliser, Death. I extend my personal condolences to all concerned but it would be remiss not to especially mention our brother Calvin Nicholls who was a stalwart in this organisation and our sister Michelle Pompey who lost her life in such tragic circumstances. May God bless their souls.

As I demit office as President and retire as member of the Board of Directors, I reflect with pride on the role that GECCU has played in my personal and professional development. It is my hope that I was able to make a worthwhile contribution to this organization and I stand prepared to serve in whatever capacity the membership deems fit.

I extend my heartfelt thanks to my fellow Board members and Volunteers for their support and friendships. The professionalism of the Management and Staff is commendable. To the General Membership who supported and afforded me the distinct privilege to serve this great organization I say thank you.

I wish all of us, a productive 44th Annual General Meeting.

Bro. Kelvin Pompey
PRESIDENT

MINUTES OF THE 43RD ANNUAL GENERAL MEETING OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU), HELD AT THE KINGSTOWN METHODIST CHURCH HALL ON 11TH JUNE 2009 AT 4:30 P.M.

OPEN SESSION

PRESENT:	Bro Kenneth Douglas	-	President
	Bro Kelvin Pompey	-	Vice President
	Bro Claude Cambridge	-	Director
	Bro Philmore Isaacs	-	Director
	Sis Marva Cato-Robinson	-	Secretary
	Bro Aubrey Burgin	-	Treasurer
	Bro Lennox Bowman	-	General Manager

Bro Kelvin Pompey chaired the opening session.

1. CALL TO ORDER

The President called the meeting to order at 4:45 and apologised for the late start of the meeting.

2. PRAYERS

Bro Philmore Isaacs led the meeting in prayer.

3. NATIONAL ANTHEM

The National Anthem was sung and the Credit Union prayer was said by all present.

4. SILENT TRIBUTE

A 1-minute silence was observed for members who died during the year.

5. APOLOGIES FOR ABSENCE

There were no apologies.

6. WELCOME

6.1 The President welcomed all to the meeting. He accentuated that despite the global down turn of the financial market the Board of Directors were committed to ensuring that GECCU remained on track. A commitment was also made to manage in a manner which balanced good financial practices and policies with the individual and collective needs of the membership. He said that GECCU did not deviate from the fundamental principles, spirit and philosophy of Credit Unionism.

6.1.1 Membership growth, improved access to a wider range of services, human resources capacity building, safety and soundness, resilience to disasters and delinquency consumed time and resources. Attention was paid to dormancy, improved technology, growing the Development Fund and strengthening the movement locally and regionally.

6.1.2 He then expressed gratitude to the members for the opportunity given to him to serve for the past 6 years.

7. GREETINGS

- 7.1 The St Vincent Co-operative Credit Union League, SVG Police Co-operative Credit Union Ltd., Kingstown Co-operative Credit Union Ltd., SVUT Teachers Co-operative Credit Union Ltd., Barrouallie Co-operative Credit Union Ltd., Georgetown/Mt Coke Co-operative Credit Union Ltd., West St George School Co-operative, Eastern Caribbean Central Ltd, St Vincent Automotive Co-operative Society Ltd. and Bro Calvin Nicholls O.B.E. congratulated GECCU on its 43rd Annual General Meeting and wished the organization continued success in the future.
- 7.1.1 Bro Cecil Jackson, Registrar of Co-operative apologised for the absence of Hon Michael Browne who was attending the funeral of the late Sis Lorna Debique. He then conveyed on behalf of Minister Browne, commendations for its significant financial performances during 2008.
- 7.1.2 He indicated that the analysis of performances of GECCU's figures indicated a safe and sound financial projection. Members were happy with the financial growth of the organisation.
- 7.1.3 On behalf of the Government of SVG Bro Cecil Jackson expressed the ongoing support of this sector regarding the economic development and expansion of the sector.
- 7.1.4 He observed that despite the global financial challenges, GECCU continued to provide varied and complex services to its membership across the country. He commended GECCU for the continued support given to the schools' co-operatives programme.

CLOSED SESSION – Chaired by Bro Kenneth Douglas

1. ASCERTAINMENT OF QUORUM

- 1.1 A quorum was established as there were 227 members present.
- 1.2 Permission was granted to accommodate Bro Calvin Nicholls to make a presentation after the elections.

2.0 MINUTES OF THE 42ND ANNUAL GENERAL MEETING

- 2.1 The minutes of 27th May 2008 having been circulated before were taken as read.

2.2 Amendments

- There were no amendments to the minutes. Upon a motion moved by Bro Philbert John, seconded by Bro Gary Matthias the minutes were accepted.

3.0 MATTERS ARISING FROM MINUTES

- 3.1 There were no matters arising from the minutes.

4.0 REPORTS AND ELECTIONS

4.1 BOARD OF DIRECTORS

4.1.2 Corrections:

- Page 16: 3.3 Table 1: Summary of Attendance of Board of Directors the Grand Total column was incorrectly calculated and was adjusted accordingly.
- Page 22 Table 5 was corrected to read 2004 – 2008 and not 2003 – 2008.

4.1.3 BOARD OF DIRECTORS' REPORT

The President, Bro Kenny Douglas, in his presentation highlighted the following:

- Bro Elliott Burgin, Director resigned in June 2008 and has since migrated to the United Kingdom.
- 2008 saw a record growth of 3,338 new members with 78% being under the age of 40 years, 60% of the new members were under age 30.
- During 2008 1,490 dormant members were reactivated at a value of EC\$257,581.35.
- An appeal was made to delinquent members to honour their financial commitments. Stringent measure will be put in place to curb delinquency.
- A branch was opened in Georgetown with 5 staff members headed by Bro. Baldwin Johnney. Approximately 800 members have since been registered.
- The Board of Directors proposed to pay a dividend of 3.5% and a rebate of 1% for 2008.
- The 7 scholarship winners for 2008 were congratulated on their outstanding performances.
- Commendations were given to Bro Keon Findlay, employee of the year 2008 for his exemplary performance during the year.

4.1.4 The discussions ensued:-

- The Board of Directors, management and staff were congratulated for the continued support given to the strengthening and development of GECCU.
- With reference to page 20: 4.1.6.1 it was suggested to quantify the financial and human resource assistance given to the sister Credit Unions and non financial cooperatives' locally and regionally.
- In response to a question reference to page 21 no 4.1.7.7 Bro Michael Dasilva said that the 6 persons who did not qualify to receive assistance from the Social Development Fund as they were not members of GECCU. A booklet with the criteria of the fund was available at all GECCU's offices.
- The Accountant, Sis. Maxine Johnney explained that the Effective Financial Structure was prepared in keeping with the PEARLS-M Monitoring Standard. It meant that the credit unions should have assets placed in the most productive area. For example loans portfolio was considered the most productive assets as it earned interest at 12% in comparison with other assets. The goal should be a maximum of 10%. More should be invested in loans and not financial assets.
- It was suggested that the standards of Pearls ratio should be kept.
- Mr Floyd Patterson, Auditor explained that the Central Bank established similar guidelines for the commercial banks within the OECS regarding over liquidity in the financial sector. The rate of interest for borrowing had increased which influenced liquidity. This affected the entire financial sector including the commercial banks.

- Bro Cecil Ryan expressed concern with the increased rate of delinquency and suggested that GECCU invest more to the benefit of members.
- Bro Philbert John apologized to the President for his comment.
- It was established that more loans were disbursed in 2008 than in 2007.
- It was suggested that strategies be developed to increase membership and more loans should be given to develop small businesses.
- Bro Philmore Isaacs referred to the current membership and said that enough members do not engage GECCU. Members were afraid to borrow money because of the economic times. He looked forward to the growth of the loan portfolio for 2009/2010.
- With reference to page 25 6.0 no. iv it was recommended that a breakdown of bursaries be done. The number of persons awarded and the amounts.
- It was suggested that each year an amount of money should be withdrawn from members towards a scholarship fund.
- Bro Philbert John commended the recognised staff for the significantly improved customer service.
- It was noted that the designations “General Manager” and “Chief Executive Officer” were used in the Report and it was suggested for consistency that one should be used.
- Bro Cecil `Pa’ Jack referred to the increased young membership and suggested that a university scholarship be given yearly to a member.
- It was suggested that greater efforts should be made to contact dormant members both local and overseas.
- In his response the Chairman said that it was a challenge to get contact information for dormant members and efforts were being made to reduce dormancy. It was planned to use the Vincynhome Coming activity to make contacts.
- Bro Aubrey Burgin reported that assigned staff members were working diligently to reduce dormancy and delinquency and would appreciate if members had contact information for dormant members to share with the Organisation.
- Bro Philbert John referred to the page 30 paragraph 6.0 *Future Directions and Strategies* and suggested to add `elderly’ to paragraph 6.2 the sentence will now read: Central to its efforts will be an unrelenting focus on youth and the elderly. The organisation’s social mandate be included to address the needs of the older members.
- It was also suggested that medical services to its elderly members should be considered.

4.1.5 On a motion moved by Bro Cecil Ryan seconded by Bro Joel Poyer the Board of Directors’ Report was accepted.

4.2 TREASURER’S REPORT

4.2.1 The Treasurer, Bro Aubrey Burgin presented the Treasurer's Report for the year ended 31st December 2008 and highlighted:

- Total assets increased by 13%
- Loans increased by 10%
- During the year, despite the challenges of finding high yield and safe opportunities to invest, excess liquidity Investment securities increased by 22%.

4.2.2 AUDITORS' REPORT

- In response to the question regarding the implications for not having a qualified report in keeping with the International Accounting Standards No. 32, Mr Floyd Patterson, the Auditor explained that the issue for qualification of IAS no 32 was currently being dealt with by the League putting in place required legal structures to create a permanent capital.
- In the past, 2 basic types of items appeared on the balance sheet on the liability side (liability and equity) and there were various types of equity instruments which were understood as equity and not debt. With the advent of a number of company aided financial instruments floated around the world, the line between a liability and equity became unclear. The economic substance was looked at rather than the legal structure as to how it should be reported. For example, in the past preference shares, which were shares issued with certain rights and priorities over ordinary shares were regularly and ordinarily considered to be equity. If these shares had certain characteristics the holder of those shares had the right or the option to call for the redemption of those shares and therefore forced the issuing entity to redeem or re purchase those shares.
- The economic substance of the instrument was not equity instrument but instead they had characteristics of debt and therefore should be considered debt rather than equity. The right of redemption was vested in the members and not the board of directors. Therefore a member can at any time force the directors and management to refund shares. Economic substances rule over legal structure and therefore they are required to be classified as liability rather than equity.
- Mr Patterson further explained the paragraph headed **Reservation** on page 39. In auditing there were 2 types of audit reports called the cleaned audit report referred to as an unqualified audit report and if there was an issue it was referred to as the qualified report and the issue was stated as Reservation. If the issue was severe then it was reported as a denial of an opinion or an adverse opinion.
- This alerted the reader to be aware of the existence that these shares could be redeemed at any time by the holder of these shares. It did not affect the financial position of the entity.
- A special meeting will be called soon to deal with the issue of the permanent shares.
- With reference to pages 56 and 57 note 8 regarding the status of the investments at CLICO and British American that matured during 2008 and 2009, the Accountant, Sis. Maxine Johnney reported that:
 - ✓ CLICO's investment matured on January 27, 2009 for \$1,259,712 was collected.
 - ✓ British American investments which matured to date had not been collected but communication was on going with the General Manager and gave the assurance the money will be returned. She then appealed to members to be positive.

- Members expressed concern that the investments which matured were not yet paid out by British American.
- Bro. Burgin in response to the strategy for future investments said that funds were now invested in commercial banks.
- In reference to note 24, Bro Floyd Patterson, the Auditor explained that given the current situation with CL Financial Limited, that the note highlighted the uncertainty about meeting obligations. Should a loss be realised in the future that loss will be recognised as impairment on those securities. If subsequently there was an impairment, it will be charged in the statement of operations for that period.
- It was suggested that a delegation from the Board of Directors should meet with the management of British American and CLICO regarding the investment. The investment committee should look seriously at the investments plan and government bonds should be considered.
- Despite a difficult and challenging year the Board of Directors was commended for a well done job.
- It was suggested that the Death Benefit should be a separate item in the accounts.

4.2.3 On a motion moved by Bro Philbert John seconded by Sis Cheryl Evans, the Treasurer's report was accepted.

4.3 ELECTION OF BOARD OF DIRECTORS

- 4.3.1 The retiring directors were: Bro Philmore Isaacs, Bro Claude Cambridge and Bro Kenneth Douglas. Bro Claude Cambridge and Bro Kenneth Douglas were not eligible for election as they had served the required term. Bro Philmore Isaacs was eligible for re-election. There were 4 vacancies on the Board of Directors as Bro Elliott Burgin resigned during the year.
- 4.3.2 The nominations committee comprising Sis Angela Martin, Bro Michael Da Silva and Sis Verlene Saunders, nominated three persons: Bro Philmore Isaacs, Sis Gemma Mc Cree and Bro Richard Cumberbatch. Sis Camilla Mandeville was nominated on a motion moved by Bro Colin Sam seconded by Sis Criselta Corridon.
- 4.3.3 There was no other nomination and nomination was closed on a motion moved by Bro Philbert John seconded by Bro Cecil 'Pa' Jack.
- 4.3.4 The 4 persons elected to serve as Directors were: Bro Philmore Isaacs, Sis Gemma Mc Cree, Bro Richard Cumberbatch and Sis Camilla Mandeville.
- 4.3.5 Bro Calvin Nicholls**
- Bro Nicholls expressed his gratitude to the Chairman and members for allowing him to make a presentation.
 - He was pleased that as a founding member of GECCU since 14th July 1964 he was still able to attend the AGM held in 2009.

- He commended the Board of Directors, Management and staff for their commitment to the continued growth and development of GECCU.
- He also congratulated the Credit Union League and Teachers Credit Union for buildings purchased.
- He suggested that the title “General Manager” be renamed “Managing Director”.

4.4.6 CREDIT COMMITTEE

4.4.7 Credit Committee Report

4.4.8 The Credit Committee Report having been circulated before was taken as read.

4.4.9 Election of Credit Committee

- The 2 members retired were Bro Renato Gumbs and Sis Gemma Mc Cree. Sis Gemma Mc Cree was not eligible for re-election.
- The nomination committee nominated Bro Colin Sam. The following nominations were made:
- Sis. Jacintha Pope nominated by Sis Amy Richards seconded by Bro St Clair Stapleton.
- Bro. Renato Gumbs nominated by Bro. Stewart Haynes seconded by Bro Cecil ‘Pa’ Jack.
- Nominations closed on a motion moved by Bro Cecil ‘Pa’ Jack seconded by Bro Gary Matthias.
- The results were: Colin Sam 73 votes, Renato Gumbs 70 votes and Jacintha Layne 29. Bros Colin Sam and Renato Gumbs were duly elected.

4.5.0 SUPERVISORY COMMITTEE

4.5.1 Supervisory Committee Report

4.5.2 The Supervisory Committee Report having been circulated before was taken as read.

4.5.3 Election of Supervisory Committee

- The nomination committee nominated:
- Bros Joel Poyer, Jerold Jackson, Sis. Mineva Glasgow, Elizabeth A Williams, Cecelia Williams, Susan Williams.
- Bro Gary Matthias was nominated by Sis Adinga Findlay seconded by Sis. Camilla Mandeville.
- Nomination was closed on a motion moved by Sis Anselma Yearwood seconded by Bro Harold Lewis
- The Supervisory Committee will now serve tenure of 3 years, 2 years and 1 year as GECCU’s Bye Laws were amended approved by the Registrar of Co-operatives.

- The result were : Bro Joel Poyer- 63votes, Bro Jerold Jackson -78 votes, Sis Mineva Glasgow - 62 votes, Sis Elizabeth A. Williams 51 votes, Sis Cecelia Williams-56 votes, Sis Susan Samuel - 38 votes and Bro Gary Matthias -36 votes.Bros Jerold Jackson, Joel Poyer, Sis Mineva Glasgow, Cecelia Williams and Sis Elizabeth A. Williams were duly elected members of the Supervisory Committee.

4.6.0 Education Committee Report

4.6.1 The Education Committee Report having been circulated before was taken as read.

4.7.0 Permission was granted to destroy the ballots.

5.0 ELECTION OF AUDITORS

5.1 PKF nominated by Bro Stewart Haynes seconded by Sis Camille Crichton.

5.2 There was no other nomination and on a motion moved by Bro Harold Lewis seconded by Sis. Criselta Corridon nomination was closed. PKF was unanimously elected.

6.0 NEW BUSINESS

6.1 It was decided that a special meeting will be held during the 2nd week in September to discuss the issue of Permanent Shares.

7.0 ~~CLOSING EXERCISE~~

There being no other business the meeting ended at 8:45 p.m.

Sis. Camilla Mandeville
SECRETARY

Bro. Kelvin Pompey
PRESIDENT

Read and signed as a true record this _____ day of _____ 2010

Board of Directors

2009



Bro. Kelvin Pompey
President



Bro. Philmore Isaacs
Vice President



Sis Camilla Mandeville
Secretary



Bro. Aubrey Burgin
Treasurer



Bro. Richard Cumberbatch
Director



Bro. Clarence Harry
Director



Sis. Arlene Lewis
Director



Sis. Gemma Mc Cree - Clarke
Director



Sis. Marva Cato-Robinson
Director



Bro. Lennox Bowman
Chief Executive Officer



1.0 Introduction

Fellow Co-operators,

- 1.1 Shareholders, Members of All Committees, Staff, Brothers and Sisters, the Board of Directors presents its report on the operations of the Credit Union for the period January 1st- December 31st, 2009.

Economic Experience

- 1.2 During the period under review the Credit Union continued journey of development to improve the quality of life for its members amidst a very turbulent economic and financial environment.
- 1.3 The year 2009 saw the intensification of what most observers believe to be the most significant disruption of the financial and economic systems in the advance economies since the Great Depression. There was a significant decline in growth and there were increased levels of unemployment in most of these economies in particular the USA economy.
- 1.4 The impact on the regional economies has been devastating. The tourist industry suffered from fall off in the number of visitors and tourism receipts; there was a significant decline in foreign direct investments (FDI) because of the credit crunch in the United States of America, and there was reduction in remittances from nationals in metropolitan countries.
- 1.5 The region was also severely financially handicapped by the collapse of the British American and CLICO Insurance companies and a major run on the Bank of Antigua.
- 1.6 In St. Vincent and the Grenadines, as in all of the OECS countries except Montserrat, there was a decline in economic activity in most of the major sectors as the global crisis effected all. In this period there was a negative economic growth of -0.15% as compared to -0.59% in 2008.

2.0 Corporate Governance

- 2.1 During the year the Board of Directors continued its policy of meeting with the various committees jointly and severally. The monitoring and reporting systems were well executed and there was very timely and effective communication flow in all directions within the organization.

- 2.2 All statutory obligations were observed and the close working relationships with the Co-operative Department and the SVG Credit Union League were maintained.
- 2.3 The Board of Directors is pleased to report that on November 18th, 2009, at a very well attended Special General Meeting of GECCU Ltd at the Methodist Church Hall, a resolution for the implementation of permanent shares at GECCU as of January 1st, 2010 was overwhelming passed. This has now made GECCU compliant with requirements of the International Financial Reporting Standards Board (IFRS).
- 3.0 **Board of Directors**
- 3.1 At the 43rd Annual General Meeting, three members were elected to the Board - Brother Richard Cumberbatch and Sisters Gemma Mc Cree-Clarke and Camilla Mandeville.
- 3.2 At the first meeting, the Board of Directors elected Bro. Kelvin Pompey – President, Bro. Philmore Isaacs-Vice President, Bro. Aubrey Burgin – Treasurer, and Sis. Camilla Mandeville - Secretary.

The full Board of Directors comprises the following:

- Bro. Kelvin Pompey - President
- Bro. Philmore Issacs - Vice President

Names	Regular	Special	GRAND
	TOTAL (10)	TOTAL (8)	TOTAL (18)
Bro. Kelvin Pompey	9	8	17
Bro. Philmore Issacs	8	8	16
Sis. Camilla Mandeville	9	7	16
Bro. Aubrey Burgin	10	7	17
Bro. Richard Cumberbatch	8	8	16
Bro. Clarence Harry	8	7	15
Sis. Gemma Mc Cree-Clarke	9	8	17
Sis. Arlene Lewis	8	8	16
Sis. Marva Cato-Robinson	9	8	17

- S i s .
Camilla Man-
deville
- Secre-
tary
- B r o .
Aubrey Burgin
- Treas-
urer
- B r o .
Richard Cum-
b e r b a t c h
- Direc-

- tor
- Bro. Clarence Harry - Director
- Sis. Arlene Lewis - Director
- Sis. Gemma Mc Cree-Clarke - Director
- Sis. Marva Cato-Robinson - Director

3.3 Meetings and Attendance

Meetings of the Board were held monthly. In addition, nine special meetings were convened. A summary of attendance is given in Table 1.

Table 1: Summary of Attendance of Board of Directors

AGE	Number of Persons	Percentage
Junior Savers	1021	32
16-30	1066	34
31-40	501	16
41-50	335	11
51-60	206	7
60+	35	1
Organization	2	-
TOTAL	3166	100

PERFORMANCE RELATED TO PRIORITY AREAS

The Board of Directors established eight (8) priority issues to be addressed during the

year. The management team and staff then developed a detailed implementation workplan (with clear targets and time frames) as well as a budget to address the critical issues. This workplan and budget were approved by the Board.

- 4.0.2 The Board of Directors is pleased to report on its accomplishments over the year with respect to the priority issues for the period under review.

4.1.1

Categories	2009	2008	Increase	% Change
Share Capital	\$ 67,067,021	\$ 61,849,979	\$5,217,042	8%
Term Deposit	\$ 51,041,834	\$ 48, 942, 815	\$2, 099,019	4%
Ordinary Deposit	\$ 11,036,001	\$ 9,280,806	\$1,755,195	19%
TOTALS	\$129,144,856	\$ 120,073,600	\$9,071,256	7%

PRIORITY 1: REGISTRATION OF NEW MEMBERSHIP

- 4.1.1.1 During the period under review 3,166 new members were registered. This is compared to 3,338 members for 2008. Total membership as at 31st December 2009 was 32,350. This figure represents a net increase in total membership of 11.24%.
- 4.1.1.2 The increase in membership resulted from a continued targeted and proactive recruitment approach.

- 4.1.1.3 The ever increasing percentage of young persons joining the Credit Union is very encouraging and indicates a growing confidence in the Credit Union. It also indicates the success of the marketing focus and the work of the Education Committee.
- 4.1.1.4 Consistent with previous years, eighty-two percent (82%) of the new members were under the age of 40; sixty-six percent (66%) being under the age of 30. Table 2 below gives the age breakdown of the new membership.

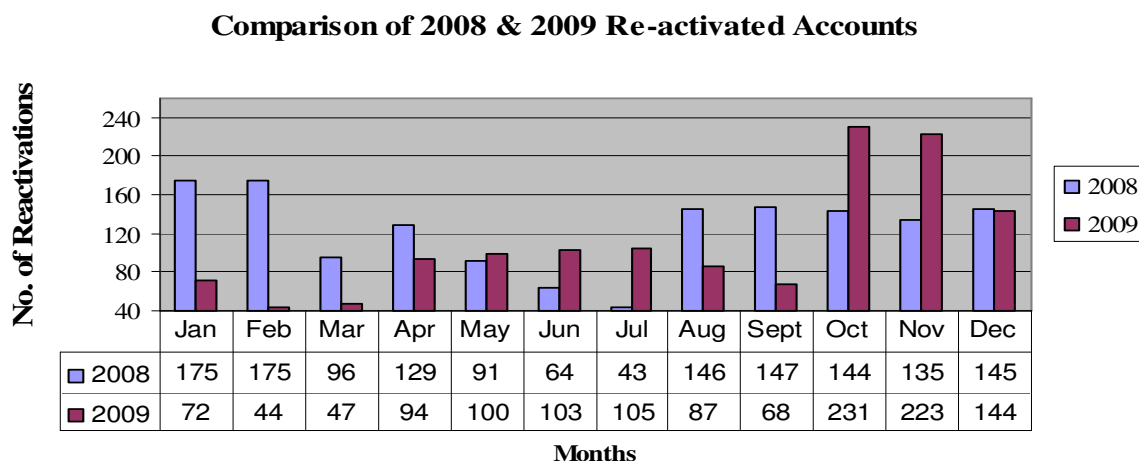
Table 2: Breakdown of new membership by age

	New Members		Collections		Disbursement	
	2009	2008	2009	2008	2009	2008
Union Is. & Canouan	114	135	\$1,696,159	\$1,699,969	\$989,530	\$564,781
Bequia	99	129	\$ 639,482	\$ 938,891	\$377,225	\$272,922
Georgetown Office	639	793	\$ 4,510,191	\$1,279,976	\$5,594,646	\$2,428,994
TOTAL	852	1,057	\$ 6,845,832	\$3,918,836	\$6,961,401	\$3,266,698

4.1.2 PRIORITY 2: MEMBERS' SHARES AND DEPOSIT GROWTH

- 4.1.2.1 During the period under review, the Credit Union through its Marketing, Education and Loan administration practices, concentrated on the growth of its shares and deposits.
- 4.1.2.2 The following table shows the results in these services.

Table 3



- 4.1.2.3 The uncertainty of the financial environment, the static salaries, the unwillingness to borrow compounded with the general decrease in overall economic activity all contributed to the slower than usual growth in these categories of savings.
- 4.1.2.4 The relatively large increase in Ordinary Deposits is a direct result of the increasing use of the ATM Service and the fact that more members are directing their salaries to the Credit Union.
- 4.1.2.5 Rather than save more, members spend more of their cash in an effort not to borrow for household items. This type of consumer behaviour is consistent with challenging financial environments.

4.1.3 PRIORITY 3: OPERATIONS OF SUB-OFFICES

- 4.1.3.1 All three sub-offices of the Credit Union are expanding their services within their geographic areas. More visits were made by various Committees and Individuals.
- 4.1.3.2 The Credit Union increased its sponsorship and donations to these areas and the sub-offices have developed closer relationships with the sponsored schools in these communities.
- 4.1.3.3 All offices are also well served with modern security systems.

Table 4: Sub-offices Operations

4.1.4 PRIORITY 4: DORMANCY

- 4.1.4.1 The issue of share dormancy again received proactive focus during 2009. Strategies employed were

TITLE	PARTICIPANTS	DATE	Facilitator
HIV/AIDS Workplace Education & Awareness	All Staff	April 15th & May 13th	Jasmine Francois-Creese (Focal Point – PAN-CAP)
Organizing Your Work – an IT Perspective	All Staff	April 27th	Anton Jardine
Occupational Safety & Health	All Staff	June 16th	Mineva Glasgow
First Aid & Basic CPR	All Staff	July 22nd Aug 24th	Med-Care Nursing Agency

geared not only at savings mobilization, but also membership outreach, utilizing the opportunity to

sell the benefits of regular savings and its critical importance to the individual member's economic well-being.

- 4.1.4.2 During the year, 1,318 members were re-activated with total receipts of \$356,077.35. This compares favourably to the 1,490 members and receipts of \$257,581.35 in 2008.

4.1.5 PRIORITY 5: DELINQUENCY MANAGEMENT

- 4.1.5.1 The control of delinquency remains one of the main areas of focus for the Credit Union. This takes on even greater significance given the challenges of the current economic and financial climate.
- 4.1.5.2 GECCU has focussed on greater efficiency and effectiveness of the loans administration both from the proactive (granting of loans) and responsive (collection of arrears) perspectives.
- 4.1.5.3 During the period the Recoveries Section was strengthened with additional staff.
- 4.1.5.4 The Recoveries Department and the Recoveries Committee worked well together with the Credit and Education Committees to enhance effectiveness through timely interventions and the crafting and implementing of new strategies to enhance the quality of this the largest asset- Loans.
- 4.1.5.5 Although GECCU did not achieve the target of reducing delinquency by 3 percent, it is considered that the 2% reduction achieved is commendable in the current financial climate. Delinquency over the period was reduced from 12.51% to 10.31%.
- 4.1.5.6 The Credit Union remains committed to continuing its good work in this important delinquent portfolio and craves the support of the general membership in this regard.
- 4.1.5.7 GECCU continues to focus heavily on financial counselling and to provide training for all individuals in the administration of loans.

4.1.6 PRIORITY 6: HUMAN RESOURCE CAPACITY BUILDING

- 4.1.6.1 GECCU recognizes its human resource capital as one of the most valuable assets and continues to invest in Human Resource Development at all levels of the organization. Accordingly, a sustained

programme of membership education at all levels of the organization was maintained during the year.

Seminar Title	Participants	Location	Date	Resourced by
Quality Customer Service	Sharlene Michael	SVG	February 11 th – 13 th	CED
HIV/AIDS Workplace Education	Cornelia Moses	SVG	February 26 th	SVEF/PANCAP
Business Adviser Accreditation	Gertrude Jacobs Danny-lee Hinds	SVG	March 31 st – April 9 th	CED
Essentials of Business Communication	Damoris Alexander Maxine Johnney Joanne Stowe-Powers	SVG	April 20 th & 21 st	CED
Entrepreneurship	Sarah Commissiong Danny-lee Hinds Nigel Maloney (Member)	SVG	April 21 st & 22 nd	NDF
Risk Management	Damoris Alexander	St. Lucia	April 28 th	
Personal Finance & Investment Basics	Itasha George Sharlene Michael Ricardo Springer	SVG	May 8 th – July 31 st	ECIB & UWI
Record Keeping	Adinga Findlay Cornelia Moses	SVG	May 11 th – 15 th	CED
Maximizing Your Investment Returns	Adinga Findlay Itasha George Ryan Hazell Melissa Millington Kathlyn Parsons Ricardo Springer	SVG	May 19 th	CMMB
Supervisory Workshop	Cornelia Moses Frances Thompson	SVG	May 25 th – 27 th	NLASVG
Supervisory Management Techniques	Adinga Findlay Joanne Stowe-Powers	SVG	June 10 th & 11 th	CED
Retirement Planning	Damoris Alexander Hassan Archibald Cheryl Bacchus Alison Guy Prenella Holder Gertrude Jacobs Bernadette John Sharlene Michael	SVG	July 23 rd	CMMB
Understanding Investment Jargon	Itasha George Ryan Hazell Sharlene Michael Ricardo Springer	SVG	September 1 st	CMMB

4.1.6.2 Staff training continues to play a major role in the development of Staff and as can be seen from the following list, no effort is spared in this regard.

Table 5: Staff Training - In-house

4.1.6.3 As in previous years, several members of staff have shown initiative and commitment to their own educational development and are pursuing various courses of relevant study.

4.1.6.4 It should be noted that members of the Board and Committees, as well as Staff, who attended regional and international conferences also gained training in various areas, including corporate governance, supervision and financial services.

4.1.6.5 OECS CREDIT UNION SUMMIT- PLENARY SESSIONS – 2009

4.1.6.6 Volunteers and staff attended the following plenary sessions which were held during the period August 20th to 22nd, 2009 at the Kingstown Methodist Church Hall:

- Regulations and Compliance
- Business Development
- Developing and implementing a Credit Union Enterprise Risk Management System
- Credit Union Investment in a Recessionary Environment
- Innovative Credit Union Products and Services
- Sustaining Leadership
- Establishment of Permanent Shares
- Mergers and Amalgamation

Balance 01/01/2008	\$652,689.62
Add Contributions	\$378,000.00
	\$1,030,689.62
Less Disbursement	\$55,837.35
Balance 31/12/2008	<u>\$974,852.27</u>

Table 6: Workshops and Seminars 2009

4.1.7 PRIORITY 7: RESISTANCE AND RESILIENCE IN THE EVENTUALITY OF NATIONAL AND OTHER DISASTERS

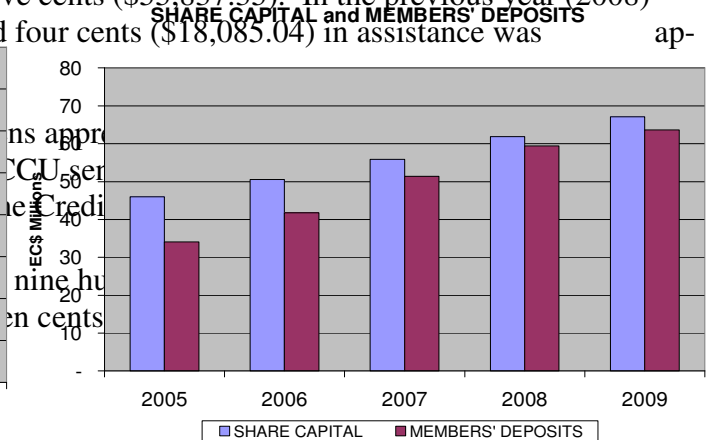
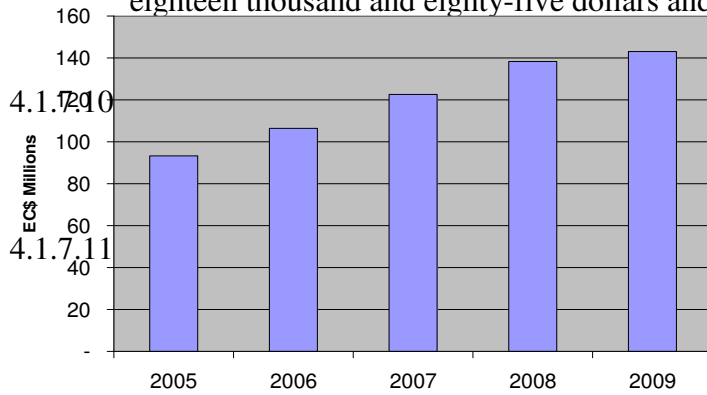
- 4.1.7.1 GECCU continues to place a premium both on the safety of the Credit Union's operations and that of individual members.
- 4.1.7.2 A very rigorous maintenance programme is carried out on the Credit Union's buildings and equipment and some of the findings of the recently conducted Insurance Audit of the Credit Union are now being implemented.
- 4.1.7.3 GECCU spearheaded a regional workshop at the 2010 CCCU Convention which aims at developing a Model Enterprise-Wide Risk Management Policy and Guidelines (EWRM) for the OECS Credit Unions.
- 4.1.7.4 The "WEATHERING THE STORM" Loan and the "SOCIAL DEVELOPMENT FUND" continue to offer welcomed benefits to members.
- 4.1.7.5 The following is a report of the Social Development Committee.
- 4.1.7.6 Social Development Fund**
- 4.1.7.7 The Social Development Fund was established by resolution passed at the 38th Annual General Meeting of the General Employees Co-operative Credit Union Ltd held on 13th May 2004. Its purpose is to provide assistance to members who lack the financial resources to recover from an emergency such as storm damage, fire, earthquake, serious illness etc. The fund is managed by a Social Development Fund committee which was appointed by the Board of Directors in accordance with the resolution.
- 4.1.7.8 The fund to date has been financed by direct contribution from GECCU and a contribution of \$20.00 per annum by each member.

4.1.7.9 During the year 2009, twenty-one requests for assistance were received, twenty of which were in re-

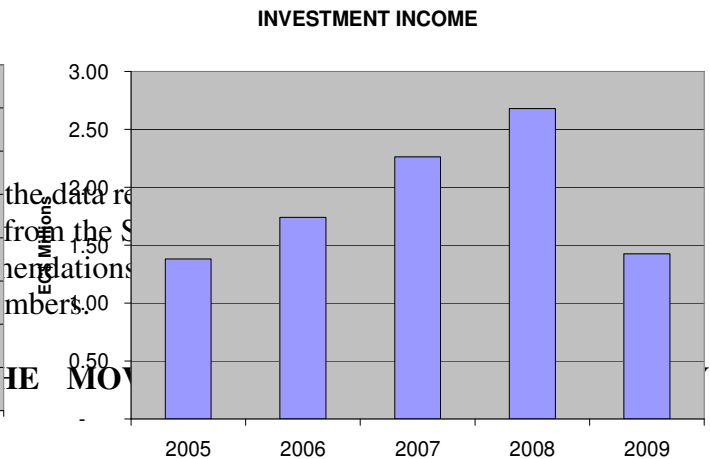
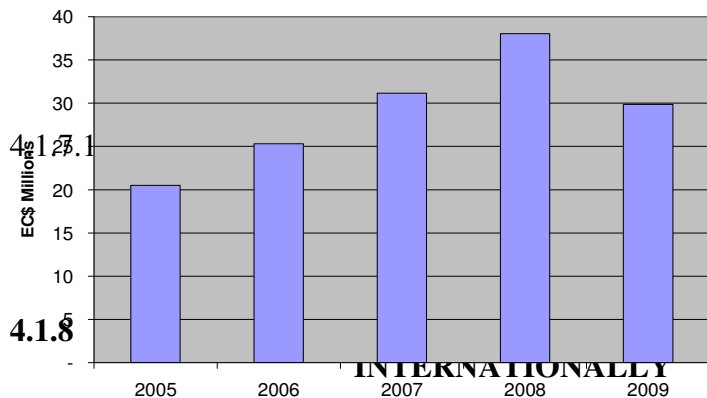
	2005 EC\$	2006 EC\$	2007 EC\$	2008 EC\$	2009 EC\$
ASSET GROWTH					
Loans – net	54,523,824	60,155,702	67,021,905	73,568,116	78,440,900
Cash Resources	768,551	2,198,379	5,027,373	6,273,456	15,033,095
Fixed Assets	3,761,487	3,897,466	4,082,464	4,700,192	4,514,351
Investment Securities	20,519,663	25,299,744	31,173,991	38,025,468	29,871,037
Other Assets	2,004,194	2,056,990	2,492,835	2,913,392	2,324,745
Investment Properties	11,741,115	12,799,082	12,799,082	12,814,182	12,814,182
Total Assets	93,318,834	106,407,363	122,597,650	138,294,806	142,998,310
SAVINGS COMPONENTS					
Shares	45,986,454	50,587,410	55,851,597	61,849,979	67,067,021
Members Deposit	34,066,635	41,777,553	51,400,085	59,420,468	63,683,705
Total Savings	80,053,089	92,364,963	107,251,682	121,270,447	130,750,726
INCOME					
Loan Interest	5,480,615	5,686,273	6,601,441	7,405,966	8,176,612
Investment Income	1,380,187	1,738,470	2,260,668	2,680,305	1,426,662
Non Interest Income	1,648,220	942,223	651,425	746,643	751,053
Total Income	8,509,022	8,366,966	9,513,534	10,832,914	10,354,327
EXPENSES					
General and Admin Expense	3,114,259	3,397,600	3,560,245	4,181,281	4,208,028
Interest Expense	1,888,330	2,185,618	2,744,689	3,191,816	3,510,974
Allowance for Loan Loss	660,800	234,658	395,899	756,176	294,159
Total Expense	5,663,389	5,817,876	6,700,833	8,129,273	8,013,161
PROFITABILITY					
Surplus	2,845,632	2,549,090	2,812,701	2,703,641	(3,286,090)
Other Reserves	12,099,445	12,423,990	13,266,760	14,329,593	9,301,741
MEMBERSHIP	20,127	22,281	24,850	28,152	32,350

spect of medical assistance. Fifteen persons received assistance, the others are either pending or the member is no longer interested. The total disbursement for the year was fifty-five thousand eight

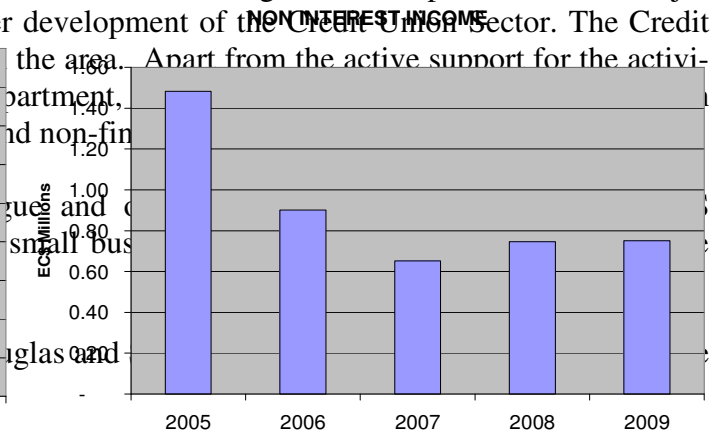
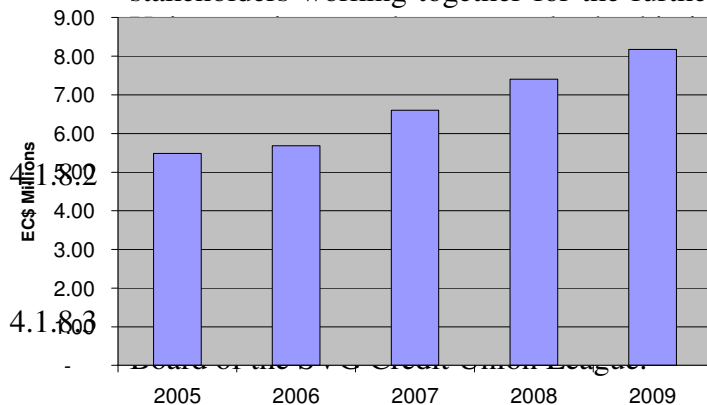
hundred and thirty assets in dollars and thirty-five cents (\$55,837.35). In the previous year (2008) eighteen thousand and eighty-five dollars and four cents (\$18,085.04) in assistance was ap-



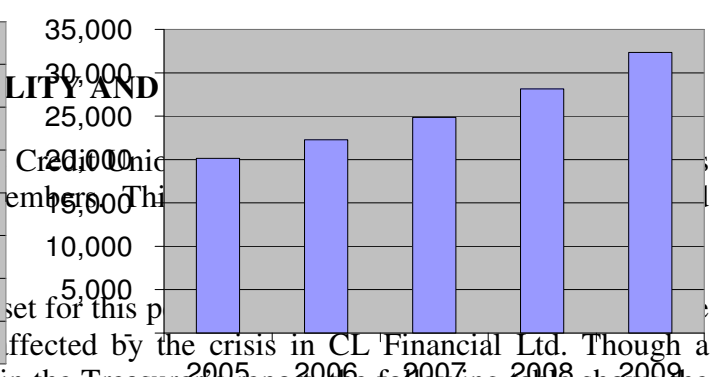
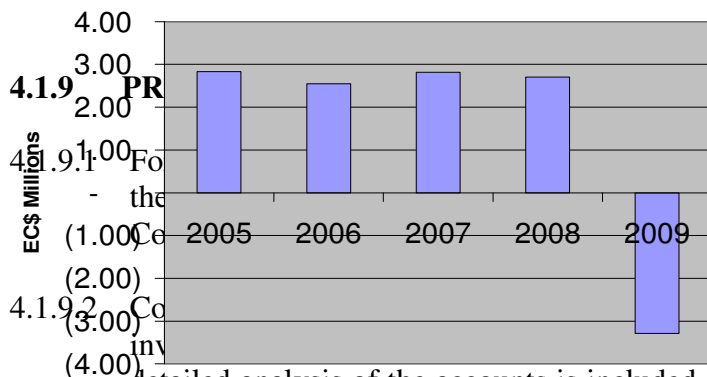
INVESTMENT SECURITIES



4.1.8.1 The Board of Directors and Management of GECCU Ltd recognize the importance of all major stakeholders working together for the further development of the Credit Union Sector. The Credit



4.1.8.4 GECCU was represented at the OECS Summit in St. Vincent and the Grenadines, the CCCU Convention in Dominican Republic and the WOCCU Convention in Suriname.



affected by the crisis in CL Financial Ltd. Though a detailed analysis of the accounts is included in the Treasurer's report, the following table shows the performance highlights.

PEARLS Ratios	Goals	31 st Dec 2008	31 st Dec 2009
P – Protection			
Loan Loss Allowances / Delinquency >12mths <i>This measures the adequacy of the provision for loans delinquent over 12 months</i>	100%	100%	100%
Solvency <i>The degree of protection for members' shares & deposits in the event of liquidation.</i>	Min 100%	110.47%	105.78%
E – Effective Financial Structure			
Net Loans / Total Assets <i>Measures the %-age of total assets invested in Loans.</i>	Between 70 to 80%	53.20%	54.85%
Financial Investments / Total Assets <i>Measures the %-age of long-term Investment in Total Assets</i>	Max 10%	20.77%	17.35%
External Credit / Total Credit <i>Measures the %-age of Total Assets financed by external borrowings</i>	Max 5%	0.00%	0.00%
A – Asset Quality			
Total Delinquency / Gross Loan Portfolio <i>Measures the %-age of delinquency in the Loan Portfolio.</i>	Less than 5%	12.51%	10.63%
Non-Earning Assets / Total Assets <i>This measures the %-age of total assets not producing income.</i>	Less than 5%	7.80%	7.22%
R – Rates of Return and Cost			
Net Loan Income / Average Net Loan Portfolio <i>Measures the %-age yield on the Loan Portfolio</i>	Between 9 to 12%	10.27%	10.15%
Operating Expenses / Average Assets <i>Measures the cost associated with the management of the C.U assets.</i>	Less than 5%	2.94%	2.61%
L – Liquidity			
Liquid Assets – ST Payables / Total Deposits <i>Measures the adequacy of liquid cash management to response to Members' short-term requirements.</i>	Min 15%	24.96%	30.06%
Non-Earning Liquid Assets / Total Assets <i>Measures the %-age of cash invested in Non earning Assets</i>	Less than 1%	2.30%	2.44%
S – Signs of Growth			
Net Loans <i>Measures the %-age growth in Loan Portfolio</i>	More than 10%	9.77%	6.62%
Total Assets <i>To measure the %-age growth in Total Assets.</i>	More than 10%	12.80%	3.40%
Membership <i>Measures the %-age growth in Membership</i>	Min 5%	13.26%	11.24%

4.1.9.3 GECCU Performance Highlights 2005-2009

Staff Awards 2009

YEARS OF SERVICE

10



Vennecia Ollivierre
Admin Clerk



Gertrude Jacobs
Loans Supervisor



Leslie Joseph
Snr. Accounts Clerk

15



Lennox Bowman
C.E.O.



Keon Findlay
Loans Officer

20



Frances Thompson
Securities Officer

PUNCTUALITY AND ATTENDANCE

Sis. Kathlyn Parsons - Cashier

Sis. Bernadette John - Jr Insurance Clerk

Sis. Sonya Johnney - Jr. Clerk

Sis. Charissa Pitt - Jr. Clerk

Bro. Baldwin Johnney - Admin Officer

Bro. Kyle Providence - Customer Service Clerk

Sis. Karina Williams - Jr. Marketing Officer

Sis. Frances Thompson - Snr Securities Officer

Sis. Joanne Stowe-Powers - Recoveries Officer

Bro. Junelto James - Jr. Clerk

Sis. Sharlene Charles - Loans Receptionist

Sis. Alison Guy - Jr Securities Officer

Sis. Cecile Fraser - Gibson - Snr. Insurance

OUTSTANDING PERFORMERS



Sarah Commissiong
Loans Officer
Loans Department



Karina Williams
Jr. Marketing Officer
Marketing Department
Junior Employee

EMPLOYEE OF THE YEAR



Adinga Findlay
Disbursement Officer
Most Outstanding (Accounts Department)

OUTSTANDING PERFORMERS

Gertrude Jacobs
Loans Supervisor
Head of Department



Baldwin Johnney
Admin Officer
Senior Employee
Academic Excellence
(Dip. in Surveying Practice)



GENERAL MANAGER'S AWARDS



Damoris Alexander
Internal Auditor

GENERAL MANAGER'S AWARDS



Leslie Joseph
Senior Accounts Clerk



Prenella Holder
Customer Service Clerk



Joanne Stowe - Powers
Recoveries Officer



Kathlyn Parsons
Cashier



Cornelia Moses
Operations Officer

STAFF PROFILE

Bro. Lennox Bowman- Chief Executive Officer

Sis. Alicia Ashton-Doyle- CEO's Secretary

4.1.9.4 The PEARLS-M Monitoring Standard

This is the benchmark standard adopted for the monitoring and measurement of the operations of the Credit Union.

4.1.9.5 Dividend and Rebates

The Board of Directors proposes to pay a dividend of 3% and a rebate of 1% for 2009.

5.0 Corporate Social Responsibility

5.1 Corporate Social Responsibility remains an integral part of GECCU's Philosophy. It goes beyond simply donations, sponsorship and volunteering time to worthy causes. Corporate Social responsibility is a core corporate principle and helps to define GECCU as a people- centered organization.

5.1.1 In striving to be a leader in corporate social responsibility, GECCU focusses on developing business practices, products and services that serve its members well, while contributing to the social, educational and environmental well-being of our communities.

5.1.2 More specifically, during the year the organization made financial and human resource contributions to a number of institutions, associations, schools and other groups in the areas of sports, arts, culture and education.

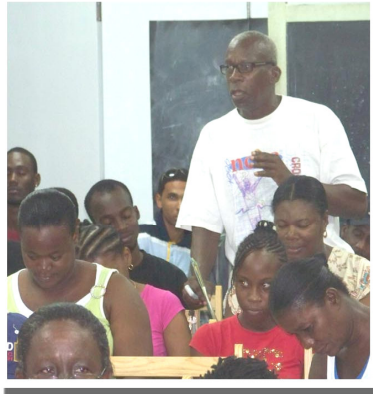
5.1.3 The Credit Union continues to play leading roles in many national activities and celebrations such as National Heritage Month, Emancipation Day, May Day, Carnival, Independence, Gospel Festival, Easterval and Nine Mornings.

6.0 Annual Scholarships to Secondary School

Highlights 2009



GECCU Fun Day



Grenadines Meetings



***Senior Citizens
Fun day***



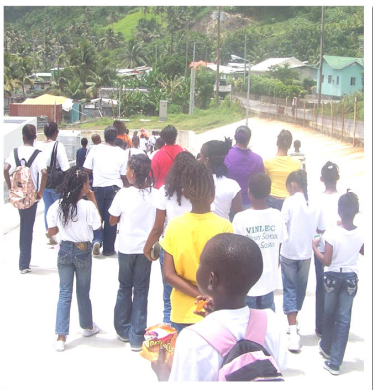
Scholarship Awards



***Staff First Aid
Training***



***Imani Pre School
Christmas Party***



Summer Field Trip



***Recruitment Drives
and
Financial Literacy***



***Permanent Shares
Establishment***

8.0 Future Directions and Strategies

- 8.1.1 The year has been an eventful and challenging one for the Credit Union as the financial environment continued to be fragile and fluid though still very competitive.
- 8.1.2 Despite the many unfavourable changes in the national and international situations, GECCU has been able to make some progress on many fronts. As a consequence, continued strategic thinking at all levels of the Credit Union, under-pinned by sound corporate governance practices, remain the focus to ensure the continued development of this strong and viable institution.
- 8.1.3 Skilled human resources, modern management systems, new products and services, effective marketing strategies, cost containment, delinquency management, rebalancing and diversity in investments all remain major areas of focus to ensure the development of the Credit Union.

9.0 Corporate Objectives 2010

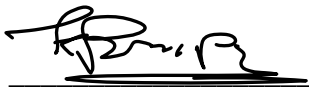
- To achieve Members' Deposits (Shares, Ordinary Deposits and Fixed Deposits) growth of 10%.
- To register a minimum of 2,000 new members with 60% of the new members below the age of thirty (30) and from select employee-groups.
- To re-activate 1,000 dormant members.
- To expand the range of services and to offer new ones including on-line transactions, point of sale, etc.
- To enhance GECCU's capacity to administer loans generally
- To improve the quality of service to members through institutional restructuring, enhanced training and educational programmes for Staff, Committees and General Membership.
- To enhance the efficiency and effectiveness of operations in the Grenadines.
- To preserve and enhance the state of GECCU's buildings and its office accommodation.
- To improve housing for GECCU's membership.
- To operationalise a small business policy and products for the membership.
- To ensure greater financial profitability/sustainability of GECCU and to adhere to the requirements of the Supervisory Manual of the Co-operative Division.

10.0 Condolences

- 10.1 The Society extends sincere condolences to all bereaved members of the Credit Union family who lost loved ones during the year (*see Appendix 1*). May their souls rest in peace and may the good Lord provide comfort to their surviving relatives.

11.0 Acknowledgement

- 12.1 The Board wishes to express its gratitude and appreciation to Management and Staff who continue to demonstrate their support, loyalty and commitment to the Credit Union.
- 12.2 Deepest appreciation and heartfelt thanks to the members of the Education, Supervisory, Credit and other Committees for the valuable work they have rendered to the development of the Credit Union.
- 12.3 Special thanks to the Co-operative Department, the SVG Credit Union League, sister Credit Unions, the Solicitors, Baptiste and Company and Lyndon George; the Auditors BDO and other stakeholders for their support.
- 12.4 Most of all, the Board wishes to express sincere thanks to all valued members, for continuing to support the Credit Union and for affording us the opportunity to serve you during the year.



Bro. Kelvin Pompey
PRESIDENT

Appendix 1

List of deceased members who passed on during the year:

- | | |
|----------------------------|-------------------------------------|
| 1. Sis. Pearl Babb | 27. Sis. Umata Kydd |
| 2. Bro. George Hoyte | 28. Bro. Wendell Antoine |
| 3. Bro. Felix Small | 29. Sis. Doreen John |
| 4. Sis. Silma Hull | 30. Bro. Michael Bennett |
| 5. Bro. Jack Nash | 31. Sis. Ruth Matthews |
| 6. Bro. David Gordon | 32. Sis. Margaret Antoine |
| 7. Bro. Peter Dennie | 33. Sis. Unita Edwards |
| 8. Bro. John Delgado | 34. Sis. Yvette Ambris |
| 9. Bro. Wendell Burnette | 35. Bro. Brian Adams |
| 10. Bro. Lawrence Bascombe | 36. Bro. Webster Jordon |
| 11. Bro. John Chambers | 37. Sis. Wilhelmina Clouden |
| 12. Sis. Lynda John-Abiaka | 38. Bro. Zunaidi Adams |
| 13. Bro. Brenon Samuel | 39. Sis. Eve Ballantyne |
| 14. Sis. Monica Alexander | 40. Sis. Lauren Shallow |
| 15. Sis. Veronica Johnney | 41. Bro. Gilbert Matthews |
| 16. Sis. Norma Jackson | 42. Bro. Earl Cupid |
| 17. Sis. Melvina Phillips | 43. Sis. Meena Braide |
| 18. Bro. David Anderson | 44. Sis. Hazell-Ann Selby |
| 19. Sis. Marlyn Browne | 45. Sis. Venita Byron |
| 20. Bro. Alwyn Jack | 46. Sis. Marva Baptiste |
| 21. Bro. Strough James | 47. Bro. Arnim Robertson-Pierre |
| 22. Bro. Elford Hunte | 48. Bro. Clarence Keizer |
| 23. Bro. Elford Da Silva | 49. Bro. Arthur Hazell |
| 24. Sis. Margaret Samuel | 50. Bro. Fenrick Scrubb |
| 25. Sis. Lorna De Bique | 51. Bro. Calvin Nicholls OBE |
| 26. Sis. Veda Simmons | 52. Sis. Bernadette Michelle Pompey |

TRIBUTE TO THE LIFE AND WORK OF
BRO CALVIN F.W. NICHOLLS OBE

By Kelvin Pompey- President- Board of Directors

My reflection of Bro. Calvin Nicholls is that he was a serious, committed, passionate stalwart of the Credit Union Movement here in St. Vincent and the Grenadines. Lying here before us this afternoon is a man who not only lived Credit Union, but whose good as a Credit Unionist transcended the movement into the wider community locally, regionally and internationally.



Bro Calvin was one of the 1st twenty-five (25) persons to register as a member of the newly established Government Employees Cooperative Credit Union in 1964. The confidence he placed in the movement encouraged the hundreds who later became members of the noble institution or organization.

Sis Beryl Baptiste recalls his promptness in making his payment at the end of each month. His love for the Credit Union movement continued along a tireless path. Bro Calvin often paid the initial joining fee for persons who completed application forms without the requisite fees.

He was the Champion of the Cooperative Education. He organized many training programmes for members and staff at CORDI and Kuru Kuru.

He persistently reminded members to increase their knowledge of the Credit Union Movement and sought to instill the need to aim towards self development. We would often hear him saying “You must continue to read – Reading Open Doors”.

As a Credit Unionist, Bro Calvin served in several capacities –in the local, regional and international arena. Locally he served as President of GECCU from 1978 -1981 then again from 1989 – 1993. He was also the President of the SVG Cooperative Credit Union League Ltd from 1975 -1981. He served as National Director 1981 – 1992.

Regionally, Bro Calvin served on the Board of Directors of the Caribbean Confederation of Credit Unions (CCCU) from 1979 – 1981. He was elevated to the post of Secretary, a post he held from 1981 – 1985. Bro Calvin continued his invaluable contribution as a Director of CCCU where he stood as a tower of strength for other regional Directors from the second half of 1985 to 1989.

Internationally, Bro Calvin represented the SVG Movement at the World Council of Credit Union (WOCCU) in Australia, London to name a few. Where ever he journeyed, it was with one philosophy in mind – championing the cause of his fellowmen.

Owing to his love for humanity, he stressed the importance of volunteerism; often reminding others ‘do not look at the money; look at what you can do to make your fellowmen’s life much better.’ Volunteerism was so very deeply rooted in him that he volunteered as a member of the Board of Directors of the St Vincent Automative Cooperative for many years.

Bro Calvin worked tirelessly to win commitment for the Credit Union League and advocate that the larger Credit Unions adopt and play the role of big sister to the smaller weaker Credit Unions. He perceived the League as the Mother of the respective Credit Unions and continually encouraged the children to fall in line.

His philosophy for the movement was simple, unwavering support at all times for all the sister Credit Unions, if one credit union were to fail, then the entire movement would have failed.

Bro Calvin was a long standing member of the Supervisory Committee at GECCU, and was honoured for his sterling service during the organizations' 25th anniversary celebrations.

To further single out his sterling contribution and the very high esteem with which he was held by GECCU, Bro. Calvin was featured on a special postage stamp issue published by the SVG Philatelic Services in 2004 to mark GECCU'S 40th anniversary.

Bro. Calvin was known at GECCU as “the father of initiatives” on March 23rd 1983, one such initiative; a prayer group was born out of the idea to strengthen the harmony within the organization. The many resolutions of interest put forward by him were generally received with great support and enthusiasm from membership and staff.

It was from Bro. Calvin's instrumentality and love for the disadvantaged that the School Cooperatives Programme and the Social Development Fund were born.

He relentlessly lobbied for GECCU's participation in the NIS student loan scheme and was undaunted by the early opposition. Up to the time of his death, he never backed off from advocating the importance of looking after members' development. He never ceased his clarion call for a special scholarship fund to assist members' tertiary education. Indeed, within this great Icon was embedded a very soft spot for the poor and under privileged.

Bro. Calvin's service to humanity within the Credit Union Movement of SVG spanned 1964 – 2009 a short 45 years. Though age and ill health constrained his active direct involvement in Credit Union activities, they never lessened his efforts towards building the movement. He remained resolute and positive in his attitude towards mankind. What a remarkable man. Indeed, this was one of the noblest of them all.

Undoubtedly, Bro. Calvin F.W. Nicholls OBE would be remembered as a nation builder, an advocate for humanity, and a living persona of Credit Union Spirit, locally, regionally and internationally.

MAY HIS SOUL REST IN PEACE

TRIBUTE TO
Our Staff Member, BERNADETTE MICHELLE POMPEY
By Lennox Bowman - CEO

On December 31st, 2009, New Year's Eve deep shock and sadness on learning of the sister, Bernadette Michelle Pompey. We entire country experienced great pain on vehicular accident which resulted in three persons. Let me express on behalf of sympathy to the families of those who are nursing injuries.

Michelle was an excellent employee, companion to Basil and wonderful human with whom she came into contact.



our GECCU family was plunged into tragic death of our dear colleague and were however not alone in pain, as the hearing the sad news of the motor deaths and many other injured GECCU our sincere condolences and met their tragic death and those who

mother, sister, and daughter, being who touched the lives of all

Michelle or Bebe as she is so affectionately called worked for us for just over 2 years. During this period, the collective experiences of our staff clearly demonstrate that Michelle was a very dedicated and capable employee who lived by the philosophy that 'anything worth doing is worth doing well'. She had an easily disarming smile; was a good team-player, was very helpful and possessed a positive attitude to her work and life generally. Michelle therefore was the embodiment of the true spirit of the Co-operative Movement.

Michelle's shocking death has really plunged our entire Staff at GECCU into much sadness. The staff members at the Georgetown Branch where she worked are extremely affected and have been receiving counselling along with some others in Kingstown. Do keep us in your prayers also.

While death has the effect of taking away our loved ones, it also has the potential to bring family and friends even closer. This has been our experience in this case. We therefore wish to express our thanks to Michelle's relatives with whom our GECCU family has so closely worked during this difficult period. Michelle's Mom, Aunt Pamesta, Anto and others have provided as much support for our GECCU family as we hope that we have provided for them. Basil possesses an admirable strength of character and although none of us can ever feel the extent of pain that he and the children are experiencing, neither can we replace Michelle for him and the children, do rest assured that the GECCU family will continue to be of assistance to you and the children.

Finally, on behalf of the entire GECCU family, our sincere condolences are extended to Basil, the three children and the relatives of both Michelle and Basil. Also I take this opportunity to end with this prayer which Michelle is presumed to have written and which she had stuck in the office right next to where she sat.

MY PRAYER FOR THE DAY

Dear God,
Please protect me from all harm and danger,
Help me to be strong when I am weak,
Pick me up when I fall,
Help me to set goals and work towards them
Let me please others than myself,
Keep my mind from evil and negative thoughts,
Let me not keep company with those who will have a negative impact on me,
Grant me knowledge, wisdom and understanding,
Let me be of good cheer,
Let me be someone that anyone can look up to.
Thank you Lord, Amen.

MAY HER SOUL REST IN PEACE

THE TREASURER'S REPORT

~~TO THE 44TH ANNUAL GENERAL MEETING~~

1.0 INTRODUCTION

Brothers and sisters, it is my pleasure once again to present the Treasurer's report, which highlights the financial performance of the General Employees Co-operative Credit Union Ltd for the year ended December 31, 2009.

- 1.1 The year 2009 proved to be a very trying year for many financial institutions in St. Vincent and the Grenadines and around the world and our Credit Union was no exception. I am pleased to report that in spite of the prevailing challenges we achieved most of our financial targets and realized growth in the major areas of operation.

2.0 FINANCIAL PERFORMANCE

- 2.1 The following is a synopsis of performance for the financial year ended December 31, 2009 with comparison to the 2008 financial year.

Assets

	2009 \$	2008 \$	Increase/ (Decrease)	Increase/(Decrease) (% age)
Total Assets	142,998,310	138,294,806	4,703,504	3%
Loans	78,440,900	73,568,116	4,872,784	7%
Investment Securities	29,871,037	38,025,468	(8,154,431)	(21%)

- 2.3 During the year total assets increased by 3% over 2008 which represents an increase in total. This was attributed to growth in our Cash Resources and Loans to members.
- 2.4 Loans to members recorded an overall growth of 7% when compared to 2008. Mortgage and consumer loans increased by 12% and 5% respectively over 2008. At year-end there was \$78,440,900 in outstanding loans to members.
- 2.5 We experienced a decrease in Investment Securities of 21%, which was attributed to a provision of \$4,716,676 for impairment of investments. This was out of the abundance of caution with respect to the uncertainties surrounding British American Insurances Limited and CLICO International General Insurances Limited, and to comply with the Requirement of the International Accounting Standard (IAS 39). Additionally, we shifted some of our resources and invested in guaranteed financial instrument such as; Government Bonds, Treasury Bills and other short term deposits. We are relentlessly monitoring the investment climate to ensure that we take advantage of any safe and high yield investment opportunities available.

2.6 Share Capital & Members deposits

	2009 \$	2008 \$	Increase/ (Decrease)	Increase/ (Decrease) (% age)
Share Capital	67,067,021	61,849,979	5,217,042	8%
Term Deposits	51,041,834	48,942,815	2,099,019	4%
Ordinary Deposits	11,036,001	9,280,806	1,755,195	19%
Junior Savers	1,593,504	1,140,553	452,951	40%

2.6.1 Share capital and members' deposits continue to be the main sources of funding for our loan portfolio and investments. Share capital and members deposits increased by \$5,217,042 (8%) and \$3,854,214 (7%) respectively over 2008. This growth is indicative of our members growing confidence in GECCU's operation.

2.6.2 The net worth, which represents the excess of asset over liabilities, stood at \$76,368,762 at the end of the year. This demonstrates the financial strength of GECCU and its ability to cushion any unexpected economic losses.

2.7 CASH FLOW

2.7.1 Cash resources increased by \$8.76 million during the year under review. When added to the opening balance of \$6.27 million, there was a cash balance of \$15.03 million at year-end. This demonstrates GECCU's financial stability and its strong liquidity position.

2.7.2 The major cash inflows or sources of cash were as follows:

	2009	2008
Operating activities	\$1.70 million	\$2.96 million
Members deposits	\$4.26 million	\$8.02 million
Share capital	\$5.22 million	\$6.00 million
Member's loans repaid	\$21.48 million	\$18.49 million

2.7.3 The major cash outflows or expenditures of cash were as follows:

	2009	2008
Loans disbursed	\$26.35 million	\$25.04 million
Dividend paid	\$ 2.02 million	\$ 2.08 million
Fixed assets purchased	\$ 0.08 million	\$ 0.88 million

2.8 INCOME

	2009 \$	2008 \$	Increase/ (Decrease)	Increase/ (Decrease) (% age)
Loan Interest Income	8,176,612	7,405,966	770,646	10%
Investment Income	1,426,662	2,680,305	(1,253,643)	(47%)
Rental Income	374,271	449,232	(74,961)	(17%)
Other Income (net)	77,197	78,499	(1,302)	(2%)
Death Benefit Contributions	475,900	435,140	40,760	9%
Death Benefit Payments	(185,000)	(220,500)	(35500)	16%

2.8.1 Income from loan interest increased by 10% compared to 2008. Investment income decreased by 47%, mainly as a result of the financial problem with the CL Financial Group, and the decision to be prudent by discontinuing the calculation of interest on the investment with British American Insurance Company Ltd and CLICO International General Insurances Limited.

2.9 EXPENSES

	2009 \$	2008 \$	Increase/ (Decrease)	Increase/ (Decrease) (% age)
Interest Expenses	3,510,974	3,191,816	319,158	10%
Marketing Expenses	268,189	278,817	(10,628)	(4%)
Personnel Costs	1,675,645	1,590,504	85,141	5%
CUNA Insurance	609,314	563,944	45,370	8%
Impairment of Investment	4,716,676	0	4,716,676	
General and Administrative Expenses	3,938,065	3,900,595	37,470	1%

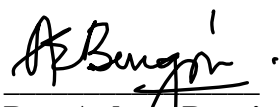
- 2.9.1 Interest expenses increased by 10%. This was in line with the corresponding increase in members' deposits. Interest expense, CUNA insurance and personnel costs were the major expenditures for 2009. As stated above, an amount of \$4,716,676 was provided for the impairment of financial investments.

2.10 NET SURPLUS/(LOSS)

- 2.10.1 A net loss of \$3,286,090 was realized for 2009, mainly due to the provision.

3.0 CONCLUSION

- 3.1 Despite the challenges of 2009, where we saw an unprecedented year for financial institutions locally, regionally and internationally with a significant number of institutions reported losses or closed their doors, and others sought assistance from governments and other financial organizations for support to battle the economic recession. GECCU was no exception, but through the leadership of the credit union and the co-operation of our dedicated Board, committees and employees, the Credit Union continued to provide excellent services; our financial standing is still strong and secure despite the challenges we are experiencing in the current economic climate.
- 3.1.1 We are confident of the Credit Union's continuing stability in 2010, due to our strong cash flow position, and loyalty of our members. The Board, committees and staffs are committed to maintain the Credit Union's safety, soundness and financial viability by pro-actively pursuing strategies and to undertake the necessary cost-cutting measures which would ensure sustainability, a fair return on members' shares and a high standard of service delivery.
- 3.1.2 I would like to thank the members, the Board, staff and committees for their support during 2009. I encourage the members to remain confident and committed to our Credit Union as we approach the 2010 financial year.


Bro. Aubrey Burgin
TREASURER

**General Employees’
Co-Operative Credit Union Limited**
Financial Statements
Year Ended December 31, 2009

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Pages 2 - 3	Independent Auditors' Report
Page 4	Statement of Financial Position
Page 5	Statement of Changes in Members' Equity
Page 6	Statement of Comprehensive Income
Page 7	Statement of Cash Flows
Pages 8 - 27	Notes to the Financial Statements

Corporate Information

REGISTERED OFFICE

Halifax Street
Kingstown
St. Vincent and the Grenadines

DIRECTORS

Mr. Kelvin Pompey – President
Mr. Philmore Isaacs – Vice President
Mr. Aubrey Burgin - Treasurer
Mr. Richard Cumberbatch
Mrs. Marva Cato-Robinson
Mr. Clarence Harry
Miss Arlene Lewis
Miss Gemma Mc Cree-Clarke

SECRETARY

Ms. Camilla Mandeville

SOLICITORS

Baptiste & Co
Mr. Lyndon George

BANKER

National Commercial Bank (SVG) Limited

AUDITORS

BDO
Chartered Accountants
Sergeant-Jack Drive
Arnos Vale
St. Vincent

INDEPENDENT AUDITORS' REPORT

To the Members of
General Employees' Co-operative Credit Union Limited

Report on the Financial Statements

We have audited the accompanying financial statements of General Employees Co-operative Credit Union Limited which comprise the balance sheet as of December 31, 2009, and the statements of changes in equity, earnings and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entities preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
General Employees' Co-operative Credit Union Limited

Basis for Qualified Opinion

The Credit Union's member shares, which contain a redeemable option, are not accounted for in accordance with the International Accounting Standards No. 32. Had International Accounting Standard No. 32 been adopted for accounting of the Credit Union's redeemable member shares, liabilities and members equity would have increased and decreased by \$67,067,021 (2008: \$61,849,979) respectively. Further, interest expense and net earnings would have increased and decreased by \$1,611,463 (2008: \$3,191,816).

Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion caption, the financial statements present fairly, in all material respects, the financial position of the Credit Union as of December 31, 2009, and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

The Credit Union holds various held-to-maturity financial assets in Colonial Life Insurance Company International Limited, who has defaulted on those instruments. Because of assurance given by regional governments, and the unavailability of information on the affairs of the company, we are unable to obtain sufficient appropriate audit evidence about the carrying value of the Credit Union's investment in Colonial Life Insurance Company International Limited. Consequently, we were unable to assess the degree of the impairment, if any, on those investment holdings.



May 13, 2010

General Employees' Co-Operative Credit Union Limited

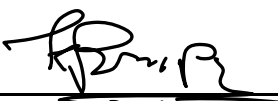
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Statement of Financial Position
As of December 31, 2009

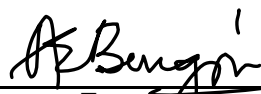
	Notes	2009 \$	2008 \$
ASSETS			
Cash resources	7	15,033,095	6,273,456
Investment securities	8	29,871,037	38,025,468
Loans to members	9	78,440,900	73,568,116
Other assets	10	2,324,745	2,913,392
Investment properties	11	12,814,182	12,814,182
Property, plant and equipment	12	4,514,351	4,700,192
		<u>142,998,310</u>	<u>138,294,806</u>
LIABILITIES AND MEMBERS' EQUITY			
Liabilities			
Other payable	13	2,945,843	2,694,766
Members' deposits	14	63,683,705	59,420,468
		<u>66,629,548</u>	<u>62,115,234</u>
Members' Equity			
Share capital	15	67,067,021	61,849,979
Statutory reserve	16	5,750,978	7,148,907
Revaluation reserve		200,000	200,000
Social development fund	17	974,852	652,690
Statutory development fund	18	50,000	20,000
Unrealised gain on investments		389,530	437,929
Retained earnings		1,936,381	5,870,067
		<u>76,368,762</u>	<u>76,179,572</u>
		<u>142,998,310</u>	<u>138,294,806</u>

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

APPROVED ON BEHALF OF THE BOARD: -



President



Treasurer



Secretary

General Employees' Co-Operative Credit Union Limited

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Statement of Changes in Members' Equity
For the Year Ended December 31, 2009

	Notes	Share Capital \$	Statutory Reserve \$	Revaluation Reserve \$	Social Develop- ment Fund \$	Statutory Develop- ment Fund \$	Unrealised Gain on Investments \$	Retained Earnings \$	Total \$
Balance as of December 31, 2007		55,851,597	6,496,398	200,000	319,849	20,000	333,708	5,896,805	69,118,357
Net increase in shares		5,998,382	0	0	0	0	0	0	5,998,382
Dividend declared		0	0	0	0	0	0	(2,061,189)	(2,061,189)
Statutory development fund net		0	0	0	332,841	0	0	0	332,841
Net income for the year		0	0	0	0	0	0	2,703,641	2,703,641
Entrance fees		0	3,319	0	0	0	0	0	3,319
Unrealised loss on investments		0	0	0	0	0	104,221	0	104,221
Development fund		0	0	0	0	(20,000)	0	0	(20,000)
Appropriations	16	0	649,190	0	0	20,000	0	(669,190)	0
Balance as of December 31, 2008		61,849,979	7,148,907	200,000	652,690	20,000	437,929	5,870,067	76,179,572
Net increase in shares		5,217,042	0	0	0	0	0	0	5,217,042
Dividend declared		0	0	0	0	0	0	(2,047,596)	(2,047,596)
Statutory development fund net		0	0	0	322,162	0	0	0	322,162
Release of statutory reserve		0	(1,400,000)	0	0	0	0	1,400,000	0
Net loss for the year		0	0	0	0	0	0	(3,286,090)	(3,286,090)
Entrance fees		0	2,071	0	0	0	0	0	2,071
Unrealised loss on investments		0	0	0	0	0	(48,399)	0	(48,399)
Development fund		0	0	0	0	30,000	0	0	30,000
Balance as of December 31, 2009		67,067,021	5,750,978	200,000	974,852	50,000	389,530	1,936,381	76,368,762

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

General Employees' Co-Operative Credit Union Limited

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Statement of Comprehensive Income
For the Year Ended December 31, 2009

	Notes	2009 \$	2008 \$
Income			
Dividend income		7,333	2,825
Loan interest		8,176,612	7,405,966
Investment income		1,426,662	2,680,305
		<u>9,610,607</u>	<u>10,089,096</u>
Interest Expense		3,510,974	3,191,816
Net Interest Income		<u>6,099,633</u>	<u>6,897,280</u>
Increase in allowance for loan loss, less recoveries	9.3	294,159	756,176
Write-off of interest on investments		910,580	0
Impairment of available-for-sale financial investment		4,716,676	0
		<u>178,218</u>	<u>6,141,104</u>
Rental Income		374,271	449,232
		<u>552,489</u>	<u>6,590,336</u>
Selling Expenses		268,611	279,239
General and Administrative Expenses		3,938,065	3,900,595
		<u>(3,654,187)</u>	<u>2,410,502</u>
Other Income (Expenses)			
Commission income		51,001	36,000
Income on death benefit plan - net	19	290,900	214,640
Miscellaneous income		27,548	43,946
Loss on disposal of property, plant and equipment		(1,352)	(1,447)
		<u>368,097</u>	<u>293,139</u>
Net (Loss) Income for the Year		<u>(3,286,090)</u>	<u>2,703,641</u>
Other Comprehensive Income			
Gain on remeasuring available-for-sale financial investments		0	104,221
Loss on remeasuring available-for-sale financial investments		(48,399)	0
Comprehensive (Loss) Income for Year		<u>(3,334,489)</u>	<u>2,807,862</u>
The following expense is included in the foregoing:-			
Depreciation		267,297	259,866
Staff cost	22	1,629,445	1,543,918

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

General Employees' Co-Operative Credit Union Limited

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Statement of Cash Flows

For the Year Ended December 31, 2009

	2009 \$	2008 \$
Cash Flows from Operating Activities		
Net (loss) income for the year	(3,286,090)	2,703,641
Adjustments for		
Depreciation	267,297	259,866
Loss on disposal of equipment	1,352	1,447
Impairment of held-to-maturity financial investment	4,716,676	0
Operating Profit before Changes in Operating Assets and Liabilities	1,699,235	2,964,954
(Increase) Decrease in Operating Assets		
Increase in loans to members	(4,872,784)	(6,546,211)
Decrease (increase) in other assets	588,647	(420,557)
Increase in Operating Liabilities		
Increase in members' deposits	4,263,237	8,020,383
Increase in accounts payable and accrued liabilities	225,396	615,558
Net Cash Generated from Operating Activities	1,903,731	4,634,127
Cash Flows from Financing Activities		
Increase in share capital	5,217,042	5,998,382
Net increase in social development fund	322,162	332,841
Net increase in statutory development fund	30,000	0
Entrance fees	2,071	3,319
Dividends paid	(2,021,915)	(2,081,189)
Net Cash Generated from Financing Activities	3,549,360	4,253,353
Cash Flows from Investing Activities		
Purchase of plant and equipment	(82,808)	(879,041)
Increase in purchase of investment property	0	(15,100)
Net movement in investment securities	3,389,356	(6,747,256)
Net Cash Used in Investing Activities	3,306,548	(7,641,397)
Increase in Cash and Cash Equivalents	8,759,639	1,246,083
Cash and Cash Equivalents - Beginning of Year	6,273,456	5,027,373
Cash and Cash Equivalents - End of Year	15,033,095	6,273,456
Represented by: -		
Cash resources	15,033,095	6,273,456

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

Note 1	Incorporation
Note 2	Principal Objective and Activities
Note 3	Date of Authorization of Issue
Note 4	Significant Accounting Policies
Note 5	Financial Risk Management
Note 6	Critical Accounting Estimates and Judgements
Note 7	Cash Resources
Note 8	Investments Securities
Note 9	Loans to Members
Note 10	Other Assets
Note 11	Investment Properties
Note 12	Property, Plant and Equipment
Note 13	Other Payable
Note 14	Members' Deposits
Note 15	Share Capital
Note 16	Statutory Reserve
Note 17	Social Development Fund
Note 18	Statutory Development Fund
Note 19	Income on Death Benefit Plan - Net
Note 20	Income Tax
Note 21	Staff Retirement Benefit Plan
Note 22	Staff Cost
Note 23	Comparative Figures

1. Incorporation

The General Employees' Co-operative Credit Union Limited was registered as Government Employees' Co-operative Credit Union Limited on July 14, 1964. Its activities are governed by the Co-operative Societies Act, 1999.

2. Principal Objective and Activities

The principal objective of the Credit Union is to promote thrift among its members. It receives the savings of its members and makes loans to members exclusively for provident and productive purposes.

3. Date of Authorisation of Issue

These financial statements were authorised for issue by the Board of Directors on May 13, 2010.

4. Significant Accounting Policies

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

a. Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and investment property, as disclosed in Notes 11 and 12.

The preparation in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and conditions, actual results could differ from these estimates. The areas involving a higher degree of judgment and or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

Standards, Interpretations and Amendments to Existing Standards Effective in 2009

- **IFRS 7 'Financial Instruments - Disclosures' (Amendment)** - effective 1 January 2009. - The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The change in accounting policy only results in additional disclosures, the amendment does not change the recognition or measurement of transactions and balances in the financial statements.
- **IAS 1(revised) 'Presentation of Financial Statements'** - effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owners changes in equity' to be presented separately from owners changes in equity in a statement of comprehensive income. As a result of the application of this Amendment, the credit union has elected to present two separate statements, an income statement and a statement of comprehensive income; previously it presented an income statement and the statement of recognised income and expense. The amendment does not change the recognition or measurement of transactions and balances in the financial statements.

4. Summary of Significant Accounting Policies (Cont'd)**a Basis of Presentation (Cont'd)*****Standards, Amendments and Interpretations to Existing Standards Effective January 1, 2009, but not Relevant***

- Amendment to IAS 23 - Borrowing Cost
- Amendment to IFRS 2 - Share-Based Payment: Vesting Conditions and Cancellations
- Amendment to IAS 32 and IAS 1 - Puttable Financial Instruments and Obligations Arising on Liquidation
- IFRS 8 - Operating segments
- Improvements to IFRS (2009)
- IFRIC 15 - Agreements for the Construction of Real Estate
- Embedded Derivatives (Amendments to IFRIC 9 and IAS 39)

Standards, Amendments and Interpretations to Existing Standards that are not yet Effective and have not been Early Adopted by the Credit Union

- IFRIC 17 - Distribution of Non-Cash Assets to Owners (effective on or after July 1, 2009)
- IAS 27 (Revised) - Consolidated and Separate Financial Statements (effective from July 1, 2009)
- IFRIC 3 (Revised) - Business Combinations (effective from July 1, 2009)
- IAS 38 (Amendments) - Intangible Assets
- IFRS 5 (Amendment) - Measurement of Non-Current Assets (or disposal groups) Classified as Held-for-Sale
- IFRS 2 (Amendments) Group Cash-Settled and Share-Based Payment Transactions

B Cash, Cash Equivalents and Short-term Investment Securities

Cash equivalents include highly liquid investments with insignificant interest rate risk and original maturities of ninety (90) days or less at the date of purchase. Investments with maturities between ninety (90) days and one year at the date of purchase are considered to be short-term investment securities. Short-term investment securities consist primarily of investment grade commercial paper, bankers acceptances, and certificates of deposit.

C Property, Plant and Equipment

Land and buildings are stated at the most recent valuation less subsequent depreciation for buildings. Valuations are performed every five years by independent professional valuers. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historic cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against the surplus directly in equity; all other decreases are charged to the statement of income.

4. Summary of Significant Accounting Policies (Cont'd)**C. Property, Plant and Equipment**

Land is not depreciated. Depreciation of other assets is calculated using the straight line method, at rates which are expected to write-off the cost or valuation of the assets over their estimated useful lives at the following annual rates:-

Freehold building	2%
Furniture and equipment	20%
Motor vehicle	20%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the operating profit. When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

Repairs and maintenance are charged to the profit and loss account when the expenditure is incurred.

D. Investment Properties

Investment properties are accounted for by the fair value model. Accordingly, gains or losses arising from changes in the fair value of investment properties are included in operations.

E Foreign Currency Translation

These financial statements are expressed in Eastern Caribbean dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of earnings.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit and loss, and other changes in the carrying amount are recognised in equity.

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

f. Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4. Summary of Significant Accounting Policies (Cont'd)**G. Financial Assets**

The Credit Union classified its financial assets in the following categories:

- i. financial assets at fair value through profit or loss;
- ii. loans and receivables;
- iii. held-to-maturity investments; and
- iv. available-for-sale financial assets.

Management determines the classification of its investments at initial recognition.

i) *Financial Assets at Fair Value through Profit or Loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial assets and financial liabilities are designated at fair value through profit or loss when:

- Doing so significantly reduces measurement inconsistencies that would arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortised cost, such as loans and advances to customers or banks, and debt securities in issue;
- Certain investments, such as equity investments, that are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy and reported to key management personnel on that basis, are designated at fair value through profit and loss; and
- Financial instruments, such as debt securities held, containing one or more embedded derivatives that significantly modify the cash flows, are designated at fair value through profit and loss.

Gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in 'net income from financial instruments designated at fair value.'

ii) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: (a) those that the entity intends to sell immediately or in the short-term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; (b) those that the entity upon recognition designates as available for sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

4. Summary of Significant Accounting Policies (Cont'd)**g. Financial Assets (Cont'd)****iii) *Held-to-Maturity Investments***

Held-to-maturity investments are non-derivative financial assets with fixed or determined payments and fixed maturities that the Credit Union's management has positive intention and ability to hold to maturity. If the Credit Union were to sell other than significant amount of held-to-maturity assets, the entire category would be reclassified as available for sale.

iv) *Available-for-Sale Financial Assets*

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Regular-way purchases and sales of financial assets at fair value through profit or loss, held to maturity and available for sale are recognised on trade-date - the date on which the Credit Union commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transactions costs are expensed in the statement of earnings. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Credit Union has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished - that is, when the obligation is discharged, cancelled or expires.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired. At this time, the cumulative gain or loss previously recognised in equity is recognised in profit or loss. However, interest calculated using the effective interest method and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the entity's right to receive payment is established.

The fair value of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Bank establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation commonly used by market participants.

4. Summary of Significant Accounting Policies (Cont'd)**h. Impairment of Financial Assets*****Assets Carried at Amortised Cost***

The Credit Union assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Credit Union uses to determine that there is objective evidence of an impairment loss include:

Delinquency in contractual payments of principal or interest

- Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales)
- Breach of loan covenants or conditions
- Initiation of bankruptcy proceedings
- Deterioration of the borrower's competitive position
- Deterioration in the value of collateral
- Downgrading below investment grade level

The estimated period between a loss occurring and its identification is determined by management for each identified portfolio. In general, the periods used vary between three months and twelve months; in exceptional cases, longer periods are warranted.

The Credit Union first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Credit Union determines that no objective evidence of impairment exist for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are included in a collective assessment for impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Credit Union may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

4. Summary of Significant Accounting Policies (Cont'd)**h. Impairment of Financial Assets (Cont'd)*****Assets Carried at Amortised Cost (Cont'd)***

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Credit Union's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Credit Union and historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses to the Credit Union and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Credit Union to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement in impairment charge for credit losses.

The Credit Union assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

Renegotiated Loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due on basis of the renegotiated terms and conditions.

4. Summary of Significant Accounting Policies (Cont'd)**i. Interest Income and Expense**

Interest income and expense are recognised in the income statement for all interest bearing instruments on accrual basis using the effective interest yield method based on the actual purchase price or estimated recoverable amount. Interest income includes coupons earned on fixed income investment and trading securities and accrued discount and premium on treasury bills and other discounted instruments.

J. Interest Income and Expense

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

K. Loans to Customers and Allowance for Loan Losses

Loans are stated net of unearned interest and allowance for loan losses.

The allowance for losses is based on an annual appraisal of loans. Specific and general provision for loan losses is based on the year-end appraisal of loans. The specific element relates to identified loans whereas the general element relates to latent bad and doubtful loans which are present in any loan portfolio but have not been specifically identified. Loans are written down to estimated realisable value when the normal banking relationship with the customer has ceased; interest on the loan up to that time is credited to operations and provision is made where appropriate.

L. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously

5. Financial Risk Management

A. The Credit Union's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The Credit Union's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Credit Union's financial performance. The company has not entered into forward contracts to reduce its risk exposure.

i) Credit Risk

The exposure to credit risk is dependent on the degree of failure of counter-parties, including its customers, banks and other debtors, to honour their obligations to the Credit Union. The Credit Union's credit risk is spread primarily over a diversity of private customers, commercial entities, and government securities.

The following summarises the maximum credit risk:

	2009 \$	2008 \$
Deposits with commercial banks	14,484,935	5,736,534
Investment securities	29,871,037	38,025,468
Loans to members	78,440,900	73,568,116
Other assets	2,324,745	2,913,392
	<u>125,121,617</u>	<u>120,243,510</u>

5. Financial Risk Management (Cont'd)**ii) Liquidity Risk**

In order to manage liquidity risks, management seeks to maintain levels of cash in each operating currencies, which are sufficient to meet reasonable expectations of its short-term obligations.

iii) Currency Risk

The company is subject to foreign currency risk to the extent that it trades in currencies other than Eastern Caribbean currency. The company does not use interest rate swaps or foreign currency options, or other derivative instruments to hedge any foreign currency risk exposure. At balance sheet date, all of the company's assets and liabilities were dominated in Eastern Caribbean currency, except as otherwise stated.

B. Fair Value of Financial Assets and Liabilities

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by quoted market value, if one exists.

The Credit Union's financial assets and financial liabilities as disclosed in the balance sheet approximate their fair value.

6. Critical Accounting Estimates and Judgments

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Estimated Impairment of Assets

The company tests annually whether assets have suffered any impairment in accordance with the accounting policy stated in significant accounting policies section. The recoverable amounts of some assets have been determined based on value-in-use calculations. These calculations require the use of estimates.

B. Valuation of Property

The Credit Union utilizes professional valuers to determine the fair value of its properties. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumption chosen.

7. Cash Resources

	2009 \$	2008 \$
Cash on hand	548,160	506,922
Current account	2,942,916	2,672,581
Special savings	11,542,019	3,093,953
	<u>15,033,095</u>	<u>6,273,456</u>

The effective interest rate on special savings is 3.04% (2008: 3.04%)

All cash balances are denominated Eastern Caribbean Currency.

8. Investment Securities

	2009 \$	2008 \$
Securities held-for-trading		
Government of Antigua & Barbuda, maturity July 28, 2011	0	98,326
Government of St. Lucia, maturity December 24, 2010	1,000,000	0
Government of St. Vincent fixed rate bond, maturity August 10, 2009	0	717,130
6.5% treasury bills, maturity March 24, 2010	983,795	0
NCB 5.5% 90 days short term deposit, maturity February 8, 2010	2,000,000	0
	<u>3,983,795</u>	<u>815,456</u>
Securities available-for-sale		
St. Vincent Brewery Limited - 4,666 ordinary shares - at FMV	93,933	93,933
First Caribbean International Bank (Barbados) Limited - 71,222 common shares - at FMV	262,196	324,171
East Caribbean Home Mortgage Bank - 404 Class D shares - at FMV	81,873	76,317
St. Vincent Co-operative Credit Union League - at FMV	272,711	264,691
Eastern Caribbean Co-operative Central Limited- at cost	15,000	15,000
	<u>725,713</u>	<u>774,112</u>
Securities held-to-maturity		
Government of St. Vincent		
5.82% treasury bills, maturity March 3, 2009	0	1,970,980
7.5% 10 years fixed rate bond, repayable in semi-annual instalments of \$10,000, maturity September 2, 2016	140,000	160,000
7.5% 10 years fixed rate bond, repayable in semi-annual instalments of \$15,000, maturity September 26, 2017	240,000	270,000
7.5% 10 years fixed rate bond, maturity September 11, 2018	461,873	556,595
8% 7 years fixed rate bond, maturity March 9, 2016	1,392,857	0
	<u>2,234,730</u>	<u>2,957,575</u>
Colonial Life Insurance Company Limited		
8% flexible premium annuity, maturity January 27, 2009	0	1,259,712
7% flexible premium annuity, maturity August 8, 2009	1,851,380	1,714,241
8% flexible premium annuity, maturity April 12, 2010	3,980,690	3,685,824
8% flexible premium annuity, maturity May 13, 2011	544,196	503,885
8.5% flexible premium annuity, maturity October 16, 2011	638,644	588,612
	<u>7,014,910</u>	<u>7,752,274</u>

8. Investment Securities (Cont'd)**Securities held-to-maturity**

	2009 \$	2008 \$
British American Insurance Company Limited		
8.5% flexible premium annuity, maturity January 9, 2009	0	1,357,252
8.25% flexible premium annuity, maturity March 9, 2009	410,132	585,903
8.25% flexible premium annuity, maturity March 10, 2009	410,132	585,903
8.25% flexible premium annuity, maturity June 8, 2009	596,978	852,826
8.25% flexible premium annuity, maturity October 13, 2009	410,132	585,903
8% flexible premium annuity, maturity January 27, 2010	259,662	370,947
8.25% flexible premium annuity, maturity March 14, 2010	525,321	750,459
8.5% flexible premium annuity, maturity December 6, 2010	956,751	1,366,787
8% flexible premium annuity, maturity January 27, 2011	264,539	377,913
8% flexible premium annuity, maturity May 5, 2011	132,269	188,957
8% flexible premium annuity, maturity May 11, 2011	132,269	188,957
8% flexible premium annuity, maturity May 13, 2011	132,269	188,957
8% flexible premium annuity, maturity May 16, 2011	210,000	300,000
8.75% flexible premium annuity, maturity November 10, 2011	413,930	591,328
8.25% flexible premium annuity, maturity December 13, 2011	443,968	634,240
9% flexible premium annuity, maturity March 31, 2012	988,107	1,411,581
9% flexible premium annuity, maturity May 30, 2012	1,057,274	1,510,392
9% flexible premium annuity, maturity June 5, 2012	1,147,150	1,638,785
9% flexible premium annuity, maturity June 8, 2012	766,348	1,094,783
9.5% flexible premium annuity, maturity August 7, 2013	717,500	1,025,000
8.5% flexible premium annuity, maturity January 29, 2012	1,030,834	0
	<u>11,005,565</u>	<u>15,606,873</u>
Credit Union Central Finance Facility		
4% Certificate of deposit, maturity December 31, 2010	964,321	927,232
	<u>964,321</u>	<u>927,232</u>
	2009 \$	2008 \$
St. Vincent Building and Loan Association		
6% Special deposit, maturity August 2009	0	1,736,911
6% Special deposit, maturity October 31, 2009	0	2,880,164
6% Special deposit, maturity December 31, 2009	0	1,827,161
	<u>0</u>	<u>6,444,236</u>
Kingstown Co-operative Credit Union Limited		
7% Special deposit, maturity March 30, 2010	1,144,900	1,070,000
7.25% Special deposit, maturity July 19, 2012	1,725,384	1,608,750
	<u>2,870,284</u>	<u>2,678,750</u>
St. Vincent Co-operative Bank Limited		
6% Certificate of deposit, maturity June 1, 2010	71,719	68,960
	<u>71,719</u>	<u>68,960</u>
First Caribbean International Bank Limited		
3% Certificate of Deposit, maturity October 2, 2010	1,000,000	0
	<u>1,000,000</u>	<u>0</u>
	<u>25,161,529</u>	<u>36,435,590</u>
	<u>29,871,037</u>	<u>38,025,468</u>

8. Investment Securities (Cont'd)

The securities held for trading are held under a repurchase agreement with Caribbean Money Market Brokers. Under the repurchase agreement, which is executable on May 25, the Credit Union earns a return of 5.5% per annum.

The effective interest rate on held-to-maturity securities are as follows:-

	2009	2008
	%	%
Government of St. Vincent & the Grenadines Treasury Bills	6.64	5.93
Government of St. Vincent & the Grenadines 10 years fixed rate bond	7.76	7.76
Government of St. Vincent & the Grenadines 7 years fixed rate bond	8.30	0.00
Colonial Life Insurance Company Ltd.	8.07	8.10
British American Insurance Company Ltd.	0.00	8.56
St. Vincent Building & Loan Association	6.16	6.17
St. Vincent Co-operative Credit Union League	4.00	4.00
St. Vincent Co-operative Bank Limited	4.07	4.07
CMMB	6.17	5.63
Kingstown Co-operative Credit Union Limited	7.39	7.39
First Caribbean International Bank Limited	3.04	0.00

The maturity distribution of held-to-maturity investment securities are as follows:-

	2009	2008
	\$	\$
One year	12,582,118	17,163,236
From 1 - 5 years	10,344,681	19,101,525
Over 5 years	2,234,730	986,595
	<u>25,161,529</u>	<u>37,251,356</u>

Investment Securities are denominated in the following currencies:-

	2009	2008
	\$	\$
ECD	29,608,841	37,701,297
BDS	262,196	324,171
	<u>29,871,037</u>	<u>38,025,468</u>

During the year, the fair value of securities available for sale decreased by \$48,398 (2008 increased by \$104,221). The aforementioned increase in fair value of securities available was credited unrealised gains on investments and is reflected in members' equity.

8. Investment Securities (Cont'd)

The following summarise the early redemption penalties on held to maturity investment securities:

	2009 %	2008 %
Principal:		
British American Insurance Company Limited		
Three Year Investments		
Year 1	25	25
Year 2	15	15
Year 3	5	5
Five Year Investments		
Year 1	25	25
Year 2	20	20
Year 3	15	15
Year 4	10	10
Year 5	5	5
Colonial Life Insurance Company Limited	2.5	2.5
Interest:		
British American Insurance Company Limited		
Three Year Investments		
Year 1	25	25
Year 2	15	15
Year 3	5	5
Five Year Investments		
Year 1	25	25
Year 2	20	20
Year 3	15	15
Year 4	10	10
Year 5	5	5
Colonial Life Insurance Company Limited	2.5	2.5

During the year, British American Insurance Company Limited and its respective branch operations were placed in judicial management by the insurance regulators. The company, including its branch operations, has defaulted on its flexible annuity policies. The judicial managers' interim reports indicate that the company is insolvent and that it has a significant capital deficiency. Further, the Governments of the region have committed to a restructuring plan proposed by the judicial managers. The proposed restructuring plan requires substantial capital injection into a new entity which is expected to assume the liabilities of various policyholders. Since the announcement of the proposed restructuring plan, neither the proposed company has been established nor has the capital been provided.

The proposed plan contemplated a 'haircut' on the principal element of the flexible annuities and the waiver of all interest accrued to date for a period of at least five years. The present value of the Credit Union's holdings in British American Life Insurance Company Limited, assuming the principal is recovered at the end of the five year term, ranges between \$10,218,387 and \$11,005,565, at best.

Also, Colonial Life Insurance Company International Limited, a former fellow subsidiary of British American Insurance Company Limited, has defaulted on its flexible annuity policies. On March 20, 2010, CGI Holdings Limited, a company registered in Barbados, assumed control, subject to regulatory approval, of certain segments of Colonial Life Insurance Company International Limited.

The Credit Union is yet to assess, in the absence of details of a restructuring plan and assurances provided by regional governments, whether its holdings in Colonial Life Insurance Company International Limited

9. Loans to Members

	2009 \$	2008 \$
Consumer loans	53,505,032	51,090,330
Computer loans	129,174	135,524
Mortgage loans	26,470,304	23,597,192
Student loans	3,360,563	3,466,615
	<u>83,465,073</u>	<u>78,289,661</u>
Allowance for loan losses	(5,024,173)	(4,721,545)
	<u>78,440,900</u>	<u>73,568,116</u>

The effective interest yield during the year on loans to members was 9% (2008: 9%).

9.1 Loans to Members Impairment Analysis

Loans and advances are summarised as follows: -

	2009 \$	2008 \$
Neither past due nor impaired	69,673,928	63,291,811
Past due but not impaired	7,396,360	9,127,498
Impaired	6,394,785	5,870,352
Gross	<u>83,465,073</u>	<u>78,289,661</u>
Less: allowance for impairment	(5,024,173)	(4,721,545)
Net	<u>78,440,900</u>	<u>73,568,116</u>

9.2 Allowance for Loan Losses

	2009 \$	2008 \$
Balance - Beginning of Year	4,721,545	4,557,320
Provision for loan impairment	302,628	754,890
Loans written off during the year as uncollectible	0	(590,665)
Balance - End of Year	<u>5,024,173</u>	<u>4,721,545</u>

9.3 Allowance for Impairment on Loans

	2009 \$	2008 \$
Increase in allowance for losses (Note 9.2)	302,628	754,890
Direct write-offs	0	1,286
Recoveries	(8,469)	0
	<u>294,159</u>	<u>756,176</u>

As of balance sheet date, interest of \$1,116,626 (2008: \$1,011,977) has been suspended on loans amounting to \$6,673,243 (2008: \$6,015,363).

10. Other Assets

	2009	2008
	\$	\$
ATM receivables	129,169	67,824
Interest receivable on loans	3,670,330	3,151,701
Interest receivable on investments and deposits	113,623	1,272,004
Rent receivable	129,270	243,905
Prepaid expenses	20,842	20,866
Staff receivables	1,202	5,031
Western Union receivables	162,943	32,186
Other	48,927	0
	<u>4,276,306</u>	<u>4,793,517</u>
Allowance impairment of rent and other receivable	(66,376)	(99,589)
Allowance impairment of interest receivable	<u>(1,885,185)</u>	<u>(1,780,536)</u>
	<u>2,324,745</u>	<u>2,913,392</u>

All other assets are denominated in Eastern Caribbean Currency.

10.1 Allowance for Impairment on Interest Receivable

	2009	2008
	\$	\$
Balance at the beginning of the year	1,780,536	1,180,536
Increase in allowance for impairment of interest receivable	104,649	600,000
Balance at the end of the year	<u>1,885,185</u>	<u>1,780,536</u>

The increase in allowance for impairment on interest receivable of \$104,649 (2008: \$600,000) are charged to administrative expenses.

11. Investment Properties

	2009	2008
	\$	\$
Carrying value at beginning of year	12,814,182	12,799,082
Acquisition	0	15,100
Carrying value at end of year	<u>12,814,182</u>	<u>12,814,182</u>

12. Property, Plant and Equipment

	Land \$	Building \$	Furniture & Equipment \$	Motor Vehicle \$	Total \$
At December 31, 2007					
Cost or valuation	1,280,000	2,951,216	737,502	130,110	5,098,828
Accumulated depreciation	0	314,903	587,353	114,108	1,016,364
Net book amount	1,280,000	2,636,313	150,149	16,002	4,082,464
Year Ended December 31, 2008					
Opening net book amount	1,280,000	2,636,313	150,149	16,002	4,082,464
Additions	0	209,608	669,433	0	879,041
Disposal	0	0	(1,447)	0	(1,447)
Depreciation charge	0	(63,217)	(188,649)	(8,000)	(259,866)
Closing net book amount	1,280,000	2,782,704	629,486	8,002	4,700,192
At December 31, 2008					
Cost or valuation	1,280,000	3,160,823	1,348,974	130,110	5,919,907
Accumulated depreciation	0	378,119	719,488	122,108	1,219,715
Net book amount	1,280,000	2,782,704	629,486	8,002	4,700,192
Year Ended December 31, 2009					
Opening net book amount	1,280,000	2,782,704	629,486	8,002	4,700,192
Additions	0	0	82,808	0	82,808
Disposal	0	0	(1,352)	0	(1,352)
Depreciation charge	0	(63,216)	(196,081)	(8,000)	(267,297)
Closing net book amount	1,280,000	2,719,488	514,861	2	4,514,351
At December 31, 2009					
Cost or valuation	1,280,000	3,160,823	1,424,021	130,110	5,994,954
Accumulated depreciation	0	441,335	909,160	130,108	1,480,603
Net book amount	1,280,000	2,719,488	514,861	2	4,514,351

In January 2006, the Credit Union's properties were independently valued, on an open market basis, by Alexander and Alexander, surveyors and valuers. The valuation was adopted as at December 31, 2005.

Depreciation expense of \$267,297 (2008: \$259,866) has been charged to administrative expenses.

13. Other Payables

	2009 \$	2008 \$
Accounts payable and accrued liabilities	1,031,347	931,179
Interest payable on deposits	1,914,496	1,763,587
	<u>2,945,843</u>	<u>2,694,766</u>

Other payables are denominated in the following currencies:-

	2009 \$	2008 \$
ECD	<u>2,945,843</u>	<u>2,694,766</u>

14. Members' Deposits

	2009 \$	2008 \$
Term deposits	51,041,834	48,942,815
Saving deposits	12,641,871	10,477,653
	<u>63,683,705</u>	<u>59,420,468</u>

The effective interest rates on members' deposits are as follows:-

	2009 %	2008 %
Term deposits	6.57	6.52
Saving deposits	3.16	3.10

All members' deposits are denominated in Eastern Caribbean Currency.

15. Share Capital

The Credit Union is authorised to issue an unlimited number of shares which are redeemable upon proper notice and the approval of the Board of Directors.

	2009 \$	2008 \$
Redeemable shares	<u>67,067,021</u>	<u>61,849,979</u>

	Number of Shares	Share Capital
As at December 31, 2007	55,851,597	55,851,597
Proceeds from shares issued	5,998,382	5,998,382
As at December 31, 2008	61,849,979	61,849,979
Proceeds from shares issued	5,217,042	5,217,042
As at December 31, 2009	<u>67,067,021</u>	<u>67,067,021</u>

On November 18, 2009, the Credit Union approved a resolution for the creation, effective January 1, 2010, of a class of non-redeemable member shares have a nominal value of \$5. Further, the aforementioned resolution provides that 20 shares of the redeemable shares shall be converted into 20 non-redeemable shares.

16. Statutory Reserve

Article XIV (66) of the Credit Union's By-Laws provides that the Credit Union shall credit all entrance fees and fines collected, directly to this reserve. In addition, at least 25% of net income before dividends must be credited to a reserve account. The reserve may be applied, with the sanction of the Registrar of Co-operatives, to meet bad debts or extraordinary losses.

	2009 \$	2008 \$
Balance - Beginning of Year	7,148,907	6,496,398
Entrance fees received in current year	2,071	3,319
Appropriation for the year	0	649,190
Release of statutory reserve	<u>(1,400,000)</u>	<u>0</u>
Balance - End of Year	<u>5,750,978</u>	<u>7,148,907</u>

In accordance with section 119(2) of the co-operative Societies Act 1999, the Credit Union sought and obtained the approval of the Registrar to release \$1,400,000 to absorb the impairment loss on British American Insurance Company Limited held-to-maturity investments.

17. Social Development Fund

The Social Development Fund is to assist needy members to recover from severe illness/emergencies/ natural disasters. Each member is required to make an annual contribution thereto of \$20.00.

	2009	2008
	\$	\$
Balance - beginning of year	652,690	319,849
Contribution received	378,000	350,740
Benefits paid	(55,838)	(17,899)
Balance - end of year	974,852	652,690

18. Statutory Development Fund

	2009	2008
	\$	\$
Opening balance	20,000	20,000
Appropriations	30,000	20,000
Disbursement	0	(20,000)
Closing balance	50,000	20,000

Article 120 of the Co-operative Societies Act No 24 of 1999 provides that the Credit Union shall maintain a Development Fund which shall be administered by the National League. The Credit Union shall appropriate such sums, not exceeding 10% of each year's current surplus, to the fund.

19. Income on Death Benefit Plan - Net

	2009	2008
	\$	\$
Members' death benefit contributions during the year	475,900	435,140
Death benefit claims paid during the year	185,000	220,500
	290,900	214,640

20. Income Tax

The Credit Union, in accordance with Section 235 of the Co-operative Societies Act, 1999, is exempt from income tax.

21. Staff Retirement Benefit Plan

Effective March 1, 2000, the Credit Union introduced a defined contribution retirement plan for eligible full-time employees. The plan is administered by Colonial Life Insurance Company (Trinidad) Limited, CLICO. Pursuant to the provisions of the plan, the Credit Union contributes four per cent (4%) of each qualifying employee's salary to the plan. The Credit Union recognises the expense in respect of the plan at the time the payments become due.

22. Staff Cost

	2009	2008
	\$	\$
Group insurance	46,719	44,583
Pension	69,051	65,458
National Insurance contributions	54,665	52,253
Salaries, wages and bonus	1,419,216	1,314,947
Severance	0	25,449
Staff training	22,461	25,423
Uniforms	17,333	15,805
	<u>1,629,445</u>	<u>1,543,918</u>
Number of employees at balance sheet date	<u>42</u>	<u>43</u>

23. Comparative Figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year. In particular, the comparative figures have been adjusted or extended to reflect the requirements of new IFRS, as well as amendments to and interpretations of existing IFRS.

General Employees' Co-Operative Credit Union Limited

Additional Information
Financial Statements
Year Ended December 31, 2009



Contents

Page 1	Additional Comments of Auditors
Page 2	Schedule of Selling Expenses
Page 3	Schedule of General and Administrative Expenses

ADDITIONAL COMMENTS OF AUDITORS

To the Directors of
General Employees' Co-operative Credit Union Limited

The accompanying pages are presented as additional information only. In this respect, they do not form part of the financial statements of General Employees' Co-operative Credit Union Limited for the year ended December 31, 2009, and hence are excluded from the opinion expressed in our report dated May 13, 2010, to the members on such financial statements. The information on these pages has been subject to audit procedures only to the extent necessary to express an opinion on the financial statements of the Credit Union and, in our opinion, is fairly presented in all respects material to those financial statements.



May 13, 2010

General Employees' Co-Operative Credit Union Limited

2

Schedule of Selling Expenses

For the Year Ended December 31, 2009

	2009 \$	2008 \$
Advertising	116,943	157,094
Donations	42,305	36,843
Heritage month expenses	1,050	7,547
Scholarships	81,240	76,276
School co-operation expense	27,073	1,479
	<u>268,611</u>	<u>279,239</u>

General Employees' Co-Operative Credit Union Limited

3

Schedule of General and Administrative Expenses For the Year Ended December 31, 2009

	2009 \$	2008 \$
Annual mid-year retreat	5,190	5,215
ATM card embossing cost	2,880	2,715
Audit fee	37,000	39,326
Bad debts - rent and other	56,873	0
Bank charges	7,363	4,983
Cash written off	2,325	0
Credit Union week	15,856	10,490
Depreciation expense	267,297	259,866
Education and training	22,461	25,423
Electricity	139,849	159,805
End of year social	25,782	19,489
General insurance	47,570	47,842
Georgetown branch expenses	68,606	87,132
Grenadines expenses	84,597	82,226
Honorarium	9,600	9,600
Insurance on loans to members	609,314	563,944
League dues	100,609	95,741
Licensing fees	17,197	35,939
Meeting expenses	128,439	142,132
Miscellaneous expenses	13,041	8,823
Motor vehicle expense	24,585	22,036
National Insurance contributions	54,665	52,253
Pension	69,051	65,458
Professional fees	8,298	17,122
Property tax	4,775	4,775
Repairs and maintenance	82,841	129,522
Salaries and wages	1,419,216	1,314,948
Security	106,736	90,794
Severance	0	25,449
Staff medical insurance	46,719	44,583
Staff uniforms	17,333	15,805
Stationery and office supplies	156,641	213,652
Subscriptions and membership dues	4,738	5,000
Telephone	108,965	102,225
Travel and subsistence	73,725	69,870
Travel and entertainment allowances	45,810	48,411
Water and sewerage	21,797	23,240
WOCCU convention	30,321	54,761
	<u>3,938,065</u>	<u>3,900,595</u>

The Credit Committee's Report to the 44th Annual General Meeting

1.0 Introduction

1.1 The Credit Committee comprises the following members:

- Bro. Renato Gumbs Chairman
- Bro. Stewart Haynes Deputy Chairman
- Sis. Elsa Wynne Secretary
- Bro. Harold Lewis Member
- Bro. Colin Sam Member

1.2 Bro. Colin Sam was elected to the Credit Committee at the 43rd Annual General Meeting replacing Sis. Gemma Mc Cree. Bro. Renato Gumbs was re-elected to serve a second three-year term.

2.0 Meetings and Attendance

2.1 A total of thirty two (32) regular meetings were convened and twenty five (25) site visits were made.

2.2 Attendance was as follows:

Committee

- Bro. Renato Gumbs 29
- Bro. Stewart Haynes 23
- Bro. Colin Sam 10
- Sis. Gemma Mc Cree 14
- Sis. Elsa Wynne 30
- Bro. Harold Lewis 30

3.0 Highlights of Work Plan

- Administer and adhere to GECCU's loan policy in the processing of loans.
- Provide financial advice and counseling where necessary.
- Participate in training programs in mortgage and micro financing.
- Submit monthly reports to the Board of Directors
- Conduct site visits to properties
- Conduct interviews where necessary.

4.0 Loan Review and Disbursement

4.1 The following table is a summary of the loan activities for the period under review.

Table 1: Loan Activity for the financial year 2009

	2009		2008	
Particulars	No	Value	No	Value
Total loans processed	5,447	\$31,807,778	5,274	\$30,994,922
Total loans approved	5,415	\$27,878,891	5,239	\$26,237,297
Total loans disbursed	5,401	\$26,346,628	5,234	\$25,041,233
Total loans undisbursed	14	\$1,532,263	5	\$1,196,064
Total loans deferred	9	\$700,590	10	\$1,658,530
Total loans not approved	23	\$3,228,297	25	\$3,099,095

4.1.1 Table 4.1 reveals an increase in both the number and value of loan applications processed, approved and disbursed.

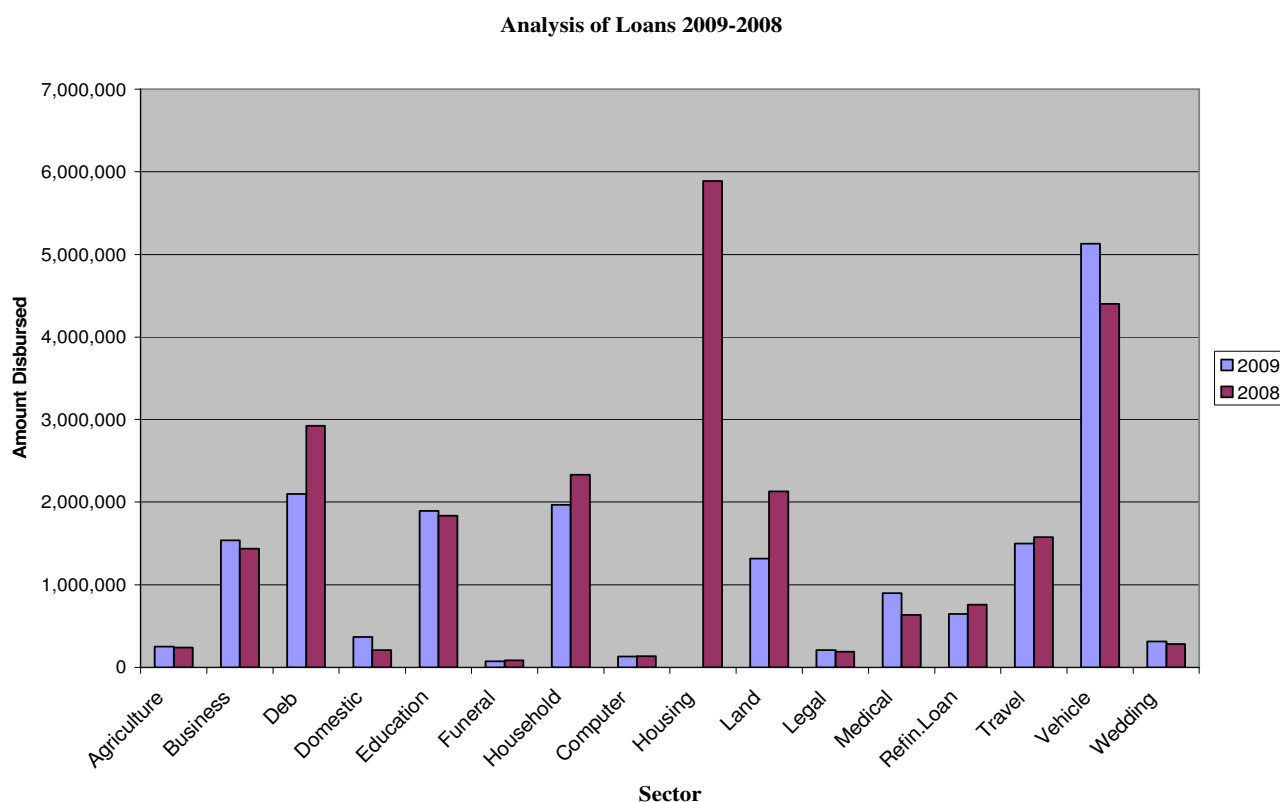
4.2 The table below shows loans disbursed by sector.

Table 2: Loans Disbursed by Sector

	Jan - Dec 2009			Jan - Dec 2008		
	No of	Amount	% of Total	No of	Amount	% of Total
Category	loans	(\$)	Loan Value	loans	(\$)	Loan Value
Agriculture	121	248,271	1	72	238,390	1.0
Business	244	1,536,352	5	206	1,435,884	5.7
Deb	836	2,100,439	11	1,200	2,923,545	11.7
Domestic	456	365,535	1	347	207,635	0.8
Education	480	1,894,281	7	427	1,833,191	7.3
Funeral	28	70,900	1	23	84,140	0.3
Household	750	1,965,545	11	777	2,330,293	9.3
Computer	76	129,177	1	83	133,692	0.5
Housing	707	8,023,031	23	607	5,888,528	23.5
Land	42	1,315,164	6	55	2,128,452	8.5
Legal	62	209,355	2	53	187,013	0.7
Medical	395	898,083	3	346	635,858	2.5
Refinance Loans	22	646,860	6	26	756,726	3.0
Travel	450	1,500,910	5	432	1,574,864	6.3
Vehicle	660	5,128,993	17	527	4,403,376	17.6
Wedding	72	313,732	1	53	279,646	1.1
Total	5401	26,346,628	100	5,234	25,041,233	100

4.2.1 During the period under review the value of Loans disbursed increased from \$25,041,233 to \$26,346,628.

Chart 1: Analysis of Loans 2008 – 2009 by Sector



5.0 Mortgage Financing Program (MFP)

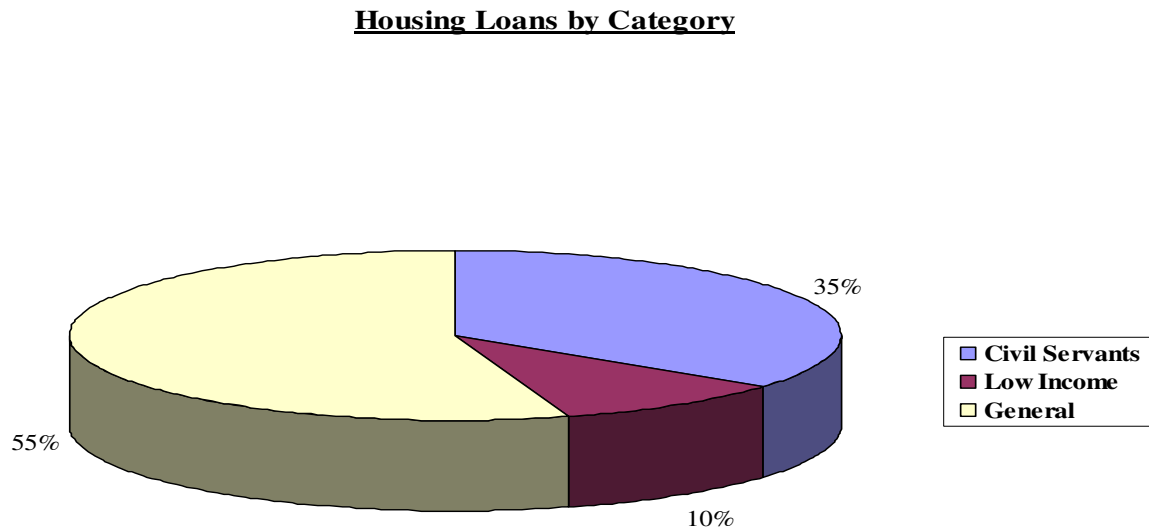
- 5.1 The committee continues to place emphasis on the monitoring of mortgages with the aim of ensuring compliance and providing guidance to applicants.
- 5.2 The following table shows that the number and the value of Mortgages disbursed increased in 2009 compared to 2008.

Table 3: Housing Loans by Category

Category	2009			2008		
	No of loans	Value(\$)	Percentage	No of loans	Value(\$)	Percentage
Civil Servants	65	9,374,124	35	57	8,483,952	36
Low Income	33	2,581,106	10	33	2,594,136	11
General	113	\$14,494,876	55	95	\$12,519,105	53
TOTAL	211	\$26,470,306	100	185	23,597,193	100

5.2.1 The distribution of Mortgages disbursed is presented in the pie chart below.

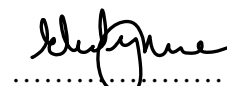
Chart 2: Housing Loans by Category



6.0 Conclusion

- 6.1 The 2009 economic crisis has presented significant credit challenges for financial institutions locally, regionally and internationally. In spite of these challenges, the Credit Committee achieved its 2009 work programme whilst satisfying the needs of its members.
- 6.2 The Committee expresses gratitude to the Board of Directors, other Committees, Management and staff for their support which allowed for the effective functioning of the Committee.
- 6.3 The Committee also wishes to thank the general membership for the opportunity to serve and would continue to seek ways of improving service to members.


.....
Bro. Renato Gumbs
CHAIRMAN


.....
Sis. Elsa Wynne
SECRETARY

***SUPERVISORY COMMITTEE'S REPORT
TO THE 44TH ANNUAL GENERAL MEETING***

1.0 Introduction

- 1.1 The Supervisory Committee is pleased to present its report to this 44th Annual General Meeting of the General Employees Co-operative Credit Union Ltd.
- 1.2 The 43rd Annual General Meeting elected the following persons to serve for the year.
- Bro. Jerold Jackson
 - Bro. Joel Poyer
 - Sis. Mineva Glasgow
 - Sis. Cecelia J. Williams
 - Sis. Elizabeth A. Williams
- 1.3 Sis. Damoris Alexander, the Internal Auditor, assisted the Committee in the execution of its duties.
- 1.4 Sis. Cecelia J. Williams and Bro. Jerold Jackson were elected as Chairperson and Secretary respectively. Meetings were held on the second and fourth Tuesday each month or as the circumstances dictated.

2.0 Attendance:

- 2.1 Meetings were called with attendance as follows:

• Bro Jerold Jackson	13
• Joel Poyer	16
• Mineva Glasgow	11
• Cecelia J. Williams	15
• Elizabeth A. Williams	13

3.0 Work Plan Activities:

During the period under review, the Committee undertook the following major activities.

- 3.1 The Committee reviewed the investment portfolio. Examination revealed that some investments which matured from CLICO and all investments from British American are still outstanding. These are due to the financial problems facing these financial institutions. The Credit Union continues to work with the institutions for resolution towards these issues. The Committee noted that this has negatively impacted GECCU's interest income from these investments and is therefore seeking alternative investment opportunities.
- 3.2 The Committee reviewed the monthly financial statements and found that generally they were in conformity with the Pearls M standards.
- 3.3 The Committee examined the personal files of employees to ensure that all appropriate documentation was present and in order. Except for a few cases, the files were in good order and up-to-date. Following discussion with Management, there were a few recommendations which Management is currently looking at for implementation. The Committee noted that in light of the growth of the organization, there is need to review the staff complement so as to utilize the human resources more effectively and efficiently.

- 3.4 The Committee reviewed and examined the Loan Portfolio to ensure that the Loans policy, procedures and guidelines were followed. Generally, there was compliance in this regard.

4.0 Other Activities:

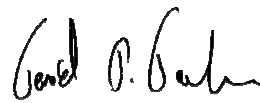
- The Committee reviewed various aspects of the Credit Union's internal control and reporting requirements to ensure that management established and maintained effective internal control to achieve its objectives. The results revealed that generally the quality of the internal control systems is good. There was also adherence to the policies determined by the Board of Directors.
- The Committee visited all Branches including the Head Office and reviewed the records; observed the day to day operations and held interviews with members transacting business with a view to assess the quality of service offered. Attention was also paid to safety issues in keeping with the Occupational Safety and Health (OSH) Policy. Records were in accordance with that prescribed in the Procedure Manual and members were generally satisfied with the quality of service offered by GECCU.
- The Committee reviewed the Minutes of Board of Directors and other Committees.
- The Committee noted that the Disaster Risk Management Plan needs to be formulated and implemented
- .
- A Review of the Delinquency/Recovery listing showed that there is some improvement in this area.
- The Committee reviewed the school co-operatives and is satisfied that GECCU is encouraging the youth of our nation to be prudent in managing the pocket money they receive by saving with the Society.
- The Committee noted that the Peters Hope Development Plan is still to be formulated and implemented.

5.0 Conclusion:

- 5.1 In spite of the global economic situation GECCU continues to maintain its relevance to its members and by extension fulfilling its social mandate to the people of St. Vincent and the Grenadines. The Supervisory Committee took its responsibility seriously and worked assiduously to address issues that can impact upon the Credit Union's operations.
- 5.2 The Supervisory Committee takes this opportunity to thank all those who contributed to its efforts at furthering and promoting a safe and sound credit union. We are indeed grateful for the support provided and look forward to greater success in the coming year.



Sis. Cecelia Williams
CHAIRPERSON



Bro. Jerold Jackson
SECRETARY

~~**THE EDUCATION COMMITTEE**~~
TO THE 44th ANNUAL GENERAL MEETING

1.0 Introduction

1.1 The Education Committee, in conjunction with the Marketing Department, continued throughout 2009 to fulfil the objectives which were mandated by the Board of Directors and the general membership.

1.2 The Committee comprised of the following persons:

- Sis. Madge Mandeville - Chairperson
- Bro. Claude Cambridge - Deputy Chairperson
- Sis. Velda Gumbs - Secretary
- Bro. Ezekiel Richards
- Bro. Sylvester King
- Bro. Richard Cumberbatch
- Sis. Janice King
- Bro. Kenneth Douglas
- Sis. Dionne John
- Sis. Jacqueline Howe

- **Staff:**
- Sis. Cheryl Bacchus
- Bro. Anton Jardine
- Sis. Karina Williams

2.0 Meetings

2.1 Scheduled committee meetings were held on the 2nd Monday of each month with additional meetings held as necessary to plan varying activities. In addition, sub-committee meetings were organised throughout the year to co-ordinate, but not limited to, specific activities such as the production of the “In Touch” newsletter and Christmas Magazine, Credit Union Week, Workshop, Summer Programme and GECCU Fun Day.

3.0 Highlights of Work Plan

The Committee, in collaboration with the Marketing Department, prepared its 2009 work plan to achieve the following major objectives:

- a. To educate all levels of the organization – staff, volunteers and members
- b. To register of a minimum of 2,000 new members with 60% below the age of thirty (30) years selected from targeted employee groups.
- c. To improve the School Co-operative Programme
- d. To re-activate 1000 dormant accounts
- e. To establish GECCU as the financial institution of first choice among its members

4.0 Activities

The major activities completed for the period under review included:

- Ongoing upgrade of in-house media to advertise GECCU's products and services
- Recruitment Drives – Police Headquarters, Teachers' College, Technical College, School of Nursing (ongoing)
- Eastern Caribbean Central Bank Mentorship programme at CW Prescod Primary School – Grade 4. Topic: Money Matters (February)
- Heritage Month Activity – GECCU Fun Day (March)
- New Members' Workshop (March)
- GECCU Summer Programme – visits to Owia Fisheries Complex, Arrowroot Industry Association at Orange Hill and Taiwanese Agricultural Mission at Orange Hill (July)
- Participation in Credit Union Week activities – Outing for senior members at Black Point, Whistle Stop and Members' Appreciation Day (October)
- Vincy Homecoming Exhibition (October)
- Participation in Eastern Caribbean Central Bank's Financial Literacy Month activities at the St. Vincent and the Grenadines Community College: Division of Technical and Vocational Education and Division of Arts, Science and General Studies (October)
- Publications: Newsletters (May) and Christmas (December)
- Grenadines visits: Bequia, Union Island and Canouan (November/December)
- Christmas Party for GECCU-sponsored School Co-operative – Imani Preschool (December)

5.0 Membership Recruitment

- 5.1 During 2009, emphasis was placed on recruiting new members from educational institutions such as the Teachers' College and A' Level College. Additionally, recruitment drives were held with the traditional institutions, namely, School of Nursing and the Police Training School. Other outreach programmes were conducted in the Grenadines.

6.0 Educational Programmes

- 6.1 The workshop conducted for recruits focused on educating persons in major areas, namely, credit union history, philosophy, practices, product knowledge and dormancy as well as financial prudence.

7.0 Conclusion

- 7.1 Education has always been a priority area for GECCU and the Education Committee along with the Marketing Department continues to work assiduously to achieve its goals and objectives.
- 7.2 The Education Committee and Marketing Department express sincere gratitude and appreciation for the continued support and guidance received from the Board of Directors, Committees, Management and Staff and the general membership throughout the year.



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NOTES

Permanent Shares

Growing from Strength to Strength

Increased Stability of your Credit Union.
More investment Opportunities.
Secure Investment for your Future.

Invest in Permanent Shares today!



Head Office:

Halifax House, Halifax Street, P.O. Box 1636

Tel: (784) 456-1963 | Fax: (784) 456-1660 | Email: info@geccu.com

Northern Grenadines: Port Elizabeth, Bequia

Tel: (784) 458-3535 | Fax: (784) 458-3673 | Email: bequiaoffice@geccu.com

Southern Grenadines: Clifton, Union Island

Tel: (784) 485-8214 | Fax: (784) 485-8217 | Email: unionoffice@geccu.com

Georgetown Branch: Commercial Road, Georgetown

Tel: (784) 458-6476 | Fax: (784) 458-6951 | Email: gtownoffice@geccu.com

www.geccu.com

