

GECCU LTD

General Employees' Co-operative Credit Union Ltd.

46th

Annual General Meeting

Reports & Accounts 2011



Methodist Church Hall

Tuesday June 19th 2012

Theme:

"THE CREDIT UNION DIFFERENCE IN MOTION"

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 Saint Vincent and the Grenadines

Saint 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 fair 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.

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 46th ANNUAL GENERAL MEETING

Dear Members,

Notice is hereby given that the 46th Annual General Meeting of the General Employees' Co-operative Credit Union Limited is scheduled to take place on Tuesday 19th June, 2012 at the Methodist Church Hall, Kingstown at 5:30 p.m.

AGENDA

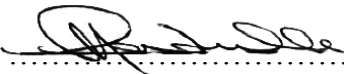
OPENING SESSION

Call to Order – President
Prayers
National Anthem
Silent Tribute
Apologies for Absence
Welcome – President
Greetings – Guest Societies

CLOSED SESSION

Ascertainment of Quorum
Minutes of the 45th Annual General Meeting
Matters arising from Minutes
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,



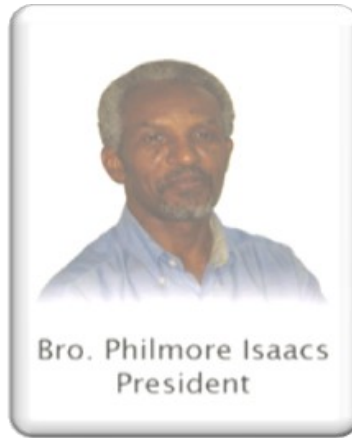
Sis. Camilla Mandeville
Secretary

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.
 - (b) 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) 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” “Proceed to next Business” or the closure: “that the question be now put” may be moved at anytime.
10. Only one amendment should be done before the meeting at one and the same 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).
15. No member shall impute improper motives against another member.

PRESIDENT'S MESSAGE



“Settled and successful, but guarding against Complacency”

Annual General Meetings (AGM) are likened to annual family reunions which provide the ideal forum for family members to exchange stories of achievements and setbacks since last we met, and to share hopes, dreams and a vision for the future. This AGM assumes even greater significance as we proudly join the co-operatives worldwide in celebrating “International Year of Co-operatives 2012”, as declared by the United Nations.

I have chosen to address you on the captioned theme because the words, in opinion, summarize the GECCU experience at least for the past six years since I was given the privilege to serve at the B.O.D level.

The fact that we are convening the 46th AGM/reunion and reporting that in 2011 the family grew by 1,937 (6%) to be 31,936 registered members; and that the greater percentage of that membership are 40 years and under; and that the family had at the same time a total asset base of \$152,551,061 (XCD); and that the range of products and services available to the family is being expanded and up-graded regularly, tell of a settled, successful and visionary organization.

But the GECCU family must guard against the, “I am rich and have need of nothing” mentality. Having abundance as against scarcity is good, but fatness coupled with indolence is unhealthy. Remembering the fore-sight, sacrifices, resolution, and commitment of our forerunners is good; forgetting the trust and values which gave life to this organization is not good. Complacency will be kept at bay when people-centredness and inter-dependence are preferred to self-centredness. Others must benefit from the success, achievements, and abundance of our resources (materials, knowledge, and skills).

What of the future? What shared hope, dream, and vision do we have for our organization? I borrow from the presentations at the World Council of Credit Unions (WOCCU) which I attended in Glasgow, Scotland July, 2011:- "We are in a world of dramatic social and economic change, with enormous opportunities. Notwithstanding the current economic down turn there is going to be an expansion of the middle class with tremendous spending power. So far credit unions have trust. We must maintain morality and conscience, freshness and fresh ideas, maturity and experience to take advantage of the opportunities". (Hon Gordon Brown, Former P.M. of Great Britain)

GECCU must intentionally maintain membership diversity. Our members must come from all ages, both sexes, all classes, at home and the Diaspora, current employees and retirees.

We must continue to expand our drive to establish small neighbourhood branches with tailored products of few **low-fee** transaction services.

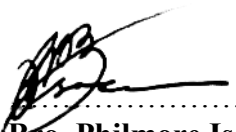
GECCU must continue to grow as a large credit union but resist the urge to think as a small bank.

GECCU must not neglect its social responsibility in giving back as we move forward.

Elsewhere in this booklet is provided an enormous wealth of information on our achievements and set-backs. Further elaboration will be provided as we dialogue in our family forum from the floor.

On July 14th 2014, GECCU would be fifty (50) years old. Throughout this period, we have demonstrated the "Credit Union Difference in Motion". Our strategically thinking volunteer membership has worked tirelessly to build an organization which we can all be proud of. Our members have demonstrated enviable loyalty to the GECCU brand which enhances the quality of their lives. We have already begun the process of recognizing this golden milestone as we celebrate our past while being prepared for our future.

Thanks for giving us Members of the B.O.D the privilege to serve in this capacity and for the tremendous opportunity to learn while doing so.


.....
Bro. Philmore Isaacs
President

MINUTES OF THE 45th ANNUAL GENERAL MEETING OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU), HELD AT THE KINGSTOWN METHODIST CHURCH HALL ON 15TH JUNE 2011 AT 4:30PM.

OPENING SESSION

PRESENT:	Bro. Philmore Isaacs	-	President
	Bro. Aubrey Burgin	-	Treasurer
	Bro. Clarence Harry	-	Director
	Sis. Arlene Lewis	-	Director
	Sis. Gemma Mc Cree-Clarke	-	Director
	Bro. Richard Cumberbatch	-	Director
	Bro. Gary Matthias	-	Director
	Bro. Stanley Harris	-	Director
	Bro. Lennox Bowman	-	Chief Executive Officer

1 CALL TO ORDER

Bro. Philmore Isaacs, President/Chairman, called the meeting to order at 4:50 pm.

2. PRAYERS

Bro. Richard Cumberbatch led the meeting in prayer.

3. NATIONAL ANTHEM

The National Anthem was sung by all present.

4. SILENT TRIBUTE

The meeting observed a one-minute's silence for members who passed away during the year.

5. APOLOGIES FOR ABSENCE:

Apologies were made on behalf of Sis Camilla Mandeville, Secretary (BOD) who was out of State, and Sis Beryl Baptiste MBE.

6 WELCOME

The President welcomed all to the 45th Annual General Meeting, and challenged members to reflect on the events and circumstances that would have impacted, not only GECCU, but would have shaped individual and collective lives. He reminded members of the credit union's core values and philosophy, elaborating the three pillars - access to credit; social responsibility and democratic control which must continue to guide the way the credit union functions.

7. GREETINGS- GUEST SOCIETIES

Fraternal greetings were received from the following societies:

- * St. Vincent Teachers' Co-operative Credit Union Ltd.

- * Kingstown Co-operative Credit Union Ltd.
- * Barrouallie Co-operative Credit Union Ltd.
- * C. W. Prescod Primary School Co-operative
- * Eastern Caribbean Co-operative Central Ltd.
- * Georgetown/Mt Coke Co-operative Credit Union Ltd.
- * SVG Police Co-operative Credit Union Ltd.
- * St. Vincent Automotive Co-operative Society Ltd.
- * Stubbs Government School Co-operative Teacher Guide
- * Commercial Technical and Allied Workers' Union (CTAWU)
- * Baptiste & Company Chambers
- * Lyndon George Chambers

After commending GECCU for continued growth in the key areas of operations, Sis Cheryl Evans, Treasurer of the SVG Co-operative Credit Union League, empathized with GECCU for the level of bad debts written-off, which she thought was caused by the economic challenges members were currently facing. She said that in the prevailing conditions there may be amalgamation and mergers of the smaller credit unions with the larger ones.

Hon. Frederick Stephenson, the Minister with responsibility for Co-operatives, commended GECCU for its outstanding performance in 2010. He noted that in spite of the financial challenges, GECCU was able to realize outstanding performances including:

- * a total growth in assets of 4%
- * an increase of 6% in loans to members
- * an increase of 12% in investments securities
- * a growth of 24% in ordinary deposits.

The Minister stated that he was aware that the investment situation with British American and CLICO will continue to be a challenge to GECCU, but noted that GECCU had made adequate impairment provisions for losses on investment income and had begun to diversify its investment portfolio.

He further stated that the government of St Vincent and the Grenadines recognized the importance of co-operatives in national development and will collaborate with stakeholders to organize and celebrate 2012 as International Year of Co-operatives as designated by the United Nations. To this end, a committee comprising of representatives from the SVG Co-operative Credit Union League and the Ministries of Labour, Education and Agriculture among other stakeholders was approved by Cabinet. He encouraged the management of GECCU to continue to provide the necessary financial support to its members; and further develop the youth of SVG.

CLOSED SESSION

ASCERTAINMENT OF QUORUM

There were approximately 242 members present.

2.0 MINUTES OF THE 44TH ANNUAL GENERAL MEETING

The minutes of 10th June 2010 having been circulated before were taken as read.

2.1 Amendments

Page 6: Bro. Richard Cumberbatch was included in the list of Directors as being present

Page 8: 4.1 (i) line 2: ‘nternationally’ was corrected to ‘internationally’

Page 12: 7.0 line 1 ‘...a motion by moved...’ was corrected to ‘...a motion moved by...’

The minutes with amendments were confirmed on a motion moved by Bro. Kenneth Douglas and seconded by Bro. Noel Bacchus.

3.0 Matters arising from Minutes

Bro. Cecil ‘Pa’ Jack requested an update on the Peter’s Hope Housing project. Bro. Kenneth Douglas, President of the Property Management Committee, reported that a draft Memorandum of Understanding (MOU) between NIS and GECCU had been crafted for the joint development of the 57 acres of land (31 acres belonged to GECCU, and 26 acres owned by NIS). The development would comprise a mix of small and large plots, and it was expected that a Project Manager would be employed to manage the development. The Project Manager would report to a steering committee comprised of representatives from GECCU and NIS.

Bro. Douglas also reported that a team from the NIS and GECCU had visited Antigua to assess a housing project being constructed there. He said that while the houses were lovely and had good retail potential, the design would have to be modified to fit the more hilly nature of lands at Peter’s Hope.

In response to a specific commencement date of the micro-financing institution (COMFI), Bro. Philmore Isaacs, President, reported that negotiations were still ongoing and no specific launch date was set as yet. The capitalization of COMFI had been agreed; the larger credit unions would contribute 25% of the equity while other credit unions would contribute the balance. Government had already passed the Small Business Development Act and it was anticipated that government would partner with the SVG Co-operative Micro-Finance Institute Ltd (COMFI) on the Small Business Development programme. The Government had committed to an amount of EC\$10 million over a three-year period for the programme, however, agreement of the nature of the partnership was still to be agreed.

Bro. Lennox Bowman, Chief Executive Officer, affirmed that GECCU was fully committed to get COMFI started but was waiting on the other credit unions.

It was enquired whether GECCU had had dialogue with CL Financial Group, and the suggestion was made that legal action should be taken to recover GECCU’s investments with the company. The Chief Executive Officer responded that the credit union was working with a Ministerial sub-committee to investigate ways and means of recovery.

In response to the question about the centralized Death Benefit fund, the President said that it was still being considered by the League.

4.0 REPORTS AND ELECTIONS

Board of Directors

Board of Director's Report

The President in his report highlighted that during 2010, the economy remained extremely open and vulnerable to external shocks and natural disasters. There was still great uncertainty surrounding a resolution to the CL Financial Ltd debacle, but the Ministerial sub-committee on insurance, in collaboration with the technical staff from the member regional governments and the Eastern Caribbean Central Bank was continuing to address the issue towards a successful and speedy resolution. The impact of Hurricane Tomas, which had caused much damage to infrastructure and the agricultural sector, posed further challenges for the country.

Nine priority areas were established to be addressed during 2010. These included a focus on youth which resulted in 65% of the new members being under the age of 30. Overall, there was an 8% increase in total membership which stood at 30,506, and total Permanent Shares which took effect on 1st January, 2010 stood at \$2,757,975.00 as of December 2010. During the year, also 1,483 members were re-activated with a total receipt of \$353,814.40.

Discussions

Bro. Michael Da Silva reported that the Social Development Committee had helped a number of members who were affected by Hurricane Tomas and the April floods, as well as provided assistance to some persons whose homes were badly damaged but had no insurance. The committee had collaborated with NEMO to avoid duplication of assistance. He also reported that assistance was also provided to some farmers whose farms were damaged during Hurricane Tomas, and food stuff was provided to persons in hurricane shelters. The committee also partnered with NIS in the Senior Citizens' Appreciation Day during the year. Bro. Da Silva also strongly appealed to members to ensure that their homes were insured whether or not they had a mortgage.

Bro Cecil Ryan applauded GECCU on its performance, specifically the increased membership, the reactivation of its dormant accounts, and its initiative with the other credit unions to create COMFI. He said that government's contribution to the credit unions was commendable and there was a history of government's support for credit unions since 1940, without which the credit unions may not have reached thus far. He suggested that the committee should ensure that the government keep its commitment of its contribution. While supporting the suggestion that action should be taken against CL Financial Group, Bro. Ryan said that GECCU should be much smarter in its operations and know when to shift investments so as not to be caught in the same bind in the future. He also expressed his deep concerns about the apparent dwindling in Cash Resources and Other Reserves as shown on the balance sheet.

Bro. Hugh Stewart suggested that a cap be placed on the amount held in the Social Development Fund and that the excess be transferred to the Scholarship Fund. The President highlighted that there was a policy that guided the Social Development Fund.

In response to a request for a breakdown of the Scholarship Fund, Sis Cornelia Moses said that students from Forms 1 – 3: received \$1,400 annually while students from Form 4 to Community College received \$1,600 annually.

Sis. Angela Martin commended the Scholarship Committee for organizing the counselling session with scholarship holders whose performances were not up to standard. She suggested that the counselling should be continued.

With reference to the joint venture with other credit unions re: the small business initiative, Sis. Martin supported the call for GECCU to lead the way forward.

Bro. Philbert John sought an update on the new Regulatory Framework and wanted to ascertain GECCU's position with regard to the aforementioned framework. He commended the Board highly on the Social Development Fund Report and suggested that the Fund be renamed the Calvin Nicholls' Social Development Fund in honour of Bro. Calvin who had initially moved for the establishing of the fund.

The President responded that legislations for Regulatory Framework would be discussed at the OECS Credit Union Summit and with government representatives.

With regard to a university scholarship, the President said that a recommendation had been made at the last AGM to go beyond Community College and the proposal was being considered.

The mentorship programme for small business clients will include technical assistance, training and development. The Board was also actively working on the recommendation that GECCU invest in a new headquarters building.

The report from the Board of Directors was accepted on a motion moved by Bro. Cecil 'Pa' Jack and seconded by Sis. Criselta Corridon.

(ii) Election of Board of Directors

The retiring members from the Board of Directors were Sis. Arlene Lewis, Bro. Clarence Harry and Bro. Aubrey Burgin. All three persons were eligible for re-election.

The Nominating Committee comprised of Sis. Verlene Saunders, Bro. Claude Cambridge and Bro. Richard Cumberbatch. Sis. Arlene Lewis, Bro. Clarence Harry and Bro. Aubrey Burgin were nominated for re-election. Sis. Mineva Glasgow was nominated on a motion moved by Sis. Leonora Ackie-Ambris and seconded by Sis. Colleen Thomas. Bro. Kenneth Douglas was nominated by Sis. Angela Martin seconded by Sis Viola Andrews-Jackson. Bro. Philbert John questioned whether Bro. Douglas was eligible for election as he did not think the requisite period since his retirement from the Board had expired. He then moved for the nominations to be closed. This was seconded by Sis. Myrna Bramble.

The results were:

Sis. Arlene Lewis	69 votes
Bro. Clarence Harry	70 votes
Bro. Aubrey Burgin	85 votes
Sis. Mineva Glasgow	71 votes
Bro. Kenneth Douglas	49 votes

Bro. Clarence Harry, Bro. Aubrey Burgin and Sis Mineva Glasgow were duly elected to serve on the Board of Directors.

(iii) **Treasurer's Report**

Bro. Aubrey Burgin presented the Treasurer's Report which highlighted that despite the financial difficulty experienced by many financial institutions in St Vincent and the Grenadines, most of GECCU's financial targets were achieved, and there was a growth in the major areas of operations. There was a 4% increase in Total Assets as well as 6% in loans; 12% in Investment Securities and a 21% in cash resources. A further 20% was written-off from BAICO and 23% from CLICO making a total of 44%.

Bro Cecil Ryan observed that it was the concentration of financial instruments that caused the fallout of CL Financial Group. He then cautioned the Board of Directors with these investments and urged the Board to be mindful of the three reminders - Access to Credit, Social responsibility; and Democratic Control made by the President in his address. He suggested that the three reminders be married to ensure GECCU's financial viability for the way forward. In particular, he recommended that the Board of Directors pay more attention to the suggestions coming out of the AGMs.

The Treasurer's Report was accepted on a motion moved by Bro. Philbert John and seconded by Bro. Randolph Clarke.

(iv) **Auditor's Report**

The Auditor's Report presented by Bro Floyd Patterson representing the firm BDO was taken as read since it had been previously circulated. Bro Patterson highlighted that the comparative figures have been re-stated to be in conformity with International Accounting Standards for the conversion of redeemable shares to liabilities, and qualified opinion was expressed on the financial statements for the year ended December 31, 2010. This qualification was premised absence of information and degree of uncertainty surrounding the impairment of the credit union's investments in British American and CLICO International. He noted that the notes referred to in the Statement of Changes in Members' Equity and Statement of Comprehensive Income in the published reports required amendments.

In response to the question on the difference between the qualified opinion and the Emphasis of Matter, the Auditor indicated that there was no difference, but emphasized that an amendment had been made to the presentation in accordance with the International Financial Reporting Standards (IFRS) and that the presentation of the statements had been altered for the 2010 period as classified in this past financial statements.

Bro. Patterson clarified that redeemable shares are considered as equity from a legal perspective; however, for financial reporting purposes they were to be reported as liabilities. In the past, these shares were reported as equity; but to be in compliance with International Financial Reporting Standards, they have to be reported as part of the credit union's liabilities.

An explanation was sought on the statement in **Report on Other Legal and Regulatory Requirements**: "We draw attention to the deficiency in Credit Union's reserve as required by section 119 of the Co-operative Societies Act 1999". The Auditor explained that the International Standards on Auditing require the disclosure in the Auditor's Report of any non-compliance with statutes. He highlighted the minimum reserve requirements in section 119 of the Co-operative Societies Act 1999, and the credit union's non-compliance in this regard, but went on to indicate that there were inconsistencies in the current statutory provisions.

Bro. Patterson said that the Act provides that credit unions maintain a reserve of at least 10% of their credit liabilities. He said that this should be addressed in a number of ways such as, the re-organized capital position and the conversion of a great number of members' shares to permanent shares. He reiterated that the Act has some internal inconsistencies.

It was enquired whether or not one should be concerned with the failure to maintain statutory reserve. The Auditor indicated that GECCU complied with the liquidity reserve requirements of the Act. However, it was not in accord with the minimum requirements set out in Section 119.

In reference to **Note 8 Investment Securities**, an inquiry was made as to whether the instruments were redeemable. Bro. Patterson said that they were all redeemable upon maturity. He further explained that the instruments, reported as held for trading, were short-term instruments that were readily convertible into cash.

In response to a suggestion to deal with CLICO and British American, Bro. Patterson said that this matter had to be dealt with through the legal channels surrounding an entity under judicial management.

The Auditor's Report was adopted on a motion moved by Bro. Ashley Caine and seconded by Sis. Noelene Bacchus.

(b) Credit Committee

(i) Credit Committee's Report

The Credit Committee's Report having been circulated was taken as read.

A motion was moved by Sis. Mineva Glasgow seconded by Bro Stewart Haynes to accept all reports. There were no dissenting voices and the motion was accepted unopposed.

(ii) Election of Credit Committee

There was one retiring member - Bro. Harold Lewis; who was eligible for re-election. The Nominating Committee nominated Bro. Harold Lewis.

There were no other nominations. Nominations were closed on a motion moved by Bro. Philbert John and seconded by Bro. Cecil 'Pa' Jack. Bro Harold Lewis was re-elected unopposed.

(c) Supervisory Committee

(i) Election of Supervisory Committee

There were two retiring members – Sis. Mineva Glasgow and Bro. Joel Poyer. The Nominating Committee had nominated Bro. Joel Poyer and Sis. Mineva Glasgow, but the latter was voted as a member of the Board of Directors and was not eligible.

Sis Arlene Lewis was nominated by Bro. Stewart Haynes and seconded by Bro. Clarence Harry. There were no other nominations. Nominations were closed on a motion moved by Bro. Philbert John and seconded by Bro. Kenneth Douglas. Bro. Joel Poyer and Sis. Arlene Lewis were elected unopposed.

Permission was granted to destroy all ballot papers.

5.0 ELECTION OF AUDITORS

The auditing firm BDO was nominated by Bro. Philbert John and seconded by Bro. Joel Poyer. There were no other nominations. A motion to close nominations was moved by Bro. Gary Matthias and seconded by Bro. Aubrey Burgin. BDO was elected unopposed.

6.0 NEW BUSINESS

There was no new business.

7.0 CLOSING EXERCISE

There being no other business, the meeting ended at 8:40 pm on a motion moved by Sis. Criselta Corridon and seconded by Bro. Harold Lewis.

Read and signed this day of 2012

.....
Sis. Camilla Mandeville
Secretary

.....
Bro. Philmore Isaacs
President

THE BOARD OF DIRECTORS' REPORT TO THE 46TH ANNUAL GENERAL MEETING



Bro. Philmore Isaacs
President



Bro. Clarence Harry
Vice President



Sis Camilla Mandeville
Secretary



Bro. Aubrey Burgin
Treasurer



Bro. Richard Cumberbatch
Director



Bro. Gary Matthias
Director



Bro. Stanley Harris
Director



Sis. Gemma Mc Cree - Clarke
Director



Sis. Mineva Glasgow
Director



Bro. Lennox Bowman
Chief Executive Officer

1.0 Introduction

Fellow Co-operators,

- 1.1 Shareholders, Members of All Committees, Staff, Brothers and Sisters, it is with a great sense of gratitude and appreciation that we the members of the Board of Directors present to you the Annual Report which encapsulates the activities, accomplishments, challenges and growth of our credit union for the year ended 2011.

Economic Experience

- 1.2 During the period under review the credit union remained resolute in its mission to enhance the quality of life of its members through enhanced access to services, community support, large scale financial counselling, cost containment, members' education and training at all levels of the organization.
- 1.3 Such a thrust was undertaken with the full recognition that St. Vincent and the Grenadines' economy continued to be impacted by the slow rate of recovery in the advanced economies and the burdening effects of the various impacts on our agriculture sector by Hurricane Tomas, flash floods and plant diseases.
- 1.4 There has still not been a resolution to the CL Financial Ltd issue, though there are indications that efforts are continuing towards this end. Additionally, the adverse effects of the international economic crisis also included a decline in export earnings from goods and services, and reductions in foreign direct investment and remittances from abroad. These have created further challenges for our members.

2.0 Corporate Governance

- 2.1 During the year, the Board continued its policy of meeting with the various committees jointly and severally. Special emphasis was placed on the monitoring and reporting system, thereby ensuring that communication flow in all directions within the organization, was achieved in a timely and effective manner.
- 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.

3.0 Board of Directors

- 3.1 At the 45th Annual General Meeting, three members were elected to the Board - Brothers Clarence Harry and Aubrey Burgin and Sister Mineva Glasgow.
- 3.2 At the first meeting, the Board of Directors elected Bro. Philmore Isaacs – President, Bro. Clarence Harry-Vice President, Bro. Aubrey Burgin – Treasurer, and Sis. Camilla Mandeville - Secretary.

The full Board of Directors comprises the following:

Bro. Philmore Isaacs	-	President
Bro. Clarence Harry	-	Vice President
Sis. Camilla Mandeville	-	Secretary
Bro. Aubrey Burgin	-	Treasurer
Bro. Richard Cumberbatch	-	Director
Bro. Stanley Harris	-	Director
Sis. Mineva Glasgow	-	Director
Sis. Gemma Mc Cree-Clarke	-	Director
Bro. Gary Matthias	-	Director

3.3 Meetings and Attendance

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

Table 1: Summary of Attendance of Board of Directors

Names	Regular	Special	GRAND
	TOTAL (10)	TOTAL (5)	TOTAL(15)
Bro. Philmore Isaacs	10	4	14
Bro. Clarence Harry	9	5	14
Sis. Camilla Mandeville	9	3	12
Bro. Aubrey Burgin	10	4	14
Bro. Richard Cumberbatch	8	4	12
Bro. Stanley Harris	8	4	12
Sis. Gemma Mc Cree-Clarke	9	4	13
Sis. Mineva Glasgow	9	3	12
Bro. Gary Matthias	9	4	13

4.0 PERFORMANCE RELATED TO PRIORITY AREAS

4.0.1 The Board of Directors established nine (9) 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 PRIORITY 1: REGISTRATION OF NEW MEMBERS

4.1.1.1 During the period under review, 1,937 new members were registered, the targeted number for this period was 2,000.

- 4.1.1.2 Our focus on the recruitment of youth continues. We are pleased to report that 63% of our new members were under the age of 30. This clearly states that our marketing to our youth continues to be successful and that we remain an attractive alternative for our young people.
- 4.1.1.3 Total membership of the credit union now stands at 31,936. This figure represents a net increase in total membership of 6%.

Table 2: Breakdown of new membership by age

AGE	Number of Persons	Percentage
Junior Savers	494	25.6
16-30	717	37.2
31-40	315	16.2
41-50	207	10.7
51-60	156	8.1
60+	40	1.8
Organization	8	0.4
TOTAL	1,937	100

4.1.2 PRIORITY 2: MEMBERS' SHARES AND DEPOSIT GROWTH

- 4.1.2.1 Shares and Deposits grew by an average of 5.2% which is slightly less than the rate of 6.3% for 2010. This rate of growth however still demonstrates the continued confidence our members have in our Credit Union.
- 4.1.2.2 Apart from maintaining a focussed advertising approach, conducting field visits and placing emphasis on reactivating dormant accounts, our credit union developed workplace representatives/ contacts and encouraged members to build shares and savings even as they took and repaid their loans.
- 4.1.2.3 The following table shows the results in these services.

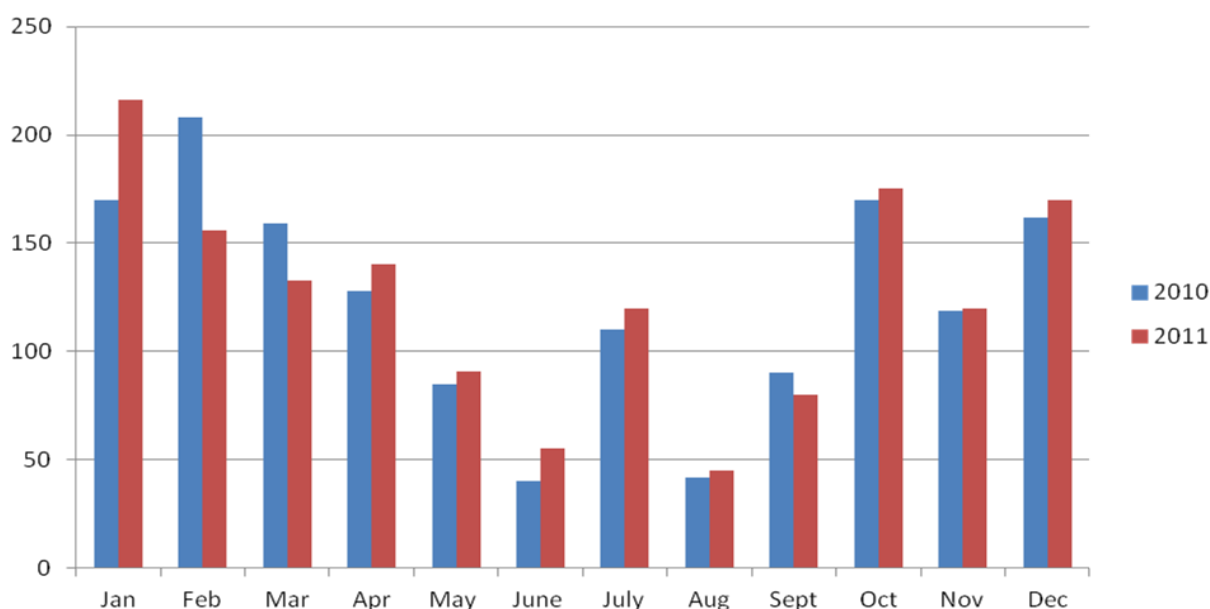
Table 3

Categories	2011	2010	Increase	% Change
Permanent Shares	\$3,654,005	\$2,757,975	\$896,030	32
Members' Shares Savings	\$73,256,372	\$69,278,376	\$3,977,996	6
Term Deposit	\$52,028,344	\$51,559,139	\$469,005	1
Ordinary Deposit	\$15,276,161	\$13,662,840	\$1,613,321	12
TOTALS	\$144,214,882	\$137,258,330	\$6,956,552	5

4.1.3 PRIORITY 3: DORMANCY

- 4.1.3.1 Notwithstanding the financial realities experienced during the year, the sustained efforts at re-activating dormant accounts produced acceptable results. During our out-reach programmes and call centre activities, we continue to stress the benefits of membership, especially in challenging economic times.
- 4.1.3.2 During the year, 1,501 members were re-activated with total receipts of \$362,814.56. This compares favourably with the 1,483 members and receipts of \$353,814.40 in 2010.

Table 4: Comparison of 2011 & 2010 Re-activated Accounts



4.1.4 PRIORITY 4: SERVICE EXPANSION AND DELIVERING SMALL AND MICRO-BUSINESS

- 4.1.4.1 In recognition of the Co-operatives thrust to remain the "best example of micro-finance providers", coupled with GECCU's continued commitment to a holistic approach to the development of small business in St. Vincent and the Grenadines, our Credit Union is one of 10 co-operatives which established the St. Vincent and the Grenadines Micro-Finance Institution- COMFI in August 2011.
- 4.1.4.2 At the inaugural General Meeting of COMFI, a Board of Directors was elected which was charged with the responsibility of the development and execution of a 3 year business plan which included the operationalization of COMFI in a timely manner.
- 4.1.4.3 **POINT-OF-SALE:**

During the period, efforts continued towards offering a point-of-sale service to our members jointly with the Bank of St. Vincent and the Grenadines. We have already had an agreement in principle with BOSVG towards this end and we are now addressing the technical and other logistical issues leading to testing and full operationalization of this service.

4.1.5 PRIORITY 5: HUMAN RESOURCE CAPACITY BUILDING

- 4.1.5.1 GECCU remains committed to strengthening the capacity of our human resource at all levels of our organization, in an effort to deliver on our strategic objectives and mission of enhancing the quality of life of all members.
- 4.1.5.2 We are also mindful that the credit union philosophy is what sets us apart and that a good understanding of this philosophy and the core principles and values of the co-operative movement is indispensable to the achievement of our mission. Our philosophy fuels loyalty and feeds the bottom-line, thereby generating funds to execute our ever increasing and demanding programmes.
- 4.1.5.3 With this in mind, we continue to develop training programmes and assist with education programmes targeting staff, volunteers and the general membership.
- 4.1.5.4 The following details the training undertaken during the year:

Table 5: Staff Training - In-house

Seminar Title	Participants	Date	Facilitator
Vision Care	Staff	July 21	Simone Harris, Stephen Sutherland (Spectacle Shoppe)
Comprehensive Disaster Manage- ment	Staff	September 22	Michelle Forbes Director (Ag) – NEMO
First Aid	Staff	October 19 & 24	SVG Red Cross Society
Basics of Con- sumer Lending Processes	Loans Staff Credit Committee	November 9	Lennox Bowman CEO – GECCU
Cashier/Teller Training	Staff	November 22	Lennox Bowman CEO - GECCU

Table 6: Workshops and Seminars 2011

Seminar Title	Participants	Location	Date	Resourced by
Caribbean Development Educator (DE)	Cornelia Moses Philmore Isaacs (Dir.)	St. Lucia	January 17 – 22	NCUF (USA)
Global Market Outlook	Maxine Johnney	SVG	February 18	FCIS
Investment Options	Damoris Alexander Alison Guy Ryan Hazell Bernadette John Julian Joslyn Cornelia Moses	SVG	February 24	FCIS
Caribbean Development Educator (DE)	Clarence Harry (Dir.) Gemma Mc Cree (Dir.) Julian Ivo Joslyn	St. Lucia	March 20 – 26	NCUF (USA)
Climate Change	Frances Thompson	SVG	March 23	Insurance Inst. (SVG)
Mortgage Underwriting	Julian Ivo Joslyn	Anguilla	May 16 – 20	ECHMB
Financial Planning 101	Kathlyn Parsons Kyle Providence	SVG	May 24	JCI
Occupational Safety and Health at the Workplace	Danny-lee Francis Cornelia Moses	SVG	July 13 -14	SVEF
Caribbean Development Educator (DE)	Danny-lee Francis Maxine Johnney Gary Matthias (Dir.)	St. Lucia	September 19 - 25	NCUF (USA)
International Marketing and Branding	Cheryl Bacchus Kyle Providence	SVG	September 28	SVGCIC

4.1.5.6 Caribbean Development Education Programme

- 4.1.5.7 In an effort to further enhance the Co-operative Education of our staff and volunteers to better serve our internal and external customers and the general community, GECCU has been participating in the Credit Union Development Education Programme for the Caribbean Region, called CARIBDE or the Caribbean Development Education Programme.

- 4.1.5.8 This CARIBDE is an intensive week-long programme that immerses participants in concepts related to Credit Union history, Co-operative Principles and values and economic development issues.
- 4.1.5.9 Participants acquire skill in credit union outreach initiatives, problem-solving, technical assistance, team building and public presentations.
- 4.1.5.10 Graduates earn certificates as Credit Union Development Educators (CARIBDEs). They join a networking group of over 2000 graduates over 30 other countries.
- 4.1.5.11 Graduates return to their jobs with new understanding of how to promote co-operative principles and the Credit Union values as distinct advantages in today's competitive financial services market place.
- 4.1.5.12 Currently GECCU has fifteen (15) trained qualified and certified Development Educators.

4.1.6 PRIORITY 6: PROPERTY PRESERVATION AND ENHANCEMENT

- 4.1.6.1 During the period under review, the Board of Directors decided to embark on a strategic review of its properties with a view to developing a long-term planning framework for the development and enhancement of their commercial potential.
- 4.1.6.2 In this regard, a terms of reference has been prepared to accompany an invitation to tender for the consultancy services to provide requisite analysis as described in the terms of reference. The findings from the consultancy will assist the credit union in making informed decisions regarding the optional use of our properties.

4.1.7 PRIORITY 7: TO ASSIST MEMBERS IN FULFILLING THEIR HOUSING NEEDS

- 4.1.7.1 The housing needs of our members remain an important priority for GECCU Ltd and we continue to proactively address the major issues which help our members satisfy this objective.
- * We continue to encourage our members who do not have title to the land they occupy, to obtain such titles. This has been a very successful strategy and many members have been given loans to purchase land or to assist with legal fees towards this end.
 - * We continue to assist our members with funding and advice regarding the maintenance and repairs of their properties. We also encourage them to insure these properties.
 - * We have also continued our training for Staff and Credit Committee members in the administration of loans.
 - * With regard to the 30 acres of land at Peters Hope, a joint Memorandum of Understanding between GECCU and NIS has been signed, for the development of the infrastructure for these lands. A joint Committee has been established and this development will be completed in 2012 when the lands will be ready for sale to our members. Many members have already indicated their interest in acquiring a piece of these lands, so we are anxious to complete this project.

4.1.8 PRIORITY 8: OPERATIONS OF SUB-OFFICES

- 4.1.8.1 Our sub-offices continue to perform well especially given the context of our economic challenges. There has been a general improvement in the registration of new members among the three offices. Six hundred and one (601) new members were registered during the period as compared to five hundred and seventy-five (575) for the previous year.
- 4.1.8.2 The Western Union service we provide at these offices continues to satisfy a great money transfer need in these communities.
- 4.1.8.3 We have increased our sponsorship and donations to these communities and regular visits continue to be made by our Marketing Department, Education and Supervisory Committees and our Internal Auditor, in an effort to continue the enhancement of our administration of these offices and services to the communities which they serve.

Table 4: Sub-offices Operations

	New Members		Collections		Disbursement	
	2011	2010	2011	2010	2011	2010
Union Is. & Canouan	106	69	\$2,015,343.72	\$1,970,612	\$1,434,934.35	\$806,107
Bequia	70	68	\$649,718.36	\$650,164	\$901,000.23	\$162,712
Georgetown Office	425	438	\$6,559,306.18	\$8,536,231	\$8,424,420.19	\$6,679,158
TOTAL	601	575	\$9,224,368.26	\$11,157,007	\$10,760,354.77	\$7,647,976

4.1.9 PRIORITY 9: FINANCIAL SUSTAINABILITY AND PROFITABILITY

- 4.1.9.1 Despite the many challenges of the local, regional and international financial markets, GECCU achieved positive growth in most of the key areas of activities. Such results underscore the continued confidence and commitment of our loyal and trusted membership.
- 4.1.9.2 GECCU's decision to make the adequate provisions for the investments in CLICO and BAICO is consistent with the international accounting standards. We continue to work closely with the respective Judicial Managers and all other partners towards a resolution of this issue.
- 4.1.9.3 Our loan to asset ratio (59%) clearly demonstrates our capacity to meet even greater demands for loans. We are pleased with the increase in growth at this portfolio from 6.52% to 8.0% over the 2011 period.
- 4.1.9.4 Our liquidity remains extremely good and we are constantly challenged to find safe and sound opportunities to invest surpluses after meeting our members' loan demands.

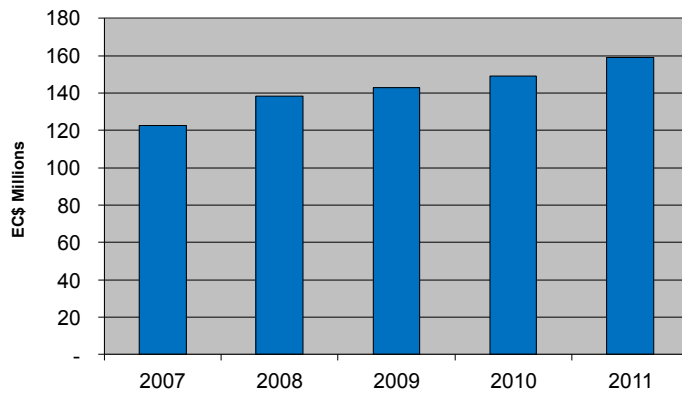
Notwithstanding, the economic downturn and the consequent negative effects on our members, GECCU's arrears remain quite stable decreasing by 1%.

- 4.1.9.5 Though a detailed analysis of the accounts is included in the Treasurer's report, the following table shows the performance highlights.

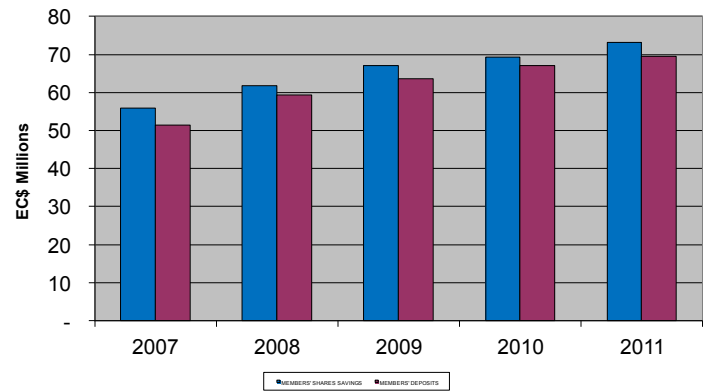
4.1.9.3 GECCU Performance Highlights 2007-2011

	2011	2010	2009	2008	2007
	EC\$	EC\$	EC\$	EC\$	EC\$
ASSET GROWTH					
Loans – net	91,363,186	85,126,942	80,226,045	73,568,116	67,021,905
Cash Resources	14,478,967	11,861,656	15,033,095	6,273,456	5,027,373
Fixed Assets	4,452,053	4,652,047	4,514,351	4,700,192	4,082,464
Investment Securities	26,268,873	33,522,933	29,871,037	38,025,468	31,173,991
Other Assets	629,322	499,698	539,600	2,913,392	2,492,835
Investment Properties	15,358,660	13,384,182	12,814,182	12,814,182	12,799,082
Total Assets	152,551,061	149,047,458	142,998,310	138,294,806	122,597,650
SAVINGS COMPONENTS					
Members’ Shares Savings	73,256,372	69,278,376	67,067,021	61,849,979	55,851,597
Members Deposit	69,524,309	67,129,569	63,683,705	59,420,468	51,400,085
Total Savings	142,780,681	136,407,945	130,750,726	121,270,447	107,251,682
INCOME					
Loan Interest	8,126,561	7,949,445	8,176,612	7,405,966	6,601,441
Investment Income	1,354,321	1,112,653	1,426,662	2,680,305	2,260,668
Non Interest Income	2,657,660	1,336,589	751,053	746,643	651,425
Total Income	12,138,542	10,398,687	10,354,327	10,832,914	9,513,534
EXPENSES					
General and Admin Expense	12,262,367	4,242,694	4,208,028	4,181,281	3,560,245
Interest Expense	4,518,400	4,661,485	5,376,688	3,191,816	2,744,689
Allowance for Loan Loss	773,312	267,179	294,159	756,176	395,899
Total Expense	17,554,079	12,671,358	15,504,779	8,129,273	6,700,833
PROFITABILITY					
Surplus	(5,415,537)	(3,163,371)	(5,151,804)	2,703,641	2,812,701
Other Reserves	8,349,157	7,901,727	9,301,741	14,329,593	13,266,760
Permanent Shares	3,654,005	2,757,975			
MEMBERSHIP	31,936	30,506	29,994	28,152	24,850

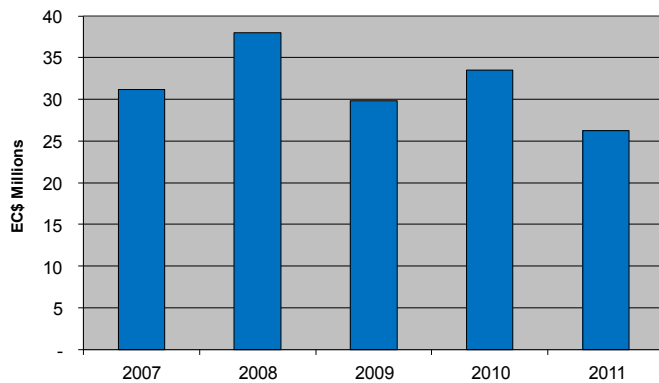
TOTAL ASSETS



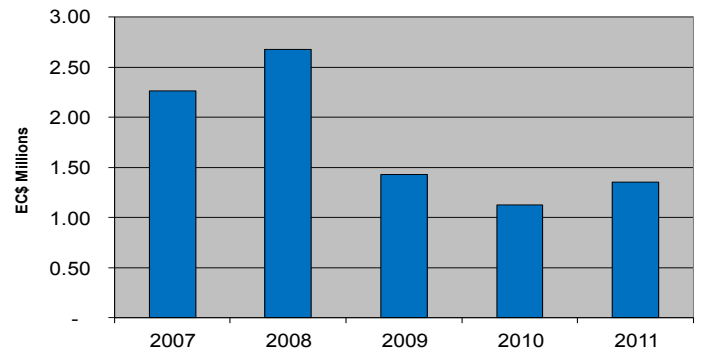
MEMBERS SHARES SAVINGS and MEMBERS' DEPOSITS



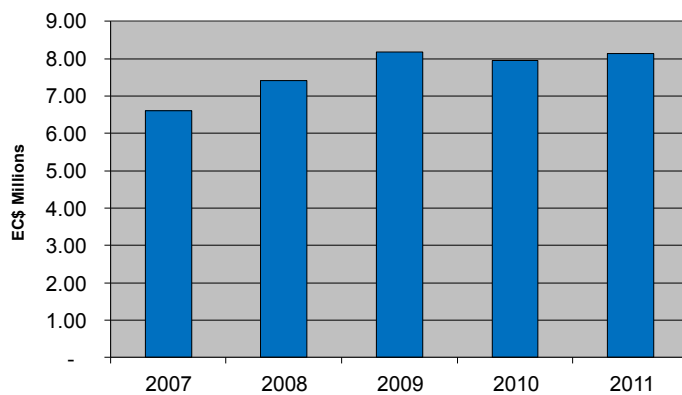
INVESTMENT SECURITIES



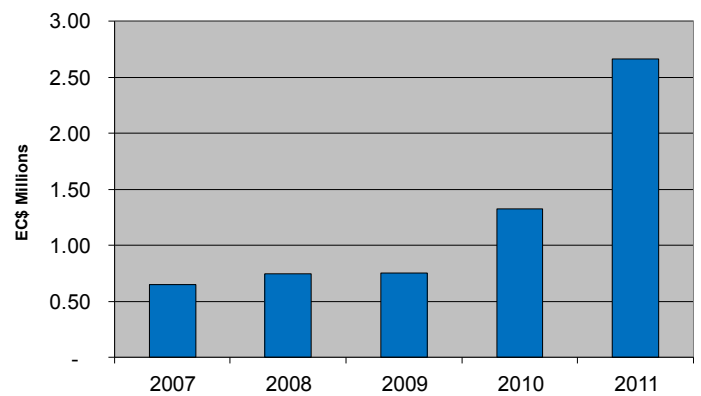
INVESTMENT INCOME



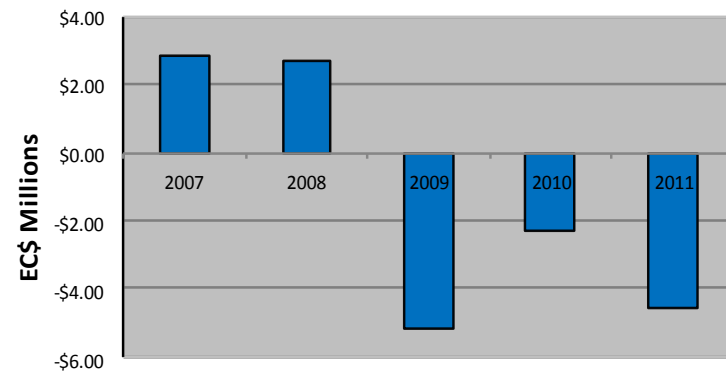
INTEREST INCOME



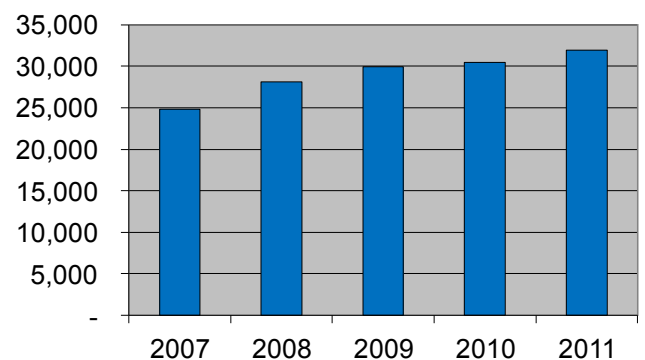
NON INTEREST INCOME



NET PROFIT/LOSS



MEMBERSHIP



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.

PEARLS Ratios	Goals	31 st Dec 2010	31 st Dec 2011
P – Protection			
Loan Loss Allowances / Delinquency >12mths <i>This measures the adequacy of the provision for loans delinquent over 12 months</i>	100%	96.29%	100%
Solvency <i>The degree of protection for members' shares & deposits in the event of liquidation.</i>	Min 100%	102.39%	99.34%
E – Effective Financial Structure			
Net Loans / Total Assets <i>Measures the %-age of total assets invested in Loans.</i>	Between 70 to 80%	56.08%	59.16
Financial Investments / Total Assets <i>Measures the %-age of long-term Investment in Total Assets</i>	Max 10%	12.99%	7.65
External Credit / Total Credit <i>Measures the %-age of Total Assets financed by external borrowings</i>	Max 5%	0%	0%
A – Asset Quality			
Total Delinquency / Gross Loan Portfolio <i>Measures the %-age of delinquency in the Loan Portfolio.</i>	Less than 5%	10.78%	9.94
Non-Earning Assets / Total Assets <i>This measures the %-age of total assets not producing income.</i>	Less than 5%	5.79%	6.74
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%	9.57%	9.04
Operating Expenses / Average Assets <i>Measures the cost associated with the management of the C.U assets.</i>	Less than 5%	2.68%	2.72
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%	21.56%	18.23
Non-Earning Liquid Assets / Total Assets <i>Measures the %-age of cash invested in Non earning Assets</i>	Less than 1%	1.32%	2.68
S – Signs of Growth			
Net Loans <i>Measures the %-age growth in Loan Portfolio</i>	More than 10%	6.52%	8.01
Total Assets <i>To measure the %-age growth in Total Assets.</i>	More than 10%	4.19%	2.39
Membership <i>Measures the %-age growth in Membership</i>	Min 5%	8%	6%

4.1.9.5 Interest

The interest paid on Members' "Shares" Savings is 2%.

5.0 Corporate Social Responsibility

- 5.1 GECCU has recognized that to be a true leader in Corporate Social Responsibility, we need to go much further than just developing products and services with a CSR edge. We are therefore committed to working towards embedding CSR into all facets of our operations. We are committed to our corporate social, environmental and ethical responsibility.
- 5.1.1 Beyond the mere offering of products and services, we are focussed on the impact of our products and services to our youth, environment and community at large with an emphasis on the medium to long term benefits of these products.
- 5.1.2 To this end, GECCU focuses on developing business practices, products and services that serve its members well, while contributing to the social, economic, educational and environmental well-being of our communities.
- 5.1.3 The Credit Union continues to play leading roles in many national activities and celebrations, such as National Heritage Month, Emancipation Day, Labour Day, Carnival, Independence, Gospel Festival, Easterval and Nine Mornings.
- 5.1.4 Individual needy cases worthy of assistance were also supported.
- 5.1.5 At most of the above mentioned events, Staff and Committee members assisted.

6.0 Social Development Fund

- 6.1 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. The Board of Directors appointed the under mentioned members to serve on the committee for 2011.

- | | | |
|---|--------------------------|----------|
| * | Bro. Michael Da Silva | Chairman |
| * | Bro. Philmore Isaacs | |
| * | Bro. Cecil Ryan | |
| * | Bro. Kenrick Glynn | |
| * | Bro. Clarence Harry | |
| * | Bro. Lennox Bowman | |
| * | Sis. Marva Cato-Robinson | |
| * | Sis. Claudine Simmons | |
| * | Sis. Audrey Dennie | |
| * | Sis. Cecile Gibson | |

- 6.1.2 The year 2011 was not as eventful as the preceding year for the Social Development Committee as it was only called upon to respond to a reduced number of requests by members for assistance from the Social Development fund. Requests for medical assistance continue to dominate with 70.4%; housing, flood and fire damage repairs were at 26%, and other 3.6%.

6.1.3 Following closely on the heels of Hurricane Tomas, torrential rains caused residents of North Central Windward to be evacuated/rescued from their homes as rivers and streams burst their banks, damaging bridges, roads, farms and homes and littering the coastline with debris. A team comprising of representatives from the SDFC, the Credit Committee and staff, visited our members who were housed in shelters at Georgetown, to obtain first hand assessment of their situation. In its approach to the flood assistance the Social Development Fund Committee collaborated with the National emergency Management Organisation (NEMO) and the Housing and Land Development Corporation (HLDC) to ensure that there was no duplication of effort and assistance.

6.1.4 The table below gives a breakdown of the applications that were received and processed in 2011

Category	No. received	No. Approved
Medical	19	11
Hurricane relief	7	4
Domestic	1	1
Rebuilding house	27	16

6.1.5 Two of the applications were rejected because the applicants did not qualify for assistance. The remainder are either pending or have not been followed through by the applicants.

6.1.6 The following is a statement of the Status of the Social Development Fund:

January 1st, 2011 Opening Balance	\$1,230,093.39
Add – Members Contribution	\$529,099.69
Less – Assistance to Members	(\$60,145.33)
December 31st, 2011 – Balance in Fund	\$1,699,047.75

6.1.7 The Social Development Committee's plans for the ensuing year include inter alia the following:

- * Senior Citizens Day
- * Visits and gift baskets to Shut-ins
- * Skills Training for Members who may have lost jobs
- * Home help for the Elderly members
- * Health Programs including quarterly checks
- * Disaster preparedness

7.0 Annual Scholarships to Secondary School

7.1 Seven (7) scholarships were awarded to students who were successful in the 2011 Common Entrance Examinations. This number includes the sixth recipient of the annual Grenadines Scholarship award – a student from Bequia.

7.1.2 The 2011 awardees were as follows:

Girls: Heather Lakhram - Kingstown Preparatory School
Maya Morgan - Kingstown Preparatory School
Caran Gordon - Chateaubelair Methodist School

Boys: Alron Harry - Kingstown Preparatory School
Gerard Porter - Kingstown Preparatory School
Geran Maule - St. Mary's Roman Catholic School

Grenadines Scholarship: Alvania Simmons – Bequia Anglican Primary School

7.1.3 The scholarship winners were presented with certificates of academic excellence at a ceremony held on Wednesday 10th August 2011 at the Methodist Church Hall, Kingstown.

7.1.4 One hundred and twenty-nine (129) other successful candidates received monetary rewards of \$100.00 each.

7.1.5 In addition, GECCU awarded bursaries ranging from \$150.00 - \$350.00 to thirteen (13) students who needed assistance for the school year.

7.1.6 During the period under review, members of the Scholarship Committee held a counselling session with seven scholarship holders. They were counselled to ensure that an acceptable standard of performance was maintained.

7.1.7 Forty eight (48) current GECCU scholarship holders attending secondary schools and the SVG Community College participated in an interactive session hosted by GECCU on Monday 5th September 2011 at the Methodist Church Hall, Kingstown.

The session provided a basis for fostering closer interaction amongst the scholarship holders. The forum was also used to applaud the students for their excellent performance and offer words of encouragement.

The students suggested ways in which GECCU can further contribute to their academic and personal development. Marketing strategies to increase GECCU's membership base were also suggested.

7.1.8 The Board of Directors would like to extend its congratulations to all scholars who performed creditably in the 2011 Caribbean Secondary Education Certificate (CSEC) and Advanced level examinations.

7.1.9 Special congratulations to Mbeki Swift, the top male performer at the 2011 CSEC examination and Kenvorn Cuffy for his outstanding performance at the Advanced level examinations. Kenvorn Cuffy is a recipient of one of the 2011 National Island scholarships.

7.0 STAFF RECOGNITION 2011

* Years of Service -20 Years

Sarah Commissiong - Loans Officer

* Employee of the Year

Julian Ivo Joslyn - Senior Loans Officer

* Most Outstanding Performers

Kathlyn Parsons - Cashier, Accounts Department

Frances Thompson - Loans Officer, Accounts Department

Lydia Cain - Office Attendant, Administration Department

* Most Outstanding Junior Employee

Kathlyn Parsons - Cashier, Accounts Department

* Most Outstanding Senior Employee

Julian Ivo Joslyn - Senior Loans Officer

* Most Outstanding Sub-Office Employee

Junelto James - Junior Clerk, Georgetown office

* Most Outstanding Head of Department

Cornelia Moses - Operations Officer, Administration Department

* Chief Executive Officer's Award – Outstanding Contribution

Leslie Joseph - Senior Accounts Clerk

Ariann Neverson - Office Attendant

Noriesiah Shallow - Cashier

Alicia Ashton-Doyle - CEO's Secretary

Danny-lee Francis - Loans Officer

Sarah Commissiong - Loans Officer

Theresa Douglas - Receptionist

* Punctuality and Attendance

Julian Ivo Joslyn - Senior Loans Officer

Kyle Providence - Customer Service Clerk

Bernadette Culzac - Junior Insurance Clerk

Kathlyn Parsons - Cashier

Sonya Johnney - Junior Clerk

Charissa Pitt - Junior Clerk

Alison Guy - Junior Securities Officer

Lydia Cain - Office Attendant

Frances Thompson - Senior Securities Officer

Joanne Stowe-Powers - Recoveries Officer

Alicia Ashton-Doyle - CEO's Secretary

* Academic Achievement

Gertrude Jacobs - Loans Supervisor successfully completed a Mortgage Underwriting Programme in January 2011 with the Eastern Caribbean Home Mortgage Bank and is now a Certified Mortgage Underwriter.

Hassan Archibald - Junior Recoveries Officer successfully completed a Certificate in Management Studies in May 2011 with the Barbados Institute of Management and Productivity.

Staff Awards 2011

20 Years of Service



Sarah Commissiong
Loans Officer

Most Outstanding Performers



Lydia Cain
Office Attendant



Kathlyn Parsons
Cashier



Frances Thompson
Securities Officer

Most Outstanding Employees



Kathlyn Parsons
Cashier



Julian Joslyn
Senior Loans Officer
EMPLOYEE OF THE YEAR
Punctuality & Attendance
Most Outstanding Snr Employee

Punctuality & Attendance

Kyle Providence	- Customer Service clerk
Bernadette Culzac	- Jnr Insurance clerk
Kathlyn Parson	- Cashier
Sonya Johnney	- Jnr Clerk
Grace Guy	- Jnr Securities Officer
Lydia Cain	- Office Attendant
Frances Thompson	- Snr Securities officer
Joanne Stowe-Powers	- Recoveries Officer
Alicia Ashton-Doyle	- CEO's Secretary



Junelto James
Junior Clerk (G'town)

Most Outstanding Head of Dept



Cornelia Moses
Operations officer

Academic Achievement

Gertrude Jacobs: (Loans Supervisor)
Mortgage Underwriting (Jan 2011)

Hassan Archibald: (Jnr Recoveries Officer)
Certificate in Management Studies (May 2011)

Chief Executive Officer's Award - Outstanding Contribution



Sarah Commissiong
Loans Officer



Theresa Douglas
Receptionist



Alicia Ashton-Doyle
CEO's Secretary



Danny-Lee Francis
Loans Officer



Leslie Joseph
Snr. Accounts Clerk



Ariann Neverson
Office Attendant (G'town)



Noriesiah Shallow
Cashier

STAFF PROFILE

BRO. LENNOX BOWMAN– CHIEF EXECUTIVE OFFICER

SIS. ALICIA ASHTON-DOYLE– CEO’S SECRETARY

ACCOUNTS DEPARTMENT

Sis. Maxine Johnney -Accountant
Bro. Leslie Joseph- Senior Accounts Clerk
Bro. Ryan Hazell- Payroll Officer
Sis. Adinga Findlay- Disbursement Officer
Sis. Melissa Millington - Accounts Clerk
Sis. Itasha George -Accounts Clerk
Bro. Osbert Cunningham Jr.- Cashier
Bro. Ricardo Springer - Cashier
Sis. Kathlyn Parsons - Cashier
Sis. Noriesiah Shallow- Cashier
Insurance Department:
Sis. Cecile Fraser-Gibson
- Senior Insurance Clerk
Sis. Bernadette Culzac- John
- Junior Insurance Clerk

INTERNAL AUDIT DEPARTMENT

Sis. Damoris Alexander - Internal Auditor

ADMINISTRATION DEPARTMENT

Sis. Cornelia Moses -Operations Officer
Sis. Prenella Holder- Customer Service Clerk
Bro. Kyle Providence- Customer Service Clerk
Sis. Theresa Douglas - Receptionist
Sis. Lydia Cain - Office Attendant

MARKETING DEPARTMENT

Sis. Cheryl Bacchus - Senior Marketing Officer

LOANS DEPARTMENT

Sis. Gertrude Jacobs- Loans Supervisor
Sis. Sharlene Charles- Loans Receptionist/Typist
Bro. Julian Ivo Joslyn - Senior Loans Officer
Sis. Danny-Lee Francis - Loans Officer
Sis. Sarah Commissiong - Loans Officer
Bro. Keon Findlay- Loans Officer
Sis. Frances Thompson-
Senior Securities Officer
Sis. Grace Guy- Junior Securities Officer

Recoveries Section

Sis. Joanne Stowe- Powers- Recoveries Officer
Bro. Hassan Archibald – Jr. Recoveries Officer

IT DEPARTMENT

Bro. Elias Francis- Data Systems Administrator
Bro. Anton Jardine
- Assist. Data Systems Administrator

NORTHERN GRENADINES OFFICE

Sis. Blondia Hazell-Peters- Administrative Clerk
Bro. Danny George- Security Guard

SOUTHERN GRENADINES OFFICE

Sis. Vennecia Ollivierre - Administrative Clerk
Bro. Junior Adams- Security Guard

GEORGETOWN OFFICE

Bro. Baldwin Johnney - Administrative Officer
Sis. Sonya Johnney - Junior Clerk
Sis. Charissa Pitt- Junior Clerk
Bro. Junelto James - Junior Clerk
Sis. Ariann Neversson- Office Attendant

Activities Highlights 2011



GECCU Heritage Tour



Tank Loan Launch



Financial Planning Lecture



Agri Business Programme



Scholarship Holders Interactive Session



Teacher Guide Appreciation Luncheon

8.0 Future Directions and Strategies

- 8.1.1 During the coming year GECCU will remain true to its Vision and Mission.
- 8.1.2 Our Theme "GECCU: The Credit Union Difference In Motion" must serve to remind us all of the importance of remaining true to our philosophy while encouraging us to continuously seek new opportunities to expand our services and more strongly position ourselves as key players in social and economic development.
- 8.1.3 Our Credit Union will continue to exemplify co-operation as a business model and a tool to solve many problems and bring about positive change for our members and the wider community. With this in mind we will pursue the following objectives for 2012.

Objectives 2012

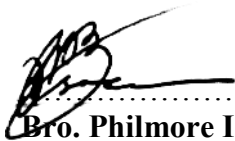
- * To achieve Members' Deposits (Permanent Shares, Regular Shares, Ordinary Deposits and Fixed Deposits) growth of 10%. To reactivate 1,000 members
- * To register a minimum of 2,000 new members with 60% of the new members below the age of thirty (30) and from select employee-groups.
- * To improve access for the population to safe and sound, inclusive and comparable Credit Union Financial products.
- * To improve our resistance and resilience in the eventuality of natural and other disasters
- * To strengthen and advance the Co-operative movement nationally, sub-regionally and regionally
- * To improve the quality of service to members through institutional restructuring, enhanced training and educational programmes for Staff, Committees and General Membership.
- * To pursue alternative investment opportunities.
- * To preserve and enhance the state of our buildings and our office accommodation.
- * To improve housing for our membership.
- * To enhance our Recoveries Programme both proactively and responsively.
- * 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. Philmore Isaacs
President

Appendix 1

List of members who passed on during the year:

- | | | |
|------------------------------|--------------------------------|---------------------------|
| 1. Bro. Winchester Matthews | 41. Sis. Olive Phillips | 81. Bro. Alic Bristol |
| 2. Bro. Rodney Yorke | 42. Bro. Boswell Lewis | 82. Sis. Ann Stephens |
| 3. Sis. Lorna Moore | 43. Sis. Gloria Summers-Banuel | 83. Sis. Girlie Woods |
| 4. Bro. Leslie Richards | 44. Bro. Augustus Cordice | 84. Sis. Rita Nanton |
| 5. Sis. Dennies Roberts | 45. Sis. Sylvia Fertil | 85. Sis. Juanita Francois |
| 6. Sis. Gem Sutherland | 46. Bro. Al George | 86. Bro. Andrew Poyer |
| 7. Bro. Lawrence Gibson | 47. Sis. Pearly Morris | 87. Bro. Ewert King |
| 8. Sis. Ducina Edwards | 48. Sis. Patsy Archibald | |
| 9. Bro. Ervin Doyle | 49. Bro. Andy John | |
| 10. Sis. Anetta Williams | 50. Bro. Guslyn Warrican | |
| 11. Sis. Lisa Browne | 51. Bro. Rodway Fraser | |
| 12. Bro. Vincent Cupid | 52. Sis. Adina Trimmingham | |
| 13. Sis. Eunice Bobb | 53. Bro. Basil Ellis | |
| 14. Bro. Kenrick Johnney | 54. Sis. Helon Fraser | |
| 15. Sis. Irene Lettene | 55. Bro. David Primus | |
| 16. Bro. Uton King | 56. Bro. Elsworth Roache | |
| 17. Bro. David Dowers | 57. Bro. Desmond John | |
| 18. Sis. Daisy Williams | 58. Bro. Francis Thomas | |
| 19. Bro. Hymnal De Freitas | 59. Sis. Rosalind Ryan | |
| 20. Sis. Nola De Bique | 60. Bro. Claude Theobalds | |
| 21. Bro. Brian Lewis | 61. Bro. Robert Providence | |
| 22. Bro. Basil Duncan | 62. Bro. Clem Grant | |
| 23. Sis. Elucina Teshiera | 63. Sis. Norma Mingott | |
| 24. Bro. Kenneth Badnock | 64. Sis. Lorna John | |
| 25. Bro. John Soleyn | 65. Sis. Pauline Bynoe | |
| 26. Sis. Kathleen Nanton | 66. Bro. Kelvin Davis | |
| 27. Bro. Michael Burke | 67. Sis. Linnette John | |
| 28. Bro. Arleigh Douglas | 68. Bro. Usef Barbour | |
| 29. Sis. Margaret Jobe-Lewis | 69. Sis. Loletha Pope | |
| 30. Bro. Ronald Williams | 70. Bro. Osborne Malcolm | |
| 31. Sis. Niesha Noel | 71. Sis. Solitha Layne | |
| 32. Sis. Theresa Seales | 73. Sis. June Phillips | |
| 33. Sis. Agatha Browne | 74. Bro. Johnathan Pompey | |
| 34. Sis. Roslyn Cruickshank | 75. Sis. Esther Simmons | |
| 35. Bro. Avil Scott | 76. Bro. Ilansie Trumpet | |
| 36. Sis. Pearlina Mc Kie | 77. Bro. Calvin Charles | |
| 37. Bro. Reynold Bailey | 78. Bro. Robelto Duncan | |
| 38. Sis. Marlene Jackson | 79. Sis. Beryl Fraser | |
| Bro. Leon Joseph | 80. Bro. Rudolph Stapleton | |

THE TREASURER'S REPORT TO THE 46TH 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, 2011.

- 1.1 The credit union encountered various challenges in 2011. The effects of the global economic conditions, the passage of hurricane Tomas, coupled with the Flash Flood in April 2011 and the Black Sigatoka disease caused an overwhelming effect on some of our members, especially those in the farming sector. As a caring organization, the credit union has played a vital role in accommodating the affected members. Despite these challenges we were able to maintain and achieve our key financial targets which indicate our members' loyalty and confidence in our credit union.

2.0 FINANCIAL PERFORMANCE

- 2.1 The following is a synopsis of performance for the financial year ended December 31, 2011 with comparison to the 2010 financial year.

2.2 Assets

	2011 \$	2010 \$	Increase/ (Decrease)	Increase/(Decrease) (% age)
Total Assets	152,551,061	149,047,458	3,503,603	2%
Loans	91,363,186	85,126,942	6,236,244	7%
Investment Securities	26,268,873	33,522,933	(7,254,060)	(22%)
Cash Resources	14,478,967	11,861,656	2,617,311	22%

- 2.3 During the year total assets increased by 9% over 2010. This was attributed to growth in Loans to members and Cash Resources. However the write down of the investment in British American has consequently reduced this asset increase to 2%.
- 2.4 Loans to members recorded an overall growth of 7% when compared to 2010. The mortgage portfolio and consumer loans grew by 12% and 7% respectively.
- 2.5 The decrease in investment securities of 22% relative to 2010 is due to the decision taken by the credit union to write down a further 40% from BAICO and 7% from CLICO. This was done to comply with the requirements of the International Accounting Standards. Our credit union liquidity position and adequate legal capital base has enabled us to cushion the write down on these investments. To date we have written off a total of 90% from BAICO and 40% from CLICO. During the year, new investments were done in Government Treasury Bills and the interests earned on existing deposits were capitalized.
- 2.6 Cash resources increased by \$2.6m or 22% relative to 2010. This increase in cash resources has added greater value to the existing strong liquidity position of the credit union.

2.7 SHARE CAPITAL & MEMBERS' DEPOSITS

	2011 \$	2010 \$	Increase/ (Decrease)	Increase/(Decrease) (% age)
Permanent Shares	3,654,005	2,757,975	896,030	32%
Members' Shares Savings	73,256,372	69,278,376	3,977,996	6%
Term Deposits	52,028,344	51,559,139	469,205	1%
Ordinary Deposits	15,276,161	13,662,840	1,613,321	12%
Junior Savers	2,165,504	1,899,334	305,830	19%

- 2.7.1 Members' shares savings and deposits continue to be the main sources of funds for our loan portfolio and investments. They have increased by \$3.98m or 6% and \$2.39m or 4% respectively, which is indicative of the members continued confidence in GECCU.
- 2.7.2 Permanent Shares portfolio grew by 32% relative to 2010. At the end of the financial year there were 24,221 members with permanent shares of \$3.65m. We take the opportunity to encourage members to contribute to Permanent shares.

2.8 INCOME

	2011 \$	2010 \$	Increase/ (Decrease)	Increase/ (Decrease) (% age)
Loan Interest Income	8,126,561	7,949,445	177,116	2%
Investment Income	1,354,321	1,125,372	228,949	20%
Rental Income	314,280	433,170	(118,890)	(27%)
Death Benefit Contributions	501,200	491,060	10,140	2%

- 2.8.1 Loan interest income and investment income increased by 2% and 20% respectively while the rental decreased by 27% relative to 2010. The rise in investment income is due to the credit union's increased investment in 91days Government T-Bills during the year. The decrease in rental income is due to temporary vacant rental premises.

2.9 EXPENSES

	2011 \$	2010 \$	Increase/ (Decrease)	Increase/ (Decrease) (% age)
Interest Expenses	4,518,400	4,661,485	(143,085)	(3%)
Marketing Expenses	179,546	231,257	(51,711)	(22%)
Personnel Costs	1,869,191	1,733,662	135,529	8%
CUNA Insurance	652,637	638,476	14,161	2%
Impairment of Investment	7,511,745	3,500,000	4,011,745	115%
Loan Loss Allowance	773,312	267,179	506,133	189%
General and Administrative Expenses	1,700,448	1,639,299	61,149	4%
Death Benefit Payments	348,800	267,333	81,467	30%

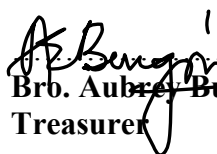
- 2.9.1 Total expense has increased by 36% or \$4.62m compared to 2010. This is mainly due to the impairment charge of \$7.5m applied to the investment with BAICO and CLICO and the increase in Loan Loss Allowance.

2.10 NET SURPLUS/ (LOSS)

- 2.10.1 A net loss of \$5,415,537 was realized for 2011, this was mainly due to the \$7.5m that was written off the financial investments with CLICO and BAICO.

3.0 CONCLUSION

- 3.1 During the year the credit union was confronted with various issues that affected its financial performance. As a result, management constantly re-strategized and adjusted operations to ensure that the credit union functioned at its full potential in achieving its financial targets, as we continue to positively touch the lives of our members. The prudent decision that was taken to write down the investment with BAICO to 10% has adversely affected the Credit Union's net surplus position. However, it is anticipated that the credit union would return to a surplus position in the next financial year.
- 3.1.1 The confidence and support of members are fundamental to the success and continuity of the credit union, therefore, it is our intention to ensure that the members receive the best possible service and a return on the investment they have made with the organization.
- 3.1.2 I would like to thank the general membership, the Board of Directors, Management and staff and committees for their support during 2011 and to encourage us all to continue working together as we enhance the quality of lives for our members and community as a whole.


.....
Bro. Aubrey Burgin
Treasurer

**General Employees’
Co-operative Credit Union Limited**
Financial Statements
Year Ended December 31, 2011

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Page 1	Corporate Information
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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 - 26	Notes to the Financial Statements

REGISTERED OFFICE

Halifax Street
Kingstown
St. Vincent and the Grenadines

DIRECTORS

Mr. Philmore Isaacs – President
Mr. Clarence Harry – Vice President
Mr. Aubrey Burgin - Treasurer
Mr. Richard Cumberbatch
Mr. Stanley Harris
Mr. Gary Matthias
Miss Mineva Glasgow
Miss Gemma Mc Cree-Clarke

SECRETARY

Ms. Camilla Mandeville

SOLICITORS

Baptiste & Co
Mr. Lyndon George

BANKER

Bank of St. Vincent and the Grenadines

AUDITORS

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



Tel: 784-456-2300
Fax: 784-456-2184
www.bdo.vc

Sergeant Jack Drive
Arnos Vale
P.O. Box 35
Kingstown VC0100
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 statement of financial position as of December 31, 2011, and the statements of changes in equity, comprehensive income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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.



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Sergeant Jack Drive
Arnos Vale
P.O. Box 35
Kingstown VC0100
St. Vincent

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **General Employees' Co-operative Credit Union Limited** as of December 31, 2011, and the results of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matters

Our report of May 27, 2011, on the financial statements for the year ended December 31, 2010, drew attention to the deficiency in the Credit Union's reserve as required by section 119 of the Co-operative Societies Act 1999.

May 24, 2012

General Employees' Co-operative Credit Union Limited

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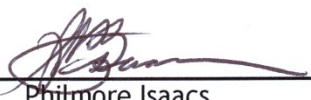
Statement of Financial Position

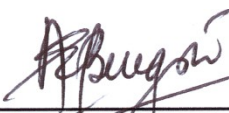
As of December 31, 2011

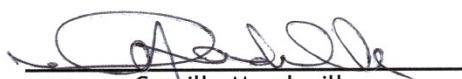
	Notes	2011 \$	2010 \$
ASSETS			
Cash resources	7	14,478,967	11,861,656
Investment securities	8	26,268,873	33,522,933
Loans to members	9	91,363,186	85,126,942
Other assets	10	629,322	499,698
Investment properties	11	15,358,660	13,384,182
Property, plant and equipment	12	4,452,053	4,652,047
		152,551,061	149,047,458
LIABILITIES AND MEMBERS' EQUITY			
Liabilities			
Other payables	13	4,524,883	4,181,815
Members' deposits	14	69,524,309	67,129,569
Members' ordinary savings	15	53,256,372	0
Members' redeemable shares	16.1	0	69,278,376
		127,305,564	140,589,760
Members' Equity			
Permanent share capital	16.2	3,654,005	2,757,975
Statutory reserve	17	25,754,465	5,752,340
Revaluation reserve		463,728	463,728
Social development fund	18	1,699,048	1,230,093
Statutory development fund	19	30,000	30,000
Unrealised gain on investments		401,916	425,566
Accumulated deficit		(6,757,665)	(2,202,004)
		25,245,497	8,457,698
		152,551,061	149,047,458

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

APPROVED ON BEHALF OF THE BOARD: -


Philmore Isaacs
President


Aubrey Burgin
Treasurer


Camilla Mandeville
Secretary

General Employees' Co-operative Credit Union Limited

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Statement of Changes in Members' Equity For the Year Ended December 31, 2011

	Share Capital \$	Statutory Reserve \$	Revaluation Reserve \$	Social Development Fund \$	Statutory Development Fund \$	Unrealised Gain on Investments \$	Accumulated Deficit \$	Total \$
Balance as of December 31, 2009	0	5,750,978	200,000	974,852	50,000	389,530	70,667	7,436,027
As previously reported	0	5,750,978	200,000	974,852	50,000	389,530	1,936,381	9,301,741
Accounting change	0	0	0	0	0	0	(1,865,714)	(1,865,714)
As restated	0	5,750,978	200,000	974,852	50,000	389,530	70,667	7,436,027
Net loss for the year	0	0	0	0	0	0	(2,272,671)	(2,272,671)
Net increase in permanent shares	2,757,975	0	0	0	0	0	0	2,757,975
Statutory development fund net	0	0	0	255,241	0	0	0	255,241
Entrance fees	0	1,362	0	0	0	0	0	1,362
Unrealised gain on investments	0	0	0	0	0	36,036	0	36,036
Increase in valuation of property, plant and equipment	0	0	263,728	0	0	0	0	263,728
Development fund	0	0	0	0	(20,000)	0	0	(20,000)
Balance as of December 31, 2010	2,757,975	5,752,340	463,728	1,230,093	30,000	425,566	(2,202,004)	8,457,698
Net loss for the year	0	0	0	0	0	0	(4,555,661)	(4,555,661)
Net increase in permanent shares	896,030	0	0	0	0	0	0	896,030
Statutory development fund net	0	0	0	468,955	0	0	0	468,955
Entrance fees	0	2,125	0	0	0	0	0	2,125
Reduction of fair value of investment available for sale	0	0	0	0	0	(23,650)	0	(23,650)
Conversion of members' redeemable shares to statutory reserves (Note 17)	0	20,000,000	0	0	0	0	0	20,000,000
Balance as of December 31, 2011	3,654,005	25,754,465	463,728	1,699,048	30,000	401,916	(6,757,665)	25,245,497

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

For the Year Ended December 31 2011

	Notes	2011 \$	2010 \$
Income			
Loan interest		8,126,561	7,949,445
Investment income (Net)	20	(6,157,424)	(2,374,628)
		1,969,137	5,574,817
Interest Expense		3,658,524	3,351,650
Dividend on Members' Redeemable Shares		0	1,309,835
Net Interest Income		(1,689,387)	913,332
Increase in allowance for loan loss, less recoveries	9.3	773,312	267,179
		(2,462,699)	646,153
Income from Investment Properties	11	2,063,758	1,003,170
		(398,941)	1,649,323
Selling Expenses	21	179,546	231,257
General and Administrative Expenses	22	2,353,085	2,277,775
Staff Costs	23	1,869,191	1,733,662
		(4,800,763)	(2,593,371)
Other Income (Expenses)			
Commission income		60,615	56,775
Income on death benefit plan - net	24	152,400	223,727
Miscellaneous income		35,447	42,292
Loss on disposal of property, plant and equipment		(3,360)	(2,094)
		245,102	320,700
Net Loss for the Year		(4,555,661)	(2,272,671)
Other Comprehensive Income			
(Loss) gain on remeasuring available-for-sale financial investments		(23,650)	36,036
Increase in valuation of property, plant and equipment		0	263,278
Comprehensive Loss for Year		(4,579,311)	(1,973,357)
The following expense is included in the foregoing:-			
Depreciation	12	268,548	271,805

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 2011

	Note	2011 \$	2010 \$
Cash Flows from Operating Activities			
Net loss for the year		(4,555,661)	(2,272,671)
Adjustments for			
Depreciation		268,548	271,805
Loss on disposal of equipment		3,360	2,094
Impairment of held-to-maturity financial investment		7,511,745	3,500,000
Appreciation of investment property		(1,749,478)	(570,000)
Operating Profit before Changes in Operating Assets and Liabilities		1,478,514	931,228
(Increase) Decrease in Operating Assets			
Increase in loans to members		(6,236,244)	(4,900,897)
Increase in other assets		(129,624)	39,902
Increase (Decrease) in Operating Liabilities			
Increase in members' deposits		2,394,740	3,445,864
Increase in accounts payable and accrued liabilities		343,068	1,232,241
Net Cash (Used in) Generated from Operating Activities		(2,149,546)	748,338
Cash Flows from Financing Activities			
Net increase in social development fund		468,955	255,241
Increase in permanent share capital		896,030	2,757,975
(Decrease) increase in members' redeemable shares		0	2,211,355
Net decrease in statutory development fund		0	(20,000)
Entrance fees		2,125	1,362
Dividends paid		0	(1,861,982)
Increase in members' ordinary savings		3,977,996	0
Net Cash Generated from Financing Activities		5,345,106	3,343,951
Cash Flows from Investing Activities			
Purchase of plant and equipment		(71,914)	(147,867)
Net movement in investment securities		(281,335)	(7,115,861)
Acquisition of investment property		(225,000)	0
Net Cash Used in Investing Activities		(578,249)	(7,263,728)
Increase in Cash and Cash Equivalents		2,617,311	(3,171,439)
Cash and Cash Equivalents - Beginning of Year		11,861,656	15,033,095
Cash and Cash Equivalents - End of Year	7	14,478,967	11,861,656

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

General Employees' Co-operative Credit Union Limited

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Note 23	Staff Cost
Note 24	Income on Death Benefit Plan – Net
Note 25	Income Tax
Note 26	Staff Retirement Benefit Plan
Note 27	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 24, 2012.

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 2011

- * **IAS 1 (Amendment)** – 'Presentation of Financial Statements' (effective January 1, 2011). The amendment clarifies the statement of changes in equity.
- * **IFRS 7 (Amendment)** – 'Financial Instruments: Disclosures' (effective January 1, 2011). The amendment clarifies the inter action between qualitative and quantitative disclosures in a way that better enable users to evaluate an entity's exposure to risk.

Standards, Amendments and Interpretations to Existing Standards Effective for reporting periods on or after January 1, 2011, but not Relevant

- * IAS 34 'Interim Financial Reporting'

4. Summary of Significant Accounting Policies (Cont'd)**a. Basis of Presentation (Cont'd)**

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

- * IFRS 9 'Financial Instruments' effective December 2011
- * IFRS 12 'Disclosure of Interests in Other Entities' – effective January 1, 2013
- * IAS 1 (Amendments) 'Presentation of Financial Statements' – effective July 1, 2012
- * IAS 32 'Financial Instruments : Presentation' – effective January 1, 2014
- * IFRS 7 'Financial Instruments: Disclosures' – effective July 1, 2011

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.

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.

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

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.

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

g. Financial Assets (Cont'd)

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

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.

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.

4. Summary of Significant Accounting Policies (Cont'd)**g. Financial Assets (Cont'd)****iv) *Available-for-Sale Financial Assets (Cont'd)***

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.

h. Impairment of Financial Assets***Assets Carried at Amortised Cost***

The Credit Union assesses at each statement of financial position 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

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

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.

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.

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

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 statement of financial position 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.

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.

4. Summary of Significant Accounting Policies (Cont'd)**i. Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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:

	2011	2010
	\$	\$
Deposits with commercial banks	13,615,309	11,424,853
Investment securities	26,268,873	33,522,933
Loans to members	91,363,186	85,126,942
Other assets	629,322	499,698
	<u>131,876,690</u>	<u>130,574,426</u>

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 statement of financial position 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 statement of financial position approximate their fair value.

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

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

	2011 \$	2010 \$
Cash on hand	863,658	436,803
Current account	3,219,103	1,536,084
Special savings	10,396,206	9,888,769
	<u>14,478,967</u>	<u>11,861,656</u>

The effective interest rate on special savings is 3.04% (2009: 3.04%)

All cash balances are denominated Eastern Caribbean Currency.

8. Investment Securities

	2011 \$	2010 \$
SECURITIES HELD-FOR-TRADING		
4.50% Government of St. Lucia treasury bills, maturity January 4, 2012	990,806	0
5.75% Government of Grenada treasury bills, maturity July 20, 2012	944,500	0
4.25% Government of St. Vincent and the Grenadines treasury bills, maturity February 28, 2012	989,429	0
Government of St. Lucia Eurobond, maturity December 27, 2012	1,121,451	1,060,000
Government of St. Lucia fixed rate bond, maturity December 28, 2012	1,057,500	1,000,000
6% Government of Grenada treasury bills, maturity July 20, 2011	0	942,000
4.25% Government of St. Lucia treasury bills, maturity March 30, 2011	0	991,404
4.749% Government of St. Vincent and the Grenadines treasury bills, maturity January 24, 2011	0	988,160
4.75% Government of St. Vincent and the Grenadines treasury bills, maturity February 18, 2011	0	988,158
5.82% Government of St. Vincent and the Grenadines, treasury bills, maturity March 24, 2011	0	985,490
3.998% Government of St. Vincent and the Grenadines treasury bills, maturity December 31, 2011	2,000,000	0
Total Securities Held-for-Trading	<u>7,103,686</u>	<u>6,955,212</u>

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

8. Investment Securities (Cont'd)

	2011 \$	2010 \$
SECURITIES AVAILABLE-FOR-SALE		
St. Vincent Brewery Limited – 4,666 ordinary shares – at FMV	90,405	90,405
First Caribbean International Bank (Barbados) Limited – 71,222 common shares – at FMV	286,032	286,032
East Caribbean Home Mortgage Bank – 404 Class D shares – at FMV	73,950	97,600
St. Vincent Co-operative Credit Union League – at cost	272,711	272,711
Eastern Caribbean Co-operative Central Limited- at cost	15,000	15,000
SVG Small Business and Micro Finance Co-operative Society Ltd. (COMFI)	5,000	0
Total Securities Available-for-Sale	743,098	761,748
SECURITIES HELD-TO-MATURITY		
Government of St. Vincent		
7.5% 10 years fixed rate bond, repayable in semi-annual instalments of \$10,000, maturity August 17, 2016	100,000	120,000
7.5% 10 years fixed rate bond, repayable in semi-annual instalments of \$15,000, maturity September 26, 2017	180,000	210,000
8.5% 10 years fixed rate bond, maturity May 29, 2018	353,197	408,109
8% 7 years fixed rate bond, maturity March 12, 2016	964,285	1,178,571
	1,597,482	1,916,680
Colonial Life Insurance Company Limited		
7% flexible premium annuity, maturity August 8, 2009	863,594	918,717
8% flexible premium annuity, maturity April 12, 2010	2,985,722	3,176,300
8% flexible premium annuity, maturity May 13, 2011	408,175	434,228
8.5% flexible premium annuity, maturity October 16, 2011	479,016	509,592
	4,736,507	5,038,837
British American Insurance Company Limited		
8.25% flexible premium annuity, maturity March 9, 2009	58,590	327,255
8.25% flexible premium annuity, maturity March 10, 2009	58,590	327,255
8.25% flexible premium annuity, maturity June 8, 2009	85,282	476,345
8.25% flexible premium annuity, maturity October 13, 2009	58,590	327,255
8% flexible premium annuity, maturity January 27, 2010	37,095	207,191
8.25% flexible premium annuity, maturity March 14, 2010	75,046	419,168
8.5% flexible premium annuity, maturity December 6, 2010	136,679	763,418
8% flexible premium annuity, maturity January 27, 2011	37,791	211,083
8% flexible premium annuity, maturity May 5, 2011	18,895	105,541
8% flexible premium annuity, maturity May 11, 2011	18,895	105,541
8% flexible premium annuity, maturity May 13, 2011	18,895	105,541
8% flexible premium annuity, maturity May 16, 2011	30,000	167,565
8.75% flexible premium annuity, maturity November 10, 2011	59,133	330,286
8.25% flexible premium annuity, maturity December 13, 2011	63,424	354,254
9% flexible premium annuity, maturity March 31, 2012	141,158	788,437
9% flexible premium annuity, maturity May 30, 2012	151,040	843,628
9% flexible premium annuity, maturity June 5, 2012	163,879	915,342
9% flexible premium annuity, maturity June 8, 2012	109,478	611,490
9.5% flexible premium annuity, maturity August 7, 2013	102,500	572,513
8.5% flexible premium annuity, maturity January 29, 2012	147,263	822,530
	1,572,223	8,781,638

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

8. Investment Securities (Cont'd)

	2011 \$	2010 \$
SECURITIES HELD-TO-MATURITY (Cont'd)		
Credit Union Central Finance Facility		
4% Certificate of deposit, maturity December 31, 2012	1,043,010	1,002,894
	<u>1,043,010</u>	<u>1,002,894</u>
Bank of St. Vincent and the Grenadines Limited		
5% fixed deposit, maturity April 1, 2012	4,210,356	4,000,000
5% fixed deposit, maturity February 3, 2012	2,139,345	2,110,720
	<u>6,349,701</u>	<u>6,110,720</u>
Kingstown Co-operative Credit Union Limited		
7.25% Special deposit, maturity July 19, 2012	1,984,634	1,850,475
	<u>1,984,634</u>	<u>1,850,475</u>
St. Vincent Co-operative Bank Limited		
4% Certificate of deposit, maturity December 31, 2012	77,571	74,587
	<u>77,571</u>	<u>74,587</u>
First Caribbean International Bank Limited		
3% Certificate of Deposit, maturity September 1, 2012	1,060,961	1,030,142
	<u>1,060,961</u>	<u>1,030,142</u>
Total Securities Held-to-Maturity	<u>18,422,089</u>	<u>25,805,973</u>
	<u>26,268,873</u>	<u>33,522,933</u>

The government of St. Lucia bonds held for trading are held under a repurchase agreement with First Citizens Investment Services Limited. Under the repurchase agreement, the Credit Union earns a return of 5.75% per annum.

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

	2011 %	2010 %
Government of St. Vincent & the Grenadines 10 years fixed rate bonds	8.06	8.05
Government of St. Vincent & the Grenadines 7 years fixed rate bond	8.30	8.30
Colonial Life Insurance Company Ltd.	0.00	0.00
British American Insurance Company Limited	0.00	0.00
St. Vincent Co-operative Credit Union League	4.00	4.00
St. Vincent Co-operative Bank Limited	4.07	4.07
Kingstown Co-operative Credit Union Limited	7.50	7.50
First Caribbean International Bank Limited	3.04	3.04
National Commercial Bank (SVG) Limited	5.11	5.12

	2011 \$	2010 \$	The ma-
One year	16,309,346	17,484,878	
From 1 – 5 years	1,579,546	6,404,415	
Over 5 years	533,197	1,916,680	
	<u>18,422,089</u>	<u>25,805,973</u>	

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

8. Investment Securities (Cont'd)

Investment securities are denominated in the following currencies:-

	2011 \$	2010 \$
ECD	25,629,644	32,828,792
BDS	286,032	286,032
USD	353,197	408,109
	<u>26,268,873</u>	<u>33,522,933</u>

During the year, the fair value of securities available for sale decreased by \$23,651 (2010 increased by \$36,036). The aforementioned increase in fair value of securities available was credited unrealised gains on investments and is reflected in members' equity.

British American Insurance Company Limited and Colonial Life Insurance Company International Limited have defaulted on their Flexible Annuity Policies. Further, both companies are under Judicial Management. The Credit Union's investments in BAICO and CLICO have nominal values of \$15,722,232 and \$7,014,910 respectively.

9. Loans to Members

	2011 \$	2010 \$
Consumer loans	56,508,727	52,709,202
Computer loans	82,041	124,600
Mortgage loans	33,818,713	30,150,578
Student loans	3,266,727	3,279,404
Interest receivable thereon, net	1,113,913	1,570,311
	<u>94,790,121</u>	<u>87,834,095</u>
Allowance for loan losses	<u>(3,426,935)</u>	<u>(2,707,153)</u>
	<u>91,363,186</u>	<u>85,126,942</u>

The effective interest yield during the year on loans to members was 9% (2010:9%).

9.1 Loans to Members Impairment Analysis

Loans and advanced are summarised as follows:

	2011 \$	2010 \$
Neither past due nor impaired	82,524,443	74,411,977
Past due but not impaired	7,278,942	7,760,312
Impaired	4,986,736	5,661,806
Gross	<u>94,790,121</u>	<u>87,834,095</u>
Less: allowance for impairment	<u>(3,426,935)</u>	<u>(2,707,153)</u>
Net	<u>91,363,186</u>	<u>85,126,942</u>

9.2 Allowance for Loan Losses

	2011 \$	2010 \$
Balance - Beginning of Year	2,707,153	5,024,173
Provision for loan impairment	782,952	272,179
Loans written off during the year as uncollectible	<u>(63,170)</u>	<u>(2,589,199)</u>
Balance - End of Year	<u>3,426,935</u>	<u>2,707,153</u>

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

9. Loans to Members (Cont'd)

9.3 Allowance for impairment on Loans

	2011 \$	2010 \$
Increase in allowance for losses (Note 9.2)	782,952	272,179
Recoveries	(9,640)	(5,000)
	<u>773,312</u>	<u>267,179</u>

As of statement of financial position date, interest of \$484,428 (2010:\$1,010,944) was suspended on loans amounting to \$6,360,677 (2010:\$4,574,281).

10. Other Assets

	2011 \$	2010 \$
ATM receivables	173,192	142,621
Interest receivable on investments securities, net	322,766	214,890
Rent receivable	17,266	46,442
Prepaid expenses	20,879	20,729
Staff receivables	(46)	916
Western Union receivables	33,233	13,067
Other	74,264	73,265
	<u>641,554</u>	<u>511,930</u>
Allowance impairment of rent and other receivable	<u>(12,232)</u>	<u>(12,232)</u>
	<u>629,322</u>	<u>499,698</u>

All other assets are denominated in Eastern Caribbean Currency.

11. Investment Properties

	2011 \$	2010 \$
Carrying value at beginning of year	13,384,182	12,814,182
Addition	225,000	0
Revaluation	1,749,478	570,000
Carrying value at end of year	<u>15,358,660</u>	<u>13,384,182</u>

In May 2006, the credit union's investment properties were revalued, on an open market basis, by Sebastian Alexander, an independent real estate valuator, giving rise to an increase of \$1,749,477 in the carrying value of the investment properties which was credited to operations in the statement of comprehensive income.

Rental income from investment properties amounted to \$314,280 (2010: \$433,170) and direct operating expenses amounted to \$45,278 (2010: \$54,238).

Income from investment properties are as follows: -

	2011 \$	2010 \$
Rental income	314,280	433,170
Appreciation value of investment properties	1,749,478	570,000
	<u>2,063,758</u>	<u>1,003,170</u>

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

12. Property, Plant and Equipment

	Land \$	Building \$	Furniture & Equipment \$	Motor Vehicle \$	Total \$
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
Year Ended December 31, 2010					
Opening net book amount	1,280,000	2,719,488	514,861	2	4,514,351
Additions	0	0	147,867	0	147,867
Disposal	0	0	(2,094)	0	(2,094)
Revaluation	(80,000)	343,728	0	0	263,728
Depreciation charge	0	(63,216)	(208,589)	0	(271,805)
Closing net book amount	1,200,000	3,000,000	452,045	2	4,652,047
At December 31, 2010					
Cost or valuation	1,200,000	3,000,000	1,462,353	130,110	5,792,463
Accumulated depreciation	0	0	1,010,308	130,108	1,140,416
Net book amount	1,200,000	3,000,000	452,045	2	4,652,047
Year Ended December 31, 2011					
Opening net book amount	1,200,000	3,000,000	452,045	2	4,652,047
Additions	0	0	71,914	0	71,914
Disposal	0	0	(3,360)	0	(3,360)
Depreciation charge	0	(60,000)	(208,548)	0	(268,548)
Closing net book amount	1,200,000	2,940,000	312,051	2	4,452,053
At December 31, 2011					
Cost or valuation	1,200,000	3,000,000	1,493,051	130,110	5,823,161
Accumulated depreciation	0	60,000	1,181,000	130,108	1,371,108
Net book amount	1,200,000	2,940,000	312,051	2	4,452,053

Depreciation expense of \$268,548 (2010:\$271,085) has been charged to administrative expenses.

13. Other Payables

	2011 \$	2010 \$
Accounts payable and accrued liabilities	2,096,836	952,026
Dividends payable	1,567,318	1,484,327
Interest payable on deposits	860,729	1,745,462
	<u>4,524,883</u>	<u>4,181,815</u>

Other payables are denominated in the following currencies:

	2011 \$	2010 \$
ECD	<u>4,524,883</u>	<u>4,181,815</u>

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

14. Members' Deposits

	2011 \$	2010 \$
Term deposits	52,028,344	51,559,139
Saving deposits	17,495,965	15,570,430
	<u>69,524,309</u>	<u>67,129,569</u>

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

	2011 %	2010 %
Term deposits	5.04	6.49
Saving deposits	3.17	3.17

All members' deposits are denominated in Eastern Caribbean Currency.

15. Members Ordinary Savings

As disclosed in note 17, effective January 1, 2011, by special resolution, the Credit Union's members elected to convert their ordinary redeemable shares to ordinary savings bearing interest at rate not exceeding the rate of interest stipulated by the East Caribbean Central Bank. The ordinary savings are subordinate to members deposits which are disclosed in note 14.

16. Share Capital

Authorised Capital

	No. of Shares	Value
Redeemable common shares of \$5 par value	Unlimited	Unlimited
Permanent common shares of \$5 par value	Unlimited	Unlimited

The redeemable common shares of \$5 par value are redeemable at the option of the member, subject to a sixty (60) day written notice to the Board and lien thereon. Both classes of shares are subject to the provisions of section 123 of the Co-operative Societies Act 1999.

16.1 Members' Redeemable Shares

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

	2011 \$	2010 \$
Members' redeemable shares	0	69,278,376

Share Capital

As at December 31, 2009	67,067,021
Proceeds from issuance of members' redeemable shares	4,278,655
Conversion to permanent shares	(2,067,300)
As at December 31, 2010	69,278,376
Conversion to statutory reserves	(20,000,000)
Conversion to members' ordinary savings	(49,278,376)
As at December 31, 2011	<u>0</u>

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

16 Share Capital (Cont'd)

16.1 Members' Redeemable Shares (Cont'd)

Pursuant to the resolution of the general membership on November 18, 2009, 20 redeemable member shares, of each member were converted, effective January 1, 2010, to members' permanent common shares having a \$5 nominal value. In accordance with International Accounting Standard No. 32, the redeemable member's shares and their related dividends are reported as liabilities and charged to profit and loss respectively.

16.2 Permanent Share Capital

The permanent common shares have a nominal value of \$5. The shares are allotted on the basis of the amount credited to the members permanent share account.

17. 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.

	2011 \$	2010 \$
Balance – Beginning of Year	5,752,340	5,750,978
Entrance fees received in current year	2,125	1,362
Conversion of members' redeemable shares	20,000,000	0
Balance - End of Year	25,754,465	5,752,340

Effective January 1, 2011, by special resolution, members approved the conversion of \$20,000,000 and \$49,278,376, of the ordinary redeemable members shares to a statutory reserve and members ordinary savings, bearing interest at a rate not exceeding the regulatory rate stipulated on commercial banks savings accounts, respectively.

18. 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.

	2011 \$	2010 \$
Balance – beginning of year	1,230,093	974,852
Contribution received	529,080	367,500
Benefits paid	(60,125)	(112,259)
Balance – end of year	1,699,048	1,230,093

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

19 Statutory Development Fund

	2011 \$	2010 \$
Opening balance	30,000	50,000
Appropriations	0	0
Disbursement	0	(20,000)
Closing balance	30,000	30,000

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.

20. Investment Income

	2011 \$	2010 \$
Dividend	28,224	34,093
Interest earned	1,326,097	1,091,279
Impairment in held to maturity financial securities investment	(7,511,745)	(3,500,000)
	(6,157,424)	(2,374,628)

21. Selling Expenses

	2011 \$	2010 \$
Advertising	37,153	69,793
Donations	37,216	49,369
Heritage month expenses	1,645	8,084
Scholarships	93,103	80,610
School co-operation expense	4,544	16,953
Social assistance expense	5,885	6,448
	179,546	231,257

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

22 General and Administrative Expenses

	2011 \$	2010 \$
Annual mid-year retreat	0	12,845
ATM card embossing cost	6,771	2,422
Audit fee	45,924	54,822
Bad debts – rent and other	0	(54,144)
Bank charges	7,751	5,167
Credit Union week	9,223	18,041
Depreciation expense	268,548	271,805
Education and promotion	37,585	2,020
Electricity	133,133	139,864
General insurance	46,599	47,172
Georgetown branch expenses	89,212	68,784
Grenadines expenses	81,030	81,347
Honorarium	9,600	9,600
Insurance on member's shares and loans	652,637	638,476
League dues	112,353	106,128
Licensing fees	43,929	42,079
Meeting expenses	99,395	121,124
Miscellaneous expenses	13,550	7,124
Motor vehicle expense	28,118	23,208
Professional fees	21,410	10,146
Property tax	4,775	4,775
Repairs and maintenance	116,309	122,242
Security	109,430	108,404
Social events	32,927	36,435
Stationery and office supplies	143,518	168,960
Subscriptions and membership dues	7,753	7,033
Telephone	106,972	103,559
Travel and subsistence	73,040	68,355
Water and sewerage	19,828	21,151
WOCCU convention	31,765	28,831
	<u>2,353,085</u>	<u>2,277,775</u>

23. Staff Cost

	2011 \$	2010 \$
Group insurance	63,453	51,377
Holiday grant	2,000	15,000
Pension	73,372	69,262
National Insurance contributions	58,459	55,598
Salaries, wages and bonus	1,564,420	1,440,017
Staff training	56,647	25,053
Travel and entertainment allowances	48,388	46,200
Uniforms	2,452	31,155
	<u>1,869,191</u>	<u>1,733,662</u>
Number of employees at statement of financial position date	42	43

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

24. Income on Death Benefit Plan – Net

	2011 \$	2010 \$
Members' death benefit contributions during the year	501,200	491,060
Death benefit claims paid during the year	348,800	267,333
	<u>152,400</u>	<u>223,727</u>

25. Income Tax

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

26. 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.

27. Comparative Figures

To improve the presentation, the following comparative figures have been reclassified to conform with the current year's presentation: -

Rental Income

As previously reported	433,170
Reclassified as income from investment properties	<u>(433,170)</u>
	<u>0</u>

Appreciation of Investment Properties

As previously reported	570,000
Reclassified as income from investment properties	<u>(570,000)</u>
	<u>0</u>

Income from Investment Properties

As previously reported	0
Rental income	433,170
Appropriation	<u>570,000</u>
	<u>1,003,170</u>

THE CREDIT COMMITTEE'S REPORT TO THE 46TH ANNUAL GENERAL MEETING

1.0 Introduction

1.1 The Credit Committee that served for the year 2011 comprised the following members:

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

1.2 Bro. Harold Lewis was elected to serve for a second three year term.

2.0 Meetings and Attendance

2.1 For the calendar year 2011, a total of (54) fifty-four regular meetings were convened and (36) thirty-six site visits were made.

2.2 **The Committee attendance record was as follows:**

	2011
Bro. Renato Gumbs	45
Bro. Stewart Haynes	48
Bro. Harold Lewis	52
Sis. Elsa Wynne	43
Bro. Colin Sam	50

3.0 Work Programme

- * Assessment of loans in accordance to GECCU's loan policy.
- * Provide financial advice and counseling where necessary.
- * Participate in relevant training sessions.
- * Submit monthly reports to the Board of Directors.
- * Conduct site visits.
- * Conduct interviews when deemed appropriate.
- * Work closely with the Loans Department and Recoveries Committee.
- * Monitor the economic development in the local, regional and international markets.
- * Closer collaboration with technical personnel.

3.1 The Credit Committee noted the continued impact of the global economic and financial challenges on the local economy. With regard to GECCU, the following activities stood out:

- * Members continued to seek financial advice from the Credit Committee.
- * The committee engaged in more loan restructuring in light of members' increased financial burden.
- * In many cases, members had to scale down the amount of their loan requests, particularly under the Mortgage Programme, in accordance with their financial conditions.
- * Members who lost jobs had to defer their loan requests pending improvement of their financial positions.

4.0 Loan Review and Disbursement

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

Table 1: Loan Activities for the financial year 2011

	2011		2010	
Particulars	No	Value	No	Value
Total loans processed	6948	\$42,264,527.00	6067	\$35,533,661.00
Total loans approved	6873	\$34,884,793.00	6021	\$29,980,164.00
Total loans disbursed	6865	\$34,076,836.00	6012	\$28,768,404.00
Total loans undisbursed	8	\$807,957.00	9	\$1,211,760.00
Total loans deferred	19	\$1,905,263.00	17	\$2,491,089.00
Total loans disallowed	56	\$5,474,471.00	29	\$3,062,408.00

4.1.1 Table 1 reveals an increase in the number and value of loan applications processed, approved and disbursed.

4.2 The table below shows loans disbursed by type.

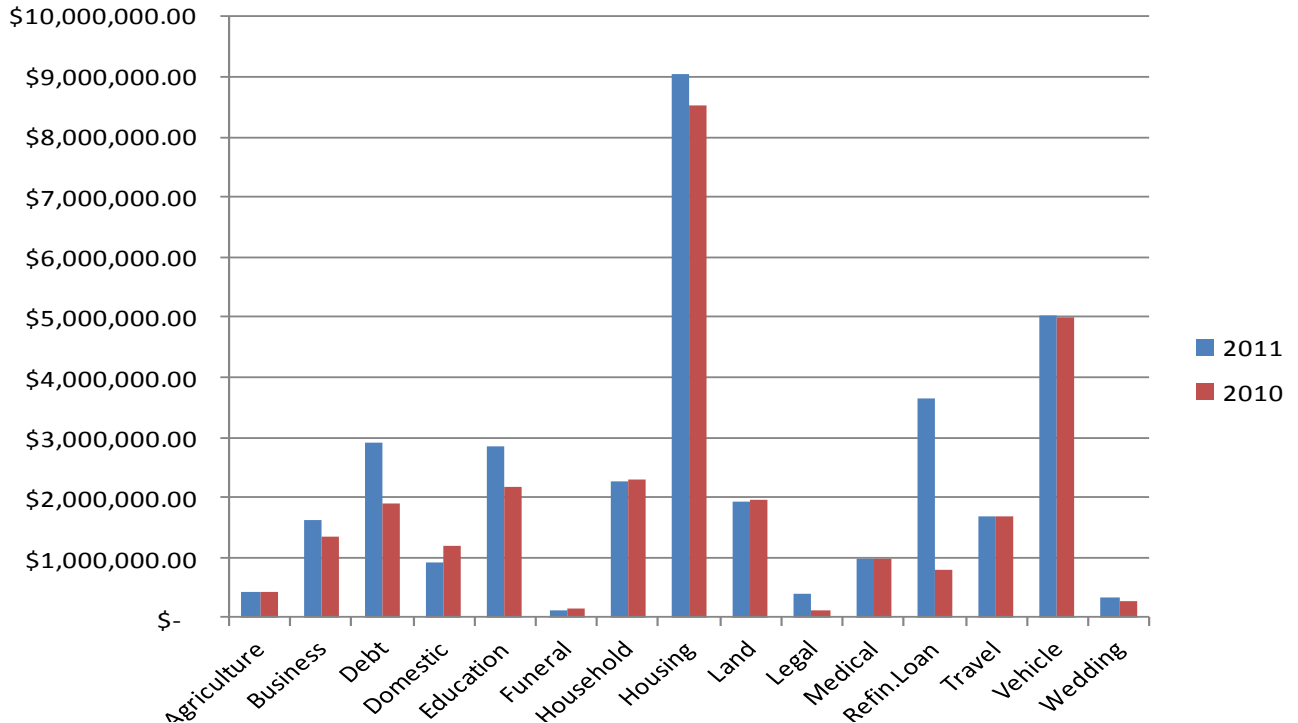
Table 2: Loans Disbursed by type

Type	Jan-Dec 2011			Jan-Dec 2010		
	No of	Amount	% of Total	No of	Amount	% of Total
	Loans	(\$)	Loan Value	Loans	(\$)	Loan Value
Agriculture	153	425,240.00	1.3	133	420,648.00	1.5
Business	266	1,624,092.00	4.8	199	1,334,613.00	4.6
Debt	1322	2,899,021.00	8.5	837	1,898,738.00	6.6
Domestic	767	911,431.00	2.7	846	1,190,839.00	4.2
Education	628	2,851,177.00	8.4	563	2,183,994.00	7.6
Funeral	39	111,070.00	0.3	38	145,800.00	0.5
Household	825	2,257,670.00	6.6	843	2,307,064.00	8.0
Housing	831	9,031,960.00	26.5	775	8,520,478.00	29.6
Land	49	1,940,957.00	5.7	61	1,962,097.00	6.8
Legal	87	390,289.00	1.1	43	109,241.00	0.4
Medical	478	977,199.00	2.9	435	987,251.00	3.4
Refin. Loan	157	3,633,362.00	10.7	43	778,618.00	2.7
Travel	483	1,671,648.00	4.9	484	1,669,114.00	5.8
Vehicle	701	5,022,771.00	14.7	647	4,983,509.00	17.3
Wedding	79	328,949.00	0.9	65	276,400.00	1.0
Total	6865	34,076,836.00	100	6012	28,768,404.00	100

4.2.1 During the period under review the amount of loans disbursed increased from \$28,768,404.00 to \$34,076,836.00, representing an increase of 18.5 percent.

4.2.2 Chart 1 below shows a graphical representation of loans disbursed by type.

Chart 1: Loans disbursed by type for the period 2010-2011



5.0. Mortgage Financing Program (MFP)

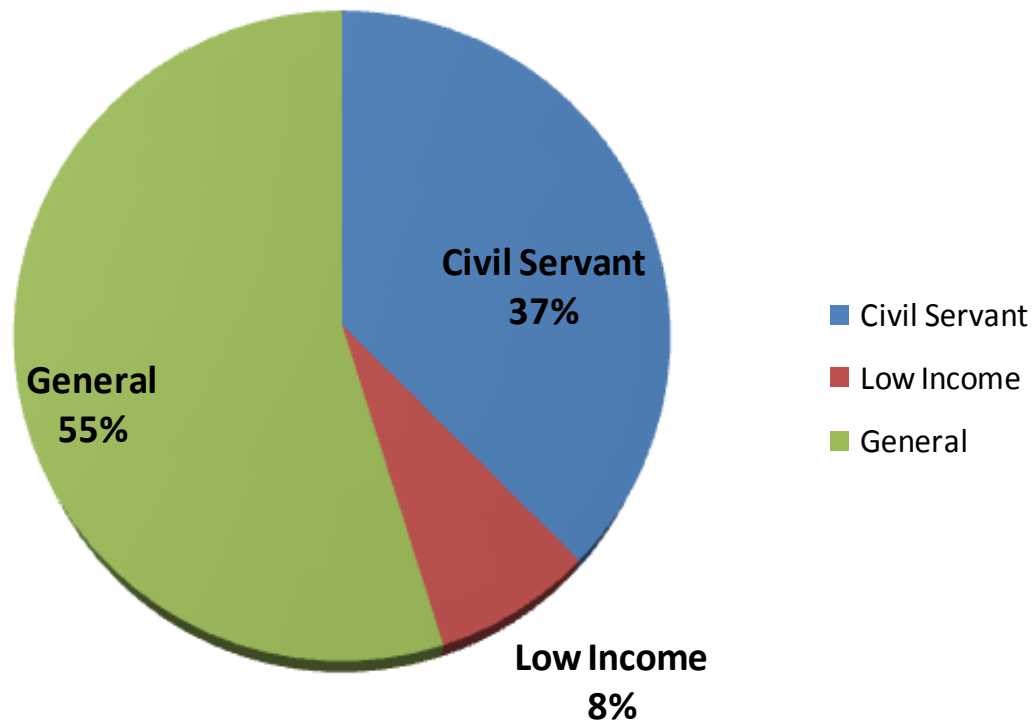
- 5.1 The total value of mortgage (housing) portfolio stood at \$33.8 million as at December 2011 representing 36% of the total loan which values \$93.7 million.
- 5.2 For the period under review, the number of mortgages approved totaled 39 and amounted to \$7,256,700.00. This represented approximately 21% of the total loans approved.
- 5.3 The committee will continue to place emphasis on the monitoring of mortgages with the aim of ensuring compliance and providing guidance to applicants.
- 5.4 The table below shows the number and the value of the mortgage portfolio for the year 2011 with comparison to the year 2010.

Table 3: Mortgage portfolio by category

Category	2011			2010		
	No of loans	Value(\$)	Percentage	No of loans	Value(\$)	Percentage
Civil Servants	84	12,682,839.00	37.6	75	11,334,427.00	37.6
Low Income	34	2,579,528.00	7.6	33	2,556,486.00	8.5
General	134	18,528,417.00	54.8	123	16,259,668.00	53.9
TOTAL	252	33,790,784.00	100	232	30,150,581.00	100

5.3.1 The distribution of mortgage portfolio for the fiscal year 2011 is presented in the pie chart below.

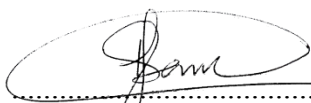
Chart 2: Mortgage portfolio by category



6.0 Conclusion

- 6.1 The ongoing economic climate continued to pose enormous challenges for the credit union. However the Credit Committee has been able to achieve its objectives.
- 6.2 The committee is grateful for the unwavering support of the Board of Directors, other Committees, Management and staff.
- 6.3 The Committee wishes to thank the general membership for the opportunity to serve and would continue to seek ways of improving service to members.


.....
Bro. Stewart Haynes
Chairperson


.....
Bro. Colin Sam
Secretary

THE SUPERVISORY COMMITTEE'S REPORT TO THE 46TH ANNUAL GENERAL MEETING

1.0 Introduction

- 1.1 The Supervisory Committee is pleased to present its report to this 46th Annual General Meeting of the General Employees Co-operative Credit Union Ltd and is satisfied that GECCU's operation internal controls are effective as it complies with applicable laws and regulations.
- 1.2 Sis. Arlene Lewis was elected to serve for a period of three (3) years at the 45th Annual General Meeting.
- 1.3 The other members of the Committee are:
Bro. Jerold Jackson
Bro. Joel Poyer
Sis. Cecelia Williams
Sis. Elizabeth A Williams
- 1.4 The Internal Auditor, Sis. Damoris Alexander assisted the Committee in the execution of its work programme.
- 1.5 Bro. Jerold Jackson and Sis. Arlene Lewis were elected as Chairperson and Secretary respectively. Regular meetings were slated for the second and fourth Tuesday of each month.

2.0 Attendance at meetings

- 2.1 Twenty three (23) meetings were held with attendance as follows:
- | | |
|---------------------------|-------------|
| Bro. Jerold Jackson | 21 meetings |
| Bro. Joel Poyer | 23 meetings |
| Sis. Cecelia Williams | 22 meetings |
| Sis. Elizabeth A Williams | 23 meetings |
| Sis. Arlene Lewis | 21 meetings |
- 2.2 The duties and responsibilities of the Supervisory Committee are enshrined in the Co-operative Societies Act and By-Laws and include inter alia: reviewing, examining and evaluating all aspects of the co-operative's activities and operations.

3.0 Scope of Work

- 3.1 In keeping with its mandate, as specified in the Co-operative Societies Act and By-laws, the committee focused its efforts on the following:
- * Mortgages
 - * Loan Management
 - * Investments
 - * Scholarships
 - * Sub-offices Operations

4.0 Mortgages

- 4.1 Examination of a sample of mortgages granted during 2011 was undertaken. Those granted were generally found to be in keeping with the credit union's policies and procedures as outlined.

5.0 Loan Management

- 5.1 A slight improvement was observed in the number of delinquent accounts. Members are making efforts at meeting their obligations, despite the current adverse economic conditions. Staff at the Loans and Recoveries Departments must be commended for their continued efforts in the quest to reduce delinquency.
- 5.2 Despite efforts made in advertising the tank loan product, the performance was not impressive. Members have not utilised it, in comparison to other loan products on offer, for example, the Christmas in October and Weathering the Storm Loans.

6.0 Investments

- 6.1 The loss of revenue from some investments was recognised in 2011. The committee urged that safe and beneficial investments be evaluated and pursued.

7.0 Scholarships

- 7.1 The procedures and criteria for the grant of academic scholarships in 2011 were followed. Generally, the students are performing satisfactorily. In the few cases where students did not perform to the standards expected, parents and students were engaged in dialogue by members of the Scholarship Committee and staff at GECCU.

8.0 Sub-Offices Operations

- 8.1 The sub-offices operations exhibited commendable resilience in the face of the present economic environment, and they operated in keeping with the documented procedures, rules and guidelines.

9.0 Acknowledgement

- 9.1 The Supervisory Committee wishes to extend sincere appreciation to members, management, staff and elected officials of GECCU for the opportunity to serve this institution.



Bro Jerold Jackson
Chairperson



Sis Arlene Lewis
Secretary

THE EDUCATION COMMITTEE'S REPORT TO THE 46TH ANNUAL GENERAL MEETING

1.0 Introduction

1.1 The Education Committee, in conjunction with the Marketing Department, pursued the below-mentioned objectives during 2011. These objectives were extracted from GECCU's overall strategic objectives which were developed by the Board of Directors and the general membership of the organisation.

- a. To register a minimum of 2,000 new members, 60% of whom are below the age of thirty (30) years and are from select employee groups.
- b. To reactivate 1000 dormant accounts
- c. To improve the Schools' Cooperative Programme
- d. To expand the range of services and to offer new ones including on-line transactions, point of sale (international debit cards), small business loans, etc.
- e. To achieve at least 10% growth on members' deposits (Permanent Shares, Regular Share Savings, Ordinary Deposits and Fixed Deposits).
- f. To enhance our programmes of corporate responsibility and members' well-being.
- g. To offer a specially crafted range of services for the Grenadines.
- h. To improve the quality of services offered to members through institutional restructuring; enhanced training and educational programmes for staff, committees and the general membership.
- i. To enhance youth participation in the programmes of the Credit Union by identifying and addressing their needs.

1.2 The 2011 Education Committee was composed of the following individuals:

Sis. Camilla Mandeville	- Chairperson
Bro. Sylvester King	- Deputy Chairperson
Sis. Velda Gumbs	- Recording Secretary
Sis. Janice King	- Deputy Recording Secretary
Bro. Ezekiel Richards	- (voluntarily retired in February)
Bro. Claude Cambridge	
Bro. Richard Cumberbatch	
Bro. Kenneth Douglas	
Sis. Dionne John	
Sis. Jacqueline Howe	
Sis. Mineva Glasgow	- (joined in July)
Sis. Cheryl Bacchus	- Staff
Bro. Anton Jardine	- Staff

2.0 Meetings

2.1 The second Monday in each month was designated as the scheduled meeting day of the Committee. In addition to scheduled meetings, several sub-committee meetings were convened to address specific issues and plan activities identified in the Work Plan.

3.0 Activities

3.1 Due to the late formation of the committee in July, a number of scheduled activities had to be shelved. Despite the late formation, several activities were executed which are summarized below. The extent to which some of the overall objectives were achieved is outlined in the Board of Directors' report.

3.1.1 Recruitment Drives

- * Three (3) Recruitment Drives were held during the year:
 - Police Training School (1)
 - School of Nursing (2)

- * **School Co-operatives**

Periodic field visits were made to schools participating in the Agri-Business Pilot Programme. These visits were also attended by representatives from the Co-operative Division, the Ministry of Education and the Ministry of Agriculture respectively. Sign-boards promoting the programme were erected at all project sites.

The following GECCU sponsored School Co-operatives are participating in the programme:

- i. West St. George Secondary - Broilers
- ii. Sandy Bay Secondary - Livestock, Broilers & mixed crops
- iii. New Adelphi Secondary - Broilers & Mixed Crop Farming
- iv. Brighton Methodist School - Broilers
- v. Georgetown Primary School - Broilers
- vi. Tourama Primary School - Layers & Vegetable Farming
- vii. Troumaca Primary School - Broilers

- * **Teacher Guide Luncheon**

A luncheon was held for Teacher Guides on February 11th at the Murray's Height Hotel. The opening ceremony was marked by addresses from: Mr. Philmore Issacs – President of the Board of Directors; Mr. Lennox Bowman – Chief Executive Officer; Mr. Carlton 'CP' Hall – Senior Education Officer in the Ministry of Education; Mrs. Rosita Snagg – Permanent Secretary in the Ministry of National Mobilization, etc. and Miss Camilla Mandeville – Chairperson of the Education Committee.

3.1.2 Heritage Month Celebration

- * Sixty (60) History students representing the St. Vincent Girls' High School, West St. George Secondary and the Georgetown Secondary School along with their form teachers were taken on a heritage tour to the Argyle International Airport Site on March 24th. At the culmination of the tour, the group was treated to a picnic at the Rawacou Recreational Park.

3.1.3 Grenadines

- * The Southern Grenadines Education Sub-committee was reformed on February 8th.
- * Students from the Mary Hutchinson Primary School were taken on an educational tour to Fort Murray, Union Island by the Sub-committee.

3.1.4 Credit Union Week

- * The committee participated in the National Schools' Co-operative Award at the Peace Memorial Hall on October 18th.
- * On October 20th there was a link-up between Cross Country Radio and the National Broadcasting Corporation to do live promotion of GECCU.
- * Nurses were on duty at the main office conducting Hypertensive and Diabetes checks for members on October 20th. Additionally, members were treated to healthy refreshments.

3.1.5 GECCU'S Wellness Programme

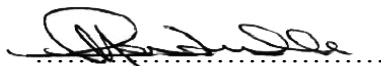
- * A planned meeting between a team from GECCU and officials from the Ministry of Health, Wellness and the Environment to formalise a health programme was deferred to 2012. The programme, which will be facilitated by the Sports Department when implemented was initiated as part of the Caribbean Wellness Week celebrations (September 4th – 10th). This was developed as a long-term plan with the aim of promoting social activities in the areas of health and wellness. The programme is open to all staff, volunteers and the general membership.

3.1.6 Tank Loan Promotion

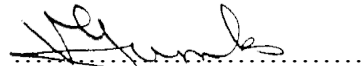
- * The Tank Loan was launched on June 8th 2011. At the launch, remarks were delivered by the Vice-President of the Board - Mr. Clarence Harry, the Chief Executive Officer - Mr. Lennox Bowman and a representative from each of the following: Agricultural Input Warehouse, the Central Water and Sewerage Authority and the National Emergency Management Organisation.
- * The Tank Loan was initiated to alleviate problems of water shortage which is associated with extended dry seasons. The programme has a ceiling of \$10,000 with repayment extended over a period of five (5) years.

4.0 Conclusion

- 4.1 The continuous education of members has always been at the forefront of GECCU's strategic development plans. The Education Committee and the Marketing Department continue to work relentlessly to ensure that these plans are materialised and that the organisations' motto of 'Putting People First' is always emphasised.
- 4.2 The Education Committee and the Marketing Department deeply appreciate the continuous support and guidance received from all members, the Board of Directors, other committees and staff throughout 2011.



Sis. Camilla Mandeville
Chairperson



Sis. Velda Gumbs
Secretary

Serving Officers 2011/2012

Board of Directors

*Bro. Philmore Isaacs	- President
Bro. Clarence Harry	- Vice President
Bro. Aubrey Burgin	- Treasurer
Sis. Camilla Mandeville	- Secretary
*Bro. Richard Cumberbatch	- Director
Sis. Mineva Glasgow	- Director
*Sis. Gemma Mc Cree	- Director
Bro. Gary Matthias	- Director
Bro. Stanley Harris	- Director

Credit Committee

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

Supervisory Committee

Sis. Cecelia Williams	- Chairperson
Sis. Elizabeth A. Williams	- Secretary
Sis. Mineva Glasgow	- Member
*Bro. Jerold Jackson	- Member
Bro. Joel Poyer	- Member

*Indicates members due to retire at this meeting.

NOTES



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COOPERATIVE ENTERPRISES BUILD A BETTER WORLD

