

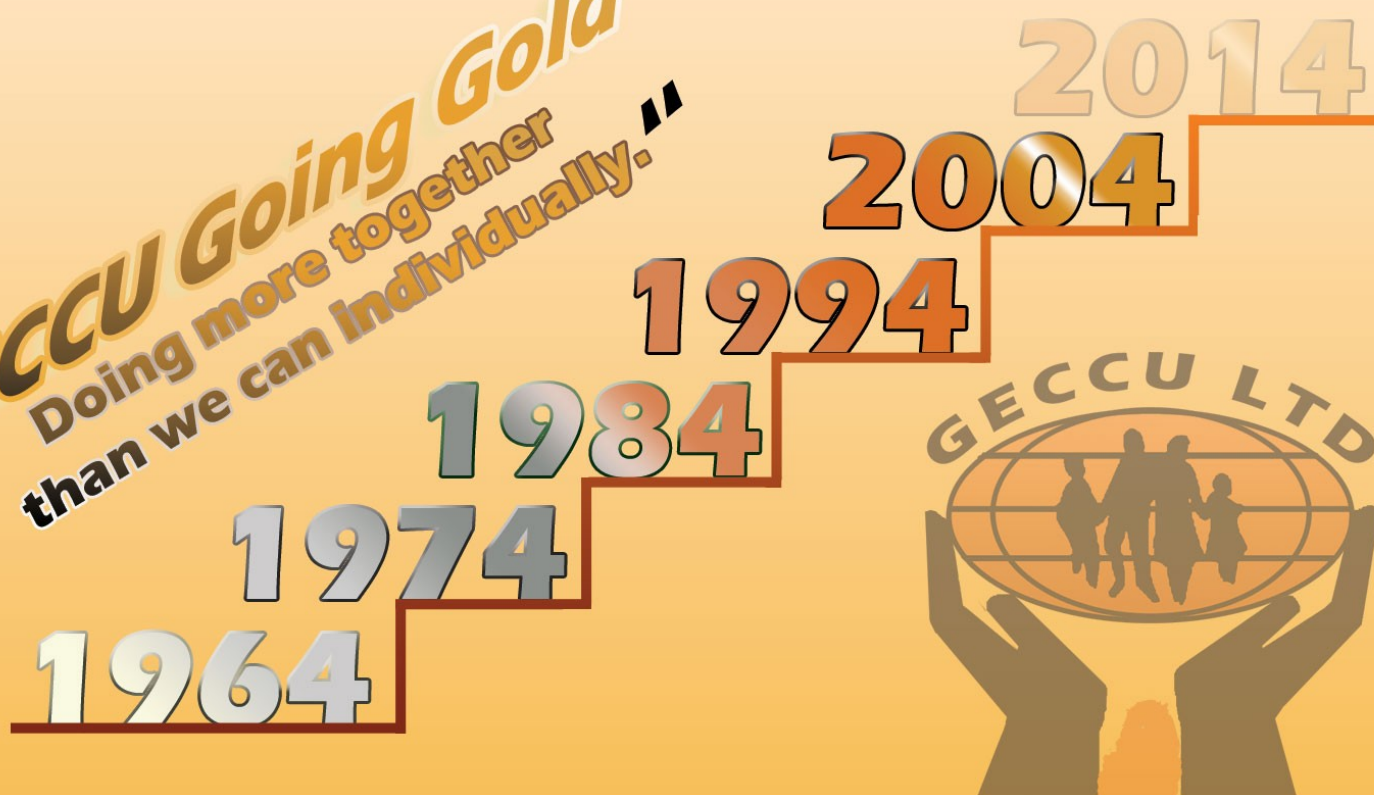
GECCU LTD

General Employees Co-Operative Credit Union Ltd.

47th

Annual General Meeting

"GECCU Going Gold"
Doing more together
than we can individually."



Reports and Accounts 2012

Methodist Church Hall

14th May 2013

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 47th ANNUAL GENERAL MEETING

Dear Members,

Notice is hereby given that the 47th Annual General Meeting of the General Employees' Co-operative Credit Union Limited is scheduled to take place on Tuesday 14th May, 2013 at the Methodist Church Hall, Kingstown at 4:30 p.m.

AGENDA

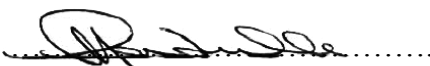
OPENING SESSION

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

CLOSED SESSION

1. Ascertainment of Quorum
2. Minutes of Special General Meeting
3. Minutes of the 46th Annual General Meeting
4. Matters arising from Minutes
5. 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. Resolutions
8. 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



“Delivering Greater Value In Challenging Times”

Brothers and Sisters, fellow co-operators, it is indeed an honour for me as President of this noble organisation to address this august body at this our 47th Annual General Meeting (AGM).

I must first thank Almighty God for sparing our lives to see this day and secondly for blessing the General Employees Co-operative Credit Union (GECCU) Limited with so many good gifts amidst the many challenges that confronted us in 2012 and continue to confront us.

Brothers and Sisters, fellow Co-operators, these challenges are not of our own doing or making, neither are they home grown. Nonetheless they have far reaching effects and implications on our Credit Union, for our Credit Union and ultimately on the financial and economic landscape of Small Vulnerable Economies (SVE's) like St. Vincent and the Grenadines (SVG) in which we operate.

In spite of the challenging economic times and circumstances, GECCU remains resolute and relentless in its pursuit to continually enhance and transform the quality of the lives of its many diverse and valued members.

GECCU never lost sight of its founding principles, core values or philosophy. We continue to develop smart products and services that meet the needs of our members. We unlocked the doors and broke the bonds of enterprise – building and integration by reaching out to the unserved and underserved. We played a lead role in the International Year of Cooperatives (IYC) programme of activities and the establishment of the St. Vincent and the Grenadines Small Business and Micro – Finance Co-operatives Society Ltd. (COMFI).

Brothers and Sisters, fellow Co-operators hence the theme of my message for this our 47th Annual General Meeting - ***“Delivering greater value in challenging times”***. This theme indeed exemplifies GECCU.

Permit me to highlight some hardcore facts to further substantiate my claim.

- * The target for the registration of new members was surpassed
- * 58% of our new members were under the age of 30 years
- * The target for the reactivation of dormant members was surpassed
- * Membership inclusive of depositors grew by 6%
- * Delinquency went down by 1%
- * Savings and deposits grew 6% and the cash position increased by \$9.2 million
- * Loans disbursed exceeded the budgeted amount by \$9.4 million
- * The interest rate on loans for lands went down to 8.75% from 12%

Brothers and Sisters, fellow Co-operators, the importance and relevance of this Annual General Meeting cannot be overemphasized, as it gives you the owners, members and shareholders of GECCU the opportunity to score-card us, your Stewards, on the management of your financial affairs while at the same time giving us the nod on the strategic charter in these challenging times.

The year 2014 marks fifty (50) years of our existence and we all would have contributed to this milestone achievement in one way or the other over the years, so as we reflect on the journey, I am very certain that we would all be proud of the past as we prepare for the future. I want to urge and encourage every member of GECCU to be part of history. Let's celebrate with thankful hearts.

In closing I want to thank my fellow Board members, Committees, Management and staff for their unwavering support and commitment to the task.

Thanks to the general membership for your confidence.

To the many volunteers who have served in various capacities I want to thank you for your invaluable contributions.

The experience gained from serving on the Board of Directors is a rich and rewarding one which cannot be quantified nor measured.

I thank you.



Bro. Clarence Harry
President

MINUTES OF THE SPECIAL GENERAL MEETING OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU), HELD AT THE KINGSTOWN METHODIST CHURCH HALL ON JUNE 19, 2012 AT 4:30PM.

PRESENT:	Bro Philmore Isaacs	-	President
	Bro Aubrey Burgin	-	Treasurer
	Sis Camilla Mandeville	-	Secretary
	Bro Clarence Harry	-	Director
	Sis Gemma Mc Cree-Clarke	-	Director
	Bro Richard Cumberbatch	-	Director
	Bro Gary Matthias	-	Director
	Sis Mineva Glasgow	-	Director
	Bro Lennox Bowman	-	Chief Executive Officer

1. CALL TO ORDER & PRAYERS

Bro Philmore Isaacs, President/Chairman, called the meeting to order at 4:38pm. Bro. Richard Cumberbatch led the meeting in prayer.

2. WELCOME REMARKS

The President welcomed all to the special meeting. He then apologized for not convening the meeting the previous week, and highlighted that the main purpose of this meeting was to discuss the resolutions. He said that though the first two Resolutions would affect each member of GECCU, it would not diminish the member's shares nor weaken the credit union in any way. The third resolution however, was related to the strategic plans of the credit union.

3. ASCERTAINMENT OF QUORUM

There were approximately 95 members present.

(a) Special Resolution No.1 – To increase the Statutory Reserve

WHEREAS consequent upon the creation by the General Employees' Co-operative Credit Union Limited of the new category of shares known as Permanent Shares;

WHEREAS the residual sums of monies in the respective accounts of members in the circumstances continue to be Ordinary Shares, redeemable at the option of members;

AND WHEREAS such redeemable shares in the capital of the General Employees Co-operative Credit Union Limited effective January 1, 2011 amounted to \$69,278,376.00;

AND WHEREAS it is desirable to now strengthen the capital structure of the General Employees' Co-operative Credit Union Limited and by reason of the same to transfer the sum of \$20,000,000.00 from the aforementioned sum to the Statutory Reserve;

BE IT RESOLVED that the said sum of \$20,000,000.00 be so transferred to the Statutory Reserve Fund making a total of \$25,754,465.00 and thereby putting it into full compliance with all the applicable and relevant statutes, rules and regulations governing the operations and management of the General Employees' Co-operative Credit Union Limited.

BE IT FURTHER RESOLVED that the said transfer be effective from January 1, 2011.

There was no discussion on Special Resolution No.1. A motion was moved by Bro. Philmore Isaacs and seconded by Bro. Gary Matthias to accept Resolution No1. Sixty-two (62) members voted by the show of hands for Resolution No 1 while none voted against it. **Special Resolution No.1 – To increase the Statutory Reserve** was carried and accepted.

(b) Special Resolution No.2 – To convert redeemable shares to members' ordinary savings

WHEREAS the sum of \$49,278,376.00 in the capital structure of the General Employees' Co-operative Credit Union Limited represents Ordinary Shares, redeemable at the option of members;

AND WHEREAS it is necessary as a consequence thereof that the said Ordinary Shares be converted into Ordinary Savings with effect from January 1, 2011;

AND WHEREAS by reason of this conversion these monies shall operate as Members' Ordinary Savings;

BE IT RESOLVED that for the ease of administration and management of respective members' accounts, these Members' Ordinary Savings (Accounts) shall be subordinate to Members' Deposits and other liabilities of the General Employees' Co-operative Credit Union Limited;

AND BE IT FURTHER RESOLVED that the By-Laws of the General Employees' Co-operative Credit Union Limited be amended accordingly for the purposes of this Resolution.

After discussions, there was no amendment. A motion was moved by Bro. Philmore Isaacs seconded by Bro. Clarence Harry to accept Resolution 2. It was put to a vote by show of hands Thirty-five (35) members voted in favor of the resolution while nine (9) members voted against it. **Special Resolution No.2 – To convert redeemable shares to members' ordinary savings** was accepted and carried.

(c) Special Resolution No.3 – To formally accept the Assets and Liabilities of South Rivers' Co-operative Credit Union Limited

WHEREAS the General Employees' Co-operative Credit Union Limited and the South Rivers Co-operative Credit Union Limited held several meetings relating to the matter of the transfer of the assets and liabilities of South Rivers' Co-operative Credit Union Limited to the General Employees' Co-operative Credit Union Limited;

AND WHEREAS the South Rivers' Co-operative Credit Union Limited has passed a Resolution at the meeting summoned for this purpose on Sunday 27th May 2012 and recorded by the Registrar of Co-operatives;

AND WHEREAS the General Employees' Co-operative Credit Union Limited has agreed to accept the transfer of the assets and liabilities of the South Rivers' Co-operative Credit Union Limited in accordance with the provisions of Section 146 of the Co-operative Societies Act;

BE IT RESOLVED that the said transfer of the said assets and liabilities as of record with the office of the Registrar of Co-operatives be now part of the assets and liabilities of the General Employees' Co-operative Credit Union Limited with effect from the date hereof;

BE IT FURTHER RESOLVED that the office of the said (former) South Rivers’ Co-operative Credit Union Limited shall be an office of the General Employees’ Co-operative Credit Union Limited serving principally the multiple communities in South Rivers and other neighboring areas.

During the discussion, the Chairman, Bro. Philmore Isaacs gave a summary of assets and liabilities of the South Rivers’ Co-operative Credit Union Limited for the past three (3) years. In 2009, the credit union’s total assets amounted to \$205,515, while its liabilities amounted to \$29,227; in 2010 total assets were \$242,942, while its total liabilities were \$37,793; and in 2011 the credit union’s total assets amounted to \$254,499 while its liabilities totaled \$42,915.

Bro Philmore Isaacs emphasized that accepting the assets and liabilities of the South River’s Co-operative Credit Union Limited based on the figures given would not be a burden to GECCU.

Concerns were raised regarding the proximity of the office of the South Rivers Co-operative Credit Union Limited to that of GECCU’s office in Georgetown and the additional staff cost that would be imposed by this amalgamation of credit unions.

No amendments were made to this resolution. The motion was moved by Bro. Philmore Isaacs and seconded by Sis. Camilla Mandeville. It was put to a vote by show of hands. One hundred (100) members voted for the resolution while no one voted against it. **Special Resolution No.3 – To formally accept the Assets and Liabilities of South Rivers’ Co-operative Credit Union Limited** was accepted and carried.

4. ADJOURNMENT

There being no other business the special general meeting ended at 5:25 pm on a motion moved by Sis Marcelle Burgin seconded by Sis Viola Jacobs.

Read and signed this day of 20...

.....
Chairman

.....
Secretary

MINUTES OF THE 46th ANNUAL GENERAL MEETING OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU), HELD AT THE KINGSTOWN METHODIST CHURCH HALL ON JUNE 19, 2012 AT 5:30 PM.

OPENING SESSION

PRESENT:	Bro. Philmore Isaacs	-	President
	Bro. Aubrey Burgin	-	Treasurer
	Sis. Camilla Mandeville	-	Secretary
	Bro. Clarence Harry	-	Director
	Sis. Mineva Glasgow	-	Director
	Sis. Gemma Mc Cree-Clarke	-	Director
	Bro. Richard Cumberbatch	-	Director
	Bro. Gary Matthias	-	Director
	Bro. Lennox Bowman	-	Chief Executive Officer

1. CALL TO ORDER

The Chairman, Bro Philmore Isaacs called the meeting to order at 5:40 pm.

2. SILENT TRIBUTE

Following the Special General Meeting, which ended at 5.25 pm, the meeting observed a one-minute silence for members who had passed away during the year.

3. APOLOGIES FOR ABSENCE:

Apologies were made on behalf of Director, Bro. Stanley Harris and Sis. Marva Cato, member of the Nominating Committee, who were out of the country.

4. WELCOME

The President welcomed all to the 46th Annual General Meeting and stated that this year's Annual General Meeting was significant, as GECCU joined with co-operatives all over the world to celebrate International Year of Co-operatives, 2012. He especially welcomed members who were attending the annual general meeting for the first time.

Bro. Isaacs highlighted that the GECCU's membership grew by 6% and that the credit union held an existing total asset base of EC\$152,551,061.

The President proudly recognized that on July 14th 2014, GECCU would be celebrating its 50th Anniversary and that preparations were already in place to highlight the "golden milestone."

5. GREETINGS - GUEST SOCIETIES

Fraternal greetings were received from the following societies:

- * Co-operative Department of the Ministry of National Mobilization
- * St. Vincent and the Grenadines Teacher's Co-operative Credit Union Limited
- * Kingstown Co-operative Credit Union Limited
- * Georgetown/Mt Coke Co-operative Credit Union Limited
- * St. Vincent and the Grenadines Police Co-operative Credit Union Limited
- * Eastern Caribbean Co-operative Central Limited
- * Commercial Technical and Allied Workers' Union (CTAWU)
- * Baptiste & Company Chambers
- * St. Vincent Automotive Co-operative Society Limited
- * St. Vincent and the Grenadines Co-operative League Limited
- * South Rivers Co-operative Credit Union Limited

The President of the SVG Co-operative League Limited, Bro Junior Bacchus commended GECCU on the takeover of the South Rivers' Co-operative Credit Union Limited. He announced that COMFI, which is the St. Vincent and the Grenadines Small Business and Microfinance Co-operative Society Ltd., would be launched soon and would be located downstairs of the SVG Teachers' Co-operative Credit Union Limited's business centre.

Hon. Frederick Stephenson, the Minister with responsibility for co-operatives emphasized that the Government of St. Vincent and the Grenadines continued to support co-operative development through different means including the Co-operative Societies Bill. When enacted it would enhance registration, supervision, governance, operation and management of co-operative societies, including credit unions.

Hon. Stephenson expressed gratitude on behalf of the Government of St. Vincent and the Grenadines to GECCU for its loan disbursements during the period January to December 2011. These included \$425,000 for agriculture purposes, \$2.8 million for education and \$9 million for housing. He noted that GECCU continued to support the schools' agri-business programme administered by the Co-operative Department in the Ministry of National Mobilization, in collaboration with the Ministries of Agriculture and Education.

The Minister recognized the investment challenges GECCU faced with British American and CLICO and expressed his appreciation for the presence of Mr. Floyd Patterson of BDO at the annual general meeting to provide answers to concerns raised on this matter.

In closing, he encouraged GECCU to continue to provide enhanced products and services in spite of the present economic challenges.

CLOSED SESSION

ASCERTAINMENT OF QUORUM

There were approximately 209 members present.

2.0 MINUTES OF THE 45TH ANNUAL GENERAL MEETING

The minutes of June 15, 2011 having been circulated before were taken as read.

2.1 Amendments

Page 11: Par 2 Line 5: "Sis. Viola Andrews-Jackson" was corrected to "Sis. Viola Andrews-Jacobs"

The amended minutes were confirmed on a motion moved by Bro. Philbert John and seconded by Sis. Rosemarie Richardson.

3.0 Matters arising from Minutes

Bro Cecil 'Pa' Jack, requested an update of the Housing Project in Peter's Hope. The Chairman, Bro Philmore Isaacs, reported that a committee was established between the National Insurance Services and GECCU to deal with matters regarding this project. A steering committee was put in place to select a Manager for the Project Applications.

In response to what stage COMFI was, Director Gary Matthias reported that, COMFI was in the process of finalizing the employment of a Manager. He reiterated that the building where COMFI would be located was in its final preparatory stages. He highlighted that GECCU has given COMFI its full support and was one of the driving forces behind the project. To date, GECCU along with each of the other five (5) credit unions contributed the required EC\$5,000 to the start up funds of COMFI.

Bro Philbert John sought an update on the suggestion that the Social Development Fund be renamed the Calvin Nicholls' Social Development Fund in honour of Bro. Calvin Nicholls. The President responded that a decision was still pending on the matter.

4. REPORTS AND ELECTIONS

Board of Directors

Board of Directors' Report

In his report, the President stressed the fact that GECCU needs to have younger persons as part of its membership. In this regard, he drew the meeting's attention to the "Breakdown of new membership by age" as presented in the report. He highlighted that the Junior Savers of GECCU made up 25.6% of the new membership, which was equivalent to 494 of the 1937 new members of GECCU.

Bro Philmore Isaacs noted a 32% increase in Permanent Shares in 2011 and encouraged the members to strive to further increase the existing Permanent Shares of GECCU.

Discussions

In response to the query on one of GECCU's services, the Chief Executive Officer reported that GECCU was exploring the option of upgrading the credit union's ATM card to an international debit card.

Bro. Philbert John commended the credit union for making training a priority especially among staff members. However, he pointed out that over the time period shown general membership was not fully involved in that training.

Bro. John further suggested that as priority GECCU should upgrade the properties with a view to enhance their commercial viability. The President responded that the contract had been awarded for the consultation to commence the process. Bro Kenneth Douglas headed the committee responsible for matters relating to preservation an upgrade of the properties.

In response to concerns about money invested in CLICO and BAICO, Bro Floyd Patterson of BDO, reported that GECCU would not be able to make any separate intervention, instead GECCU must allow the process of the Judicial Managers to take the normal course.

Bro. Philbert John commended the staff of GECCU for their excellent performance over the past year. He then suggested that the awards for punctuality and attendance be revisited.

The report from the Board of Directors was accepted on a motion moved by Bro. Philbert John and seconded by Bro Cecil Ryan.

(ii) Treasurer's Report

Bro Aubrey Burgin presented the Treasurer's Report and highlighted the challenges met in 2011 including the effects of the global economic conditions, the passage of Hurricane Tomas along with the flash flood in April 2011 and the Black Sigatoka disease on bananas. He emphasized that despite these challenges, GECCU was able to maintain and achieve its financial targets.

Based on the comparison between the performance of the financial year which ended December 2011 and that of 2010, he highlighted the following:

- * Total Assets increased by 2%
- * Loans increased by 7%
- * Investment Securities decreased by 22%
- * This was due to the decision taken by the credit union to further write down 40% from BAICO and 7% from CLICO.
- * Cash Resources increased by 22%

Although the credit union recorded other notable increases including an increase of 32% in Permanent Shares, GECCU had net loss of \$5,415,537 for 2011. This loss, he explained, was mainly due to the \$7.5m that was written off the financial investments with CLICO and BAICO.

(iii) Auditor's Report

The Auditor's Report having been previously circulated was taken as read.

Discussions

A member queried the upbeat of the report given the BAICO/CLICO situation, to which the Treasurer responded that the anticipation for the credit union to return to a surplus position was based on his assessment of the current economic trends.

Bro Floyd Patterson, the auditor who represented BDO, was asked to pay attention to the inconsistencies in the financial reports presented at the annual general meetings.

In response to whether or not GECCU may have any influence on the International Accounting Standards, Bro Floyd Patterson reported that when the standards were formulated, they were circulated to all interest groups including the co-operative sector. The businesses listed under this sector were expected to make suggestions, recommendations and issues, to the International Accounting Standards Board.

The Board would then assess the suggestions on a framework they had created for formulating standards. The standards would address objectives including relevance and impartiality. International Accounting Standards would continue to change, and he hoped that the changes made would be beneficial to the credit unions.

Election of Board of Directors

There were 3 retiring members of the Board of Directors: Bro Philmore Isaacs, Bro. Richard Cumberbatch and Sis. Gemma Mc Cree-Clarke. Bro. Philmore Isaacs served two consecutive terms and was therefore not eligible to be re-elected.

The Nominating Committee which comprised Sis. Verlene Saunders, Sis. Marva Cato, Sis. Damoris Alexander and Bro. Philmore Isaacs recommended Bro. Richard Cumberbatch, Sis Gemma Mc Cree-Clarke and Bro. Kenneth Douglas for election. From the floor, Bro. Cecil Ryan was nominated on a motion moved by Bro. Cecil 'Pa' Jack and seconded by Bro. Philbert John; Bro Jerold Jackson was nominated by Bro. Harold Lewis and seconded by Bro. Andrew Mc Donald.

Nominations were closed on a motion moved by Bro. Philbert John, seconded by Bro. Cecil 'Pa' Jack.

The results were:

Bro. Richard Cumberbatch	- 46 votes
Sis. Gemma Mc Cree- Clarke	- 54 votes
Bro. Kenneth Douglas	- 50 votes
Bro. Cecil Ryan	- 55 votes
Bro. Jerold Jackson	- 75 votes

The three members elected to serve were: Sis Gemma Mc Cree-Clarke, Bro. Cecil Ryan and Bro. Jerold Jackson.

(b) Credit Committee

(i) Credit Committee's Report

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

The report was adopted on a motion moved by Bro. Philbert John and seconded by Sis. Colleen Phillips.

Election of Credit Committee

The two retiring members were – Bro. Renato Gumbs and Bro. Colin Sam, Bro. Renato Gumbs was not eligible for re-election. The Nominating Committee recommended Bro. Colin Sam and Sis. Marla Mulraine.

There were no other nominations. Nominations were closed on a motion moved by Bro. Philbert John and seconded by Bro. Andrew McDonald. Bro. Colin Sam and Sis. Marla Mulraine were elected unopposed.

(c) Supervisory Committee

(i) Supervisory Committee's Report

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

The report was adopted on a motion moved by Bro. Harold Lewis and seconded by Sis. Theresa John.

Election of Supervisory Committee

There was one retiring member – Bro. Jerold Jackson, who was voted as a member of the Board of Directors. Sis. Colleen Thomas was nominated by Bro. Colin Sam and seconded by Sis. Arlene Lewis, Sis. Marcelle Burgin was nominated by Bro. Cecil 'Pa' Jack and seconded by Bro. Kelmores Hadaway, and Bro. Richard Cumberbatch was nominated by Bro. Clarence Harry and seconded by Sis. Iyanna Lyttle.

Nominations were closed on a motion moved by Sis. Myrna Bramble and seconded by Bro. Philbert John.

The results were:

Sis. Colleen Thomas	41 votes
Sis. Marcelle Burgin	10 votes
Bro. Richard Cumberbatch	32 votes

Sis. Colleen Thomas was elected to serve on the Supervisory Committee.

Permission was granted to destroy all ballot papers.

(d) Education Committee

(i) Education Committee's Report

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

In response to what makes a member eligible to be member of GECCU's Education Committee, Sis Camilla Mandeville said that one must be selected by the Board of Directors. A list of eligibility criteria was used.

The report was adopted on a motion moved by Bro. Philbert John and seconded by Bro. Cecil Ryan.

5.0 Election of Auditors

The auditing firm of BDO was nominated by Bro. Philbert John and seconded by Sis Theresa John. There were no other nominations. BDO was elected unopposed.

6.0 New Business

The Chairman announced that GECCU would be celebrating its 50th Anniversary in 2014, and that a suggestion box would be placed at GECCU's Headquarters, Kingstown office, for suggestions and ideas to plan for this milestone.

7.0 Closing Exercise

There being no other business the meeting ended at 8:55 pm.

Read and signed this day of 20.....

.....
Chairman

.....
Secretary

**BOARD OF DIRECTORS' REPORT
TO THE 47TH ANNUAL GENERAL MEETING**

BOARD OF DIRECTORS 2012



Bro. Clarence Harry
President

Sis. Gemma Mc Cree
Director



Bro. Gary Matthias
Vice - President

Bro. Stanley Harris
Director



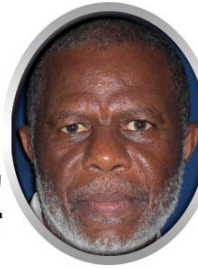
Sis. Camilla Mandeville
Secretary

Bro. Jerold Jackson
Director



Bro. Aurbrey Burgin
Treasurer

Bro. Cecil Ryan
Director



Sis. Mineva Glasgow
Director

Bro. Lennox Bowman
CEO



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 2012.

Economic Experience

- 1.2 The GECCU Ltd is operating in a rather dynamic economy and faces enormous challenges as a result of the current global economic downturn.
- 1.3 St. Vincent and the Grenadines like the other OECS countries remained susceptible to the challenges brought about by the global economic and financial recession. The country's macro economic performance for 2012 indicated a GDP of 0.7% which is consistent with most of the countries of the currency union which are characterized by overstretched governments, under-performing private sector and weak and dependant civil societies.
- 1.4 Our Credit Union like any other business, is in a continuous search for solutions to alleviate the hardships for our members, particularly the disadvantaged, many of whom have lost their jobs or have less disposable incomes. Ensuring that our members are offered a range of relevant cost-competitive products continues to be a major focus, to assist them in these trying times, while at the same time increasing our efficiency, effectiveness, productivity, and service delivery.
- 1.5 During the period under review, the Credit Union therefore remained resolute in its mission to enhance the quality of life of its members.

2.0 Corporate Governance

- 2.1 During the year the revised harmonised Co-operative Societies Act No: 12 of 2012 was effected. The process of education on this act is ongoing.
- 2.2 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.
- 2.3 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 46th Annual General Meeting, two new members, Brothers Jerold Jackson and Cecil Ryan were elected to the Board.

- 3.2 At their first meeting, the Board of Directors elected Bro. Clarence Harry – President, Bro. Gary Matthias-Vice President, Bro. Aubrey Burgin – Treasurer, and Sis. Camilla Mandeville - Secretary.

The full Board of Directors comprises the following:

Bro. Clarence Harry	-	President
Bro. Gary Matthias	-	Vice President
Sis. Camilla Mandeville	-	Secretary
Bro. Aubrey Burgin	-	Treasurer
Sis. Mineva Glasgow	-	Director
Sis. Gemma Mc Cree-Clarke	-	Director
Bro. Stanley Harris	-	Director
Bro. Jerold Jackson	-	Director
Bro. Cecil Ryan	-	Director

3.3 Meetings and Attendance

Meetings of the Board were held monthly. In addition, fifteen 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 (15)	TOTAL(25)
Bro. Clarence Harry	10	13	23
Bro. Gary Matthias	9	12	21
Sis. Camilla Mandeville	9	14	23
Bro. Aubrey Burgin	10	13	23
Sis. Mineva Glasgow	10	12	22
Sis. Gemma Mc Cree-Clarke	10	13	23
Bro. Stanley Harris	8	6	14
Bro. Jerold Jackson	10	10	20
Bro. Cecil Ryan	10	12	22

4.0 PERFORMANCE RELATED TO PRIORITY AREAS

- 4.0.1 The Board of Directors established ten (10) 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, 2,027 new members/depositors were registered; the targeted number for this period was 2,000.

These figures indicate that GECCU Ltd continues to remain an institution of preferred choice for the citizens of St. Vincent and the Grenadines. This reflects the need for and accessibility to our products and services, as well as the sustained confidence in our Credit Union.

- 4.1.1.2 Our focus on the recruitment of youth continues. We are pleased to report that 58% of our new members were under the age of 30. The target set for the year was 60%. This clearly states that 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/depositors of the credit union now stands at 36,011. This figure represents a net increase in total membership of 6%.

Table 2: Breakdown of new membership/depositors by age

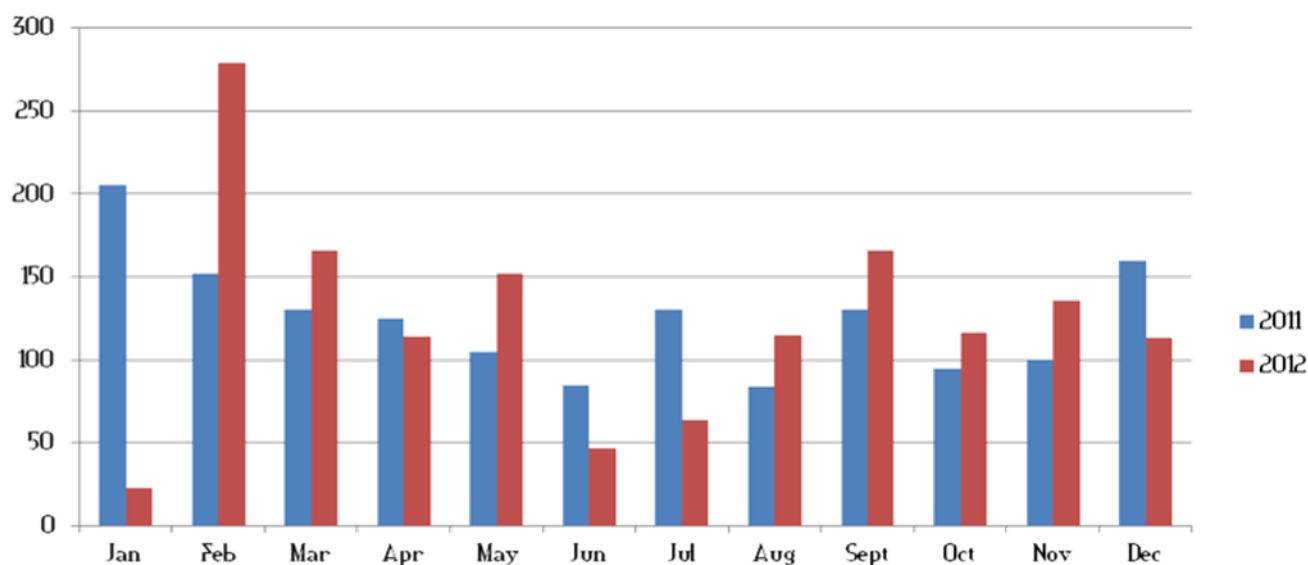
AGE	Number of Persons	Percentage
Junior Savers	502	25
16-30	667	33
31-40	327	16
41-50	294	15
51-60	178	9
60+	49	2
TOTAL	2,027	100

During the period ten (10) organizations also joined GECCU as depositors.

4.1.2 PRIORITY 2: DORMANCY

- 4.1.2.1 Our sustained efforts focused on re-activation continued during the year with acceptable results. Our dedicated staff continued to stress the benefits of membership to our dormant members.
- 4.1.2.2 During the year, 1,491 members were re-activated with total receipts of \$396,215.38. This compares favourably with the 1,501 members and receipts of \$362,814.56 in 2011. The targeted amount reactivated accounts set for the year was 1,000. This was well surpassed.

Table 4: Comparison of 2011 & 2012 Re-activated Accounts



4.1.3 PRIORITY 3: RESISTANCE AND RESILIENCE IN THE EVENTUALITY OF NATURAL AND OTHER DISASTERS

- 4.1.3.1 GECCU continues to give priority to the occupational health and safety of our staff, volunteers and members.
- 4.1.3.2 In this regard a Disaster Management Committee was established which meets on a regular basis to manage our risk exposure to any natural or other dangers as they pertain to all areas of our operations.
- 4.1.3.3 A consultative meeting was held with the National Emergency Management Organization (NEMO) and a comprehensive disaster and recovery plan is in its final stages of preparation and operationalisation.
- 4.1.3.4 The physical security of our buildings as well as the security and integrity of our equipment and data remain sound and of high priority.

4.1.4 PRIORITY 4: ENHANCEMENT OF RECOVERIES PROGRAMME

- 4.1.4.1 During the year, the challenging economic and financial environment continued to exert pressure on some of our members' ability to comfortably meet their loan repayment obligations.
- 4.1.4.2 GECCU was challenged not only to keep its delinquency under control but more so to work with our members to assist them through these difficult times.
- 4.1.4.3 The Loans Department worked closely with our Recoveries Committee from whom they received advice and guidance.

4.1.4.4 Among some of the main activities undertaken were:

1. Enhanced loan assessment and processing
2. Increased financial counselling to our members
3. Special assistance to farmers and other critical sectors
4. Closer and enhanced monitoring of delinquency
5. Specially targeted loan products to meet members' needs (eg) Learn While You Earn Loan

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 GECCU is 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, GECCU continues 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
Anti-Money Laundering & Counter-Terrorist Financing	Staff	October 24, 2012	Staff of FIU

FORUMS

Title	Participants	Date	Resourced by
Entrepreneurship	Julian Ivo Joslyn	April 17	ECCB
Addressing OSH in a Modern Legislative Framework	Lennox Bowman	October 10	SVEF/ILO
Business Symposium and Innovation	Rhonda Thompson	October 15	ECCB

Table 6: Workshops and Seminars 2012

Seminar Title	Participants	Location	Date	Resourced by
Caribbean Development Educator (DE)	Damoris Alexander Kathlyn Parsons	Dominica	January 8 - 14	NCUF (USA)
Caribbean Development Education (DE)	Gertrude Jacobs Camilla Mandeville (Director)	Dominica	January 15 - 21	NCUF (USA)
First Aid	All Staff	St. Vincent & the Grenadines	January 19 & 20	SVG Red Cross Society
Recoveries Management in Recessionary Economies	Hassan Archibald Joanne Stowe-Powers	St. Vincent & the Grenadines	February 2	Caribbean Credit Bureau Ltd.
Customer Service	Kathlyn Parsons	St. Vincent & the Grenadines	February 21	UWI Open Campus
Performance Management	Cornelia Moses	St. Vincent & the Grenadines	February 22	UWI Open Campus
Global Market Outlook	Damoris Alexander Gary Matthias (Director)	St. Vincent & the Grenadines	March 2	First Citizens Investment Services
Caribbean Development Educator Programme (DE)	Alicia Ashton-Doyle Aubrey Burgin (Director)	Trinidad & Tobago	April 22 – 28	NCUF (USA)
First Aid	Gertrude Jacobs Junelto James Ryan Hazell	St. Vincent & the Grenadines	April 25	St. Vincent Red Cross Society
Mortgage Underwriting	Keon Findlay	Grenada	May 14 - 18	ECHMB
Financial Management Techniques for SMEs	Cheryl Bacchus	St. Vincent & the Grenadines	June 25 - 29	CDB/NDF
Introduction to Entrepreneurship	Danny-lee Francis	St. Vincent & the Grenadines	September 24 – 26	CHSB
Mortgage Underwriting	Keon Findlay	St. Kitts	November 12 - 16	ECCB
Financing Sustainable Energy in the Caribbean	Julian Joslyn	St. Lucia	November 26 – 27	OAS & CCCU
Using Creative Thinking To Address The Gaps And Identify Opportunities	Danny-lee Francis	St. Vincent & the Grenadines	November 29	ECCB

4.1.6 PRIORITY 6: PROPERTY PRESERVATION AND ENHANCEMENT

- 4.1.6.1 During the period under review, GECCU invited tenders for consultancy services to provide the requisite analyses in a report that will provide the road map to chart the course for the use and the development of returns on the real estate investment.
- 4.1.6.2 The Tender was won by the firm of M.A John and Associates. The Consultancy was completed and a full report was submitted and subsequently presented by the consultants at a meeting with GECCU on 29th November, 2012.
- 4.1.6.3 The Board has named a small committee of professionals to discuss the options recommended by the consultants with a view to deciding on the way forward.

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

- 4.1.7.1 GECCU continues to play an important role by offering counseling on housing to its members as part of our historic commitment to serving people of modest means. The growing complexities of the housing markets make it imperative that we encourage our members to seek the best possible advice as they contemplate the largest investment which many will make.
- 4.1.7.2 Members continue to respond positively to our encouragement to obtain title to land which they may now occupy. In many cases GECCU has been able to fund the purchase of the land including legal fees where necessary.
- 4.1.7.3 Through our "Weathering the Storm" loans or otherwise we have been assisting greatly with renovations and expansions to existing houses. We have also been encouraging our members to insure their properties.
- 4.1.7.4 The joint project between NIS and GECCU to develop lands at Peter's Hope continues. The joint committee was established to execute the project. The Committee's Terms of Reference and a plan of action was prepared and agreed by both NIS and GECCU. A Project Manager is to be appointed and the field work is expected to begin soon.

4.1.8 PRIORITY 8: STRENGTHENING OF THE MOVEMENT NATIONALLY AND REGIONALLY

- 4.1.8.1 GECCU remains committed to the strengthening of the movement nationally and regionally and continues to work closely with Credit Unions at home and in the region, sharing and benchmarking where appropriate, the best industry practices.
- 4.1.8.2 Support for and involvement in the Credit Union League continued and GECCU played a lead support role in the IYC 2012 Programme of Activities and the establishment of the SVG Small Business and Micro-Finance Co-operatives Ltd (COMFI).
- 4.1.8.3 In keeping with the international, regional and national thrust to encourage the amalgamation of the Credit Union sector, GECCU worked closely with the SVG Credit Union League and the Registrar of Co-operatives in responding to the requests of some smaller Credit Unions for amalgamations.
- 4.1.8.4 On 1st October, 2012, GECCU took over the Assets and Liabilities of the South Rivers Co-operative Credit Union Ltd and is now in the preparatory stage of amalgamation with the Georgetown Mt. Coke Methodist Co-operative Credit Union Limited. Discussions have also been held with the Barrouallie Co-operatives Credit Union Ltd at their request.

- 8.5 GECCU also continued its close working relationship with the Co-operative Department and the office of the Registrar of Co-operatives and continues to support the Department's initiatives and to receive its guidance and support on many issues.

4.1.9 PRIORITY 9: ACCESS TO GECCU SERVICES

- 4.1.9.1 GECCU's network of sub offices continues to provide an important link to our very decentralized membership.
- 4.1.9.2 All offices operate online and real time with each other and provide an invaluable and easy access to our services which could all be accessed at any of these offices.
- 4.1.9.3 The Western Union service we provide at these offices continues to satisfy a great money transfer need in these communities.
- 4.1.9.4 Notwithstanding the understandable slow down in new members' registration throughout the year, the total collections and disbursement during the year increased by approximately 20% in each category. This demonstrates clearly the importance of the services offered by these offices.
- 4.1.9.5 GECCU continues to offer sponsorships and donations to these communities in an effort to maintain an active presence.
- 4.1.9.6 Regular visits are made to these offices 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		Collections		Disbursement	
	2012	2011	2012	2011	2012	2011
Union Is. & Canouan	100	106	\$2,056,816.04	\$2,015,343.72	\$1,252,279.72	\$1,434,934.35
Bequia	47	70	\$586,218.56	\$649,718.36	\$272,402.46	\$901,000.23
Georgetown	343	425	\$8,449,412.12	\$6,559,306.18	\$11,051,291.51	\$8,424,420.19
TOTAL	601	490	\$11,092,446.72	\$9,224,368.26	\$12,575,973.69	\$10,760,354.77

4.1.10 PRIORITY 10: FINANCIAL SUSTAINABILITY AND PROFITABILITY

- 4.1.10.1 Notwithstanding the enormous economic and financial challenges of our economy and indeed those of the region, GECCU achieved positive growth in most areas of our operations.
- 4.1.10.2 Savings and Deposits grew at an acceptable rate of 6% and the Cash position increased by \$9.2 Million or 64% relative to 2011.
- 4.1.10.3 Loans disbursed, although less than that of the previous year was in excess of budgeted amount by \$9.4 million.

4.1.10.4 These results underscore the continued confidence and commitment of loyal membership.

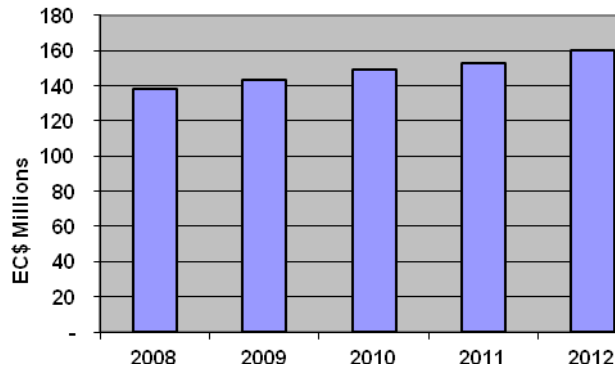
Liquidity remains extremely strong and our delinquency remains quite stable, decreasing by 1%.

4.1.10.5 Though a detailed analysis is included in the Treasurer's Report, the following table shows the performance highlights for the year.

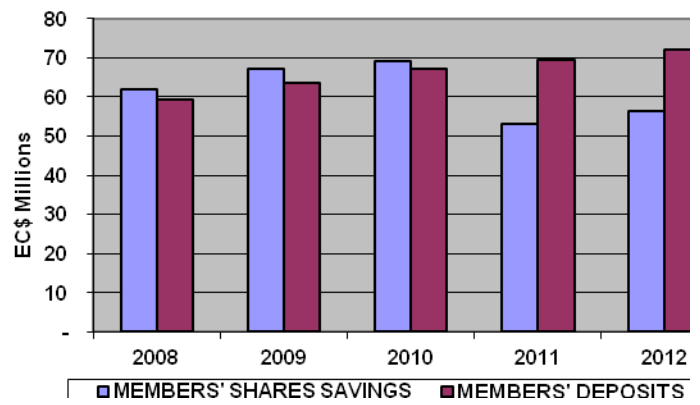
4.1.10.6 GECCU Performance Highlights 2008-2012

	2012	2011	2010	2009	2008
	EC\$	EC\$	EC\$	EC\$	EC\$
ASSET GROWTH					
Loans – net	91,339,757	91,363,186	85,126,942	80,226,045	73,568,116
Cash Resources	23,710,667	14,478,967	11,861,656	15,033,095	6,273,456
Fixed Assets	4,370,176	4,452,053	4,652,047	4,514,351	4,700,192
Investment Securities	24,614,544	26,268,873	33,522,933	29,871,037	38,025,468
Other Assets	550,895	629,322	499,698	539,600	2,913,392
Investment Properties	15,358,660	15,358,660	13,384,182	12,814,182	12,814,182
Total Assets	159,944,699	152,551,061	149,047,458	142,998,310	138,294,806
SAVINGS COMPONENTS					
Members' Shares	56,378,839	73,256,372	69,278,376	67,067,021	61,849,979
Savings					
Members Deposit	72,191,431	69,524,309	67,129,569	63,683,705	59,420,468
Total Savings	128,570,270	142,780,681	136,407,945	130,750,726	121,270,447
INCOME					
Loan Interest	9,039,411	8,126,561	7,949,445	8,176,612	7,405,966
Investment Income	1,348,139	1,354,321	1,112,653	1,426,662	2,680,305
Non Interest Income	882,531	2,657,660	1,336,589	751,053	746,643
Total Income	11,270,081	12,138,542	10,398,687	10,354,327	10,832,914
EXPENSES					
General and Admin Expense	5,114,839	12,262,367	4,242,694	4,208,028	4,181,281
Interest Expense	4,500,934	4,518,400	4,661,485	5,376,688	3,191,816
Allowance for Loan Loss	215,174	773,312	267,179	294,159	756,176
Total Expense	9,830,947	17,554,079	12,671,358	15,504,779	8,129,273
PROFITABILITY					
Surplus	1,439,134	(5,415,537)	(3,163,371)	(5,151,804)	2,703,641
Other Reserves	28,789,799	8,349,157	7,901,727	9,301,741	14,329,593
Permanent Shares	4,529,050	3,654,005	2,757,975		
MEMBERSHIP	36,011	34,006	32,105	29,994	28,152

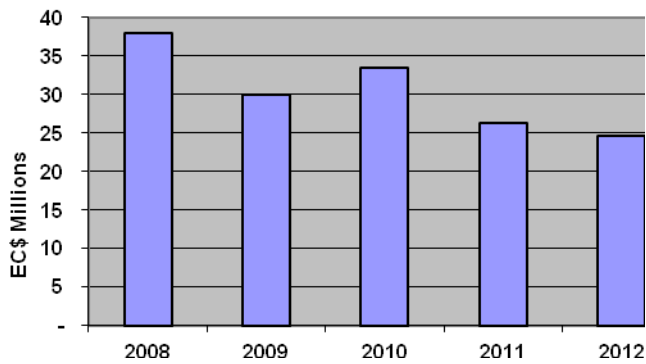
TOTAL ASSETS



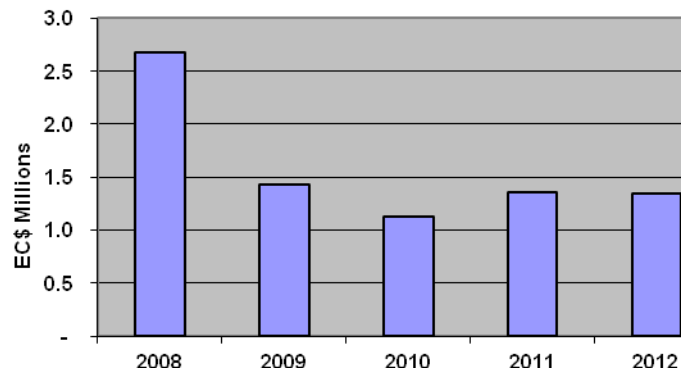
MEMBERS SHARES SAVINGS and MEMBERS' DEPOSITS



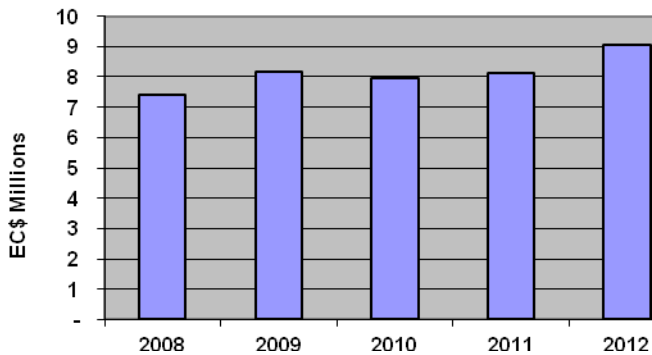
INVESTMENT SECURITIES



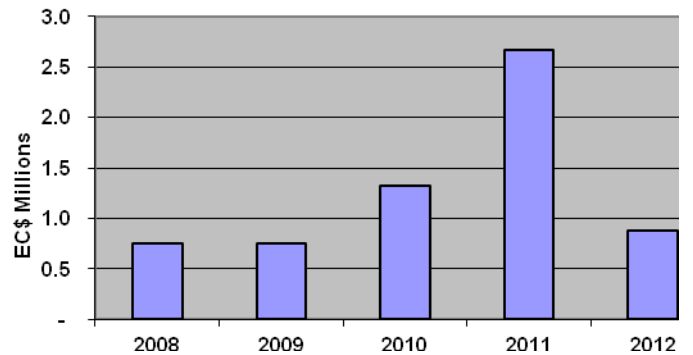
INVESTMENT INCOME



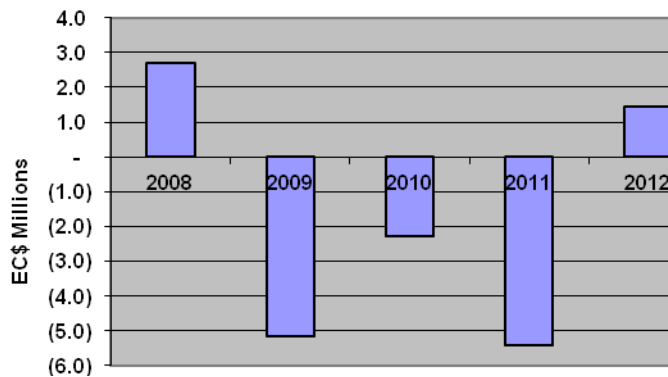
INTEREST INCOME



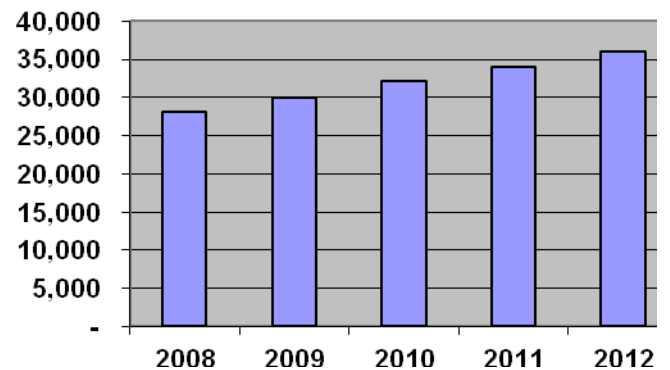
NON INTEREST INCOME



NET SURPLUS



MEMBERSHIP



4.1.10.7 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 2011	31 st Dec 2012
P – Protection			
Loan Loss Allowances / Delinquency >12mths <i>This measures the adequacy of the provision for loans delinquent over 12 months</i>	100%	100%	100%
Solvency <i>The degree of protection for members' shares & deposits in the event of liquidation.</i>	Min 100%	115.06%	116.25
E – Effective Financial Structure			
Net Loans / Total Assets <i>Measures the %-age of total assets invested in Loans.</i>	Between 70 to 80%	59.16%	56.37%
Financial Investments / Total Assets <i>Measures the %-age of long-term Investment in Total Assets</i>	Max 10%	7.65%	5.95%
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%	9.94%	8.94%
Non-Earning Assets / Total Assets <i>This measures the %-age of total assets not producing income.</i>	Less than 5%	6.74%	7.73%
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%	9.04%	9.72%
Operating Expenses / Average Assets <i>Measures the cost associated with the management of the C.U assets.</i>	Less than 5%	2.72%	2.98%
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%	21.20%	29.43%
Non-Earning Liquid Assets / Total Assets <i>Measures the %-age of cash invested in Non earning Assets</i>	Less than 1%	2.68%	3.91%
S – Signs of Growth			
Net Loans <i>Measures the %-age growth in Loan Portfolio</i>	More than 10%	8.01%	0.10%
Total Assets <i>To measure the %-age growth in Total Assets.</i>	More than 10%	2.39%	4.85%
Membership <i>Measures the %-age growth in Membership</i>	Min 5%	6%	6%

4.1.10.8 DIVIDEND

The Board of Directors proposes to pay a dividend of 6% on Permanent Shares and 1.5% interest on Regular Share Savings.

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 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.

6.1.2 The year 2012 was not as eventful as the preceding two years for the Social Development Committee as it was called upon to respond to a further reduced number of requests by members for assistance from the Social Development fund. Requests for medical assistance continue to dominate. There were twenty- five (25) requests for assistance during 2012 of these twenty were approved one(1) was denied and four (4) are pending.

6.1.3 The table below gives a breakdown of the applications that were received and processed in 2012

Category	No. received	No. Approved
Medical	25	22
Housing, flood & Fire	2	2
Other	1	1
TOTAL	28	25

7.0 Annual Scholarships to Secondary School

- * Seven (7) scholarships were awarded to students who were successful in the 2012 Common Entrance examinations. This number includes the seventh recipient of the annual Grenadines scholarship awarded to a student from Canouan.

- * The 2012 scholarship recipients were :

Girls: Ianá Ferguson	- Kingstown Preparatory School
Aranique Jackson	- Kingstown Preparatory School
Tyra Robinson	- Kingstown Government School

Boys: Shane Cadogan	- Windsor Primary School
Devron Blugh	- Kingstown Preparatory School
Adam Bailey	- Georgetown Government

Grenadines Scholarship: Afiesha De Roche – Canouan Government School

- * The scholarship recipients were presented with certificates of academic excellence at a ceremony held on Wednesday 29th August 2012 at the Methodist Church Hall, Kingstown.
- * One hundred and twenty-three (123) other successful candidates received monetary awards of \$100.00 each.
- * In addition, GECCU awarded bursaries ranging from \$200.00 to \$250.00 to ten (10) students who needed assistance for the school year.
- * During the period under review, members of the Scholarship Committee held a counselling session with two scholarship holders to ensure that they maintain an acceptable performance.
- * The Board of Directors extends congratulations to all scholars who performed well in the 2011 Caribbean Secondary Education Certificate (CSEC) and advanced level examinations.
- * Special congratulations to 2001 scholarship holder Mr. Keisean Stevenson, the Valedictorian of the graduating Class 2012, University of the West Indies, Mona, Jamaica.
- * In keeping with activities to commemorate International Year of the Co-operatives, GECCU hosted a two-day workshop for fifty-four (54) of its current scholarship holders on August 20 & 21, 2012 at the Anglican Pastoral Centre, New Montrose. The theme of the workshop was “*Developing Credit Union Youth Today for Leadership tomorrow*”
- * The aim of the workshop was threefold: to enhance the scholars’ understanding of the co-operative philosophy; to develop their leadership skills; and to prepare them with the necessary skills to achieve personal and professional success.
- * Presentations on topics such as co-operative philosophy, transitioning/work ethics, social graces, and leadership and communication skills were delivered by GECCU volunteers and invited guests COPOS Credit Union, Trinidad and Tobago.

- * The highlight of the workshop was the establishment of an “historic” GECCU Youth Executive Committee which comprised the following members: Mbeki Swift - Chairperson, Shanique Hoyte – Vice Chairperson, Tahj Marksman – Secretary, Taj Lee – Public Relations Officer, and committee members - Alrice Simmons, Afiesha De Roche and Tekeiya Ollivierre.
- * Terms of reference will be established to guide the youth committee.

GECCU Youth Executive Committee



GECCU 2012 Scholarship Recipients



8.0 STAFF RECOGNITION 2012

Years of Service -10 Years

Danny-lee Francis - Loans Officer
Maxine Johnney - Accountant

Years of Service -15 Years

Bernadette John - Customer Service Clerk

Years of Service -25 Years

Cheryl Bacchus - Senior Marketing Officer
Joanne Stowe-Powers - Recoveries Officer

Years of Service - 30 Years

Prenella Holder - Customer Service Clerk

Employee of the Year

Kathlyn Parsons - Cashier

Most Outstanding Performers

Melissa Millington - Accounts Clerk, Accounts Department
Theresa Douglas - Receptionist, Administration Department
Danny-lee Francis - Loans Officer, Loans Department

Most Outstanding Junior Employee

Ricardo Springer - Cashier, Accounts Department

Most Outstanding Senior Employee

Julian Ivo Joslyn - Senior Loans Officer, Loans Department

Most Outstanding Sub-Office Employee

Charissa Pitt - Junior Clerk, Georgetown office

Most Outstanding Head of Department

Elias Francis - System Data Administrator, IT Department

Chief Executive Officer's Award – Outstanding Contribution

Prenella Holder - Customer Service Clerk
Anton Jardine - Assistant System Data Administrator
Bernadette John - Customer Service Clerk
Baldwin Johnney - Administrative Officer
Maxine Johnney - Accountant
Julian Ivo Joslyn - Senior Loans Officer
Cornelia Moses - Operations Officer

Punctuality and Attendance

Julian Ivo Joslyn - Senior Loans Officer
Kathlyn Parsons - Cashier
Bernadette John - Customer Service Clerk
Charissa Pitt - Junior Clerk
Frances Thompson - Senior Securities Officer
Alicia Ashton-Doyle - CEO's Secretary
Melissa Millington - Accounts Clerk
Lydia Cain - Office Attendant
Theresa Douglas - Receptionist
Grace Alison Guy - Customer Service Clerk
Joanne Stowe-Powers - Recoveries Officer
Danny George - Security Guard

Academic Achievement

Danny-lee Francis - Loans Officer, completion of a Bachelor of Science in Management Studies (with second class Honours) – July 2012.

Joanne Stowe-Powers - Recoveries Officer, completion of a Diploma in Business Management, December 2011.

GECCU LTD - Staff Awards 2012

Years of Service



Prenella Holder
Customer Service Clerk
- 30 Years of Service



Cheryl Bacchus
Snr. Marketing Officer
- 25 Years of Service



Joanne Stowe-Powers
Recoveries Officer
- 25 Years of Service
- Academic Excellence**
- Punc. & Attendance



Bernadette John
Customer Service Clerk
- 15 Years of Service
- Punc. & Attendance



Maxine Johnney
Accountant
- 10 Years of Service



Danny-Lee Francis
Loans Officer
- 10 Years of Service
- Academic Excellence*

Most Outstanding Awards



Ricardo Springer
Cashier
Junior Employee



Theresa Douglas
Receptionist
- Admin Department
- Punc. & Attendance



Charissa Pitt
Jnr. Clerk
- Sub-Office Employee.
- Punc. & Attendance



Danny-Lee Francis
Loans Officer
- Loans Department



Melissa Millington
Accounts Clerk
- Accounts Department
- Punc. & Attendance



Elias Francis
Data Sys Admin.
- Head of Dept.



Ivo Joslyn
Snr. Loans Officer
- Snr. Employee
- Punc. & Attendance

CEO Awards



Ivo Joslyn
Snr. Loans Officer



Bernadette John
Customer Service Clerk



Baldwin Johnney
Administrative Officer



Cornelia Moses
Operations Officer



Maxine Johnney
Accountant



Anton Jardine
Asst. Data Sys Admin.

Punctuality & Attendance

Frances Thompson - Sr. Securities Officer
Alicia Ashton-Doyle - CEO's Secretary
Lydia Cain - Office Attendant
Grace Alison Guy - Customer Service Clerk
Danny George - Security Guard



Prenella Holder
Customer Service Clerk

Kathlyn Parsons
Cashier
Employee of the Year
Punctuality & Attendance



* - Completion of a Bachelor of Science in Management Studies (with second class Honours) – July 2012.

** - Completion of a Diploma in Business Management, December 2011.

STAFF PROFILE

BRO. LENNOX BOWMAN– CHIEF EXECUTIVE OFFICER
SIS. ALICIA ASHTON-DOYLE– CEO’S SECRETARY

ACCOUNTS DEPARTMENT

Sis. Maxine Johnney -Accountant
Sis. Rhonda Thompson- Assistant Accountant
Bro. Leslie Joseph- Senior Accounts Clerk
Bro. Ryan Hazell- Payroll Officer
Sis. Adinga Findlay- Disbursement Officer
Sis. Melissa Millington - Accounts Clerk
Bro. Osbert Cunningham Jr.- Cashier
Bro. Ricardo Springer - Cashier
Sis. Kathlyn Parsons – Cashier
Sis. Dacia Lauren- Cashier
Sis. Tonyah Williams – Junior Clerk

Insurance Department:

Sis. Cecile Fraser-Gibson
- Senior Insurance Clerk

INTERNAL AUDIT DEPARTMENT

Sis. Damoris Alexander - Internal Auditor

ADMINISTRATION DEPARTMENT

Sis. Cornelia Moses -Operations Officer
Sis. Prenella Holder- Customer Service Clerk
Sis. Bernadette Culzac- John
-Customer Service Clerk
Sis. Grace Guy- 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
Bro. Julian Ivo Joslyn - Senior Loans Officer
Sis. Danny-Lee Francis - Loans Officer
Sis. Sarah Commissiong - Loans Officer
Bro. Keon Findlay- Loans Officer
Sis. Sharlene Charles- Loans Receptionist/Typist
Sis. Frances Thompson- Senior 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. Noriesiah Shallow– Cashier
Sis. Charissa Pitt- Junior Clerk
Bro. Junelto James - Junior Clerk
Bro. Kadir Nedd - Junior Clerk
Sis. Ariann Neversson- Office Attendant

GECCU LTD - ACTIVITIES 2012



River Lime
(GECCU & Past SRCCU Executive)

IYC March



Credit Union Day

**Learn While you Earn
Launch**



Christmas Party
(Rose Hall Government)

Liaison Officer Training



Sports Day Sponsorship
(Girls High School)

**Participation in
Intl. Day of Elderly**



Scholarship Awards

**Launch of
Youth Committee**



9.0 Future Directions and Strategies

- 9.1.1 As GECCU prepares for the reflections and celebrations of its fiftieth (50th) year of existence under the theme "PROUD OF THE PAST- PREPARED FOR THE FUTURE." GECCU takes this opportunity to encourage its members and all stakeholders to participate fully in the extensive programme which is being planned for the Calendar year 2014.
- 9.1.2 With regard to our continued progress, we are currently in the process of reviewing and enhancing our strategic plan for the next three years. This along with our business plan will give sound direction to our Credit Union.
- 9.1.3 GECCU is confident that we can capitalize on our strengths and the opportunities available to us, while redressing our weaknesses and turning our threats into opportunities.
- 9.1.4 GECCU shall endeavour to explore and exploit market prospects through the provision of new services and the expansion of the range and quality of existing services. Our Board remains committed to training at all levels of the organization; constantly enhancing our operational processes, good governance practices, the most affordable modern technology to deliver our services and to develop a network of branches to provide easy access to our services.
- 9.1.5 The Credit Union will continue to exemplify co-operation as a business model and a tool to solve many problems and to bring about positive change for our members and the wider community, many of whom are unserved and underserved with their financial needs.
- 9.1.6 The unrelenting focus on our young members will ensure that GECCU becomes even more relevant to our youth which guarantees a sustainable organization.

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

- 11.1 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.
- 11.2 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.
- 11.3 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.
- 11.4 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. Clarence Harry
President

Appendix 1

List of deceased members who passed on during the year:

- | | |
|----------------------------------|----------------------------------|
| 1. Sis. Agnes Bruce | 48. Sis. Gloria John |
| 2. Sis. Maria Deane | 49. Bro. Wayne Mofford |
| 3. Sis. Deidre Audain | 50. Bro. Valdez Duke |
| 4. Bro. Dwight Thorpe | 51. Bro. Jeffery Graves |
| 5. Sis. Ursella Forde | 52. Sis. Adina Glasgow |
| 6. Sis. Sylvan Keil-Cooper | 53. Sis. Sandrina Barbour |
| 7. Bro. St. Clair Fergus | 54. Sis. Flora Hazell |
| 8. Sis. Noreen Primus | 55. Bro. Verton Sam |
| 9. Bro. Clayton Edwards | 56. Sis. Melvina John |
| 10. Sis. Glenette Andrews | 57. Bro. Godfrey Fraser |
| 11. Sis. Veronica Collins-Wyllie | 58. Sis. Jean Matthews |
| 12. Sis. Patricia Baptiste | 59. Sis. Leonora Richardson |
| 13. Bro. Jenson Baptiste | 60. Bro. Robert Williams |
| 14. Bro. Leon Douglas | 61. Sis. Janet Yorke |
| 15. Bro. Kishur Ollivierre | 62. Bro. Ephraim Williams |
| 16. Bro. Degary Harry | 63. Bro. Vincent Cordice |
| 17. Sis. Clarette Douglas | 64. Sis. Daffodil Roberts |
| 18. Bro. Winston Duncan | 65. Sis. Felicia Edwards |
| 19. Bro. Winston Providence | 66. Sis. Cecelia John |
| 20. Bro. Lennard Gordon | 67. Sis. Gloria Sharpe |
| 21. Bro. Alpha Henry | 68. Sis. Sweelyn Medica |
| 22. Bro. Edward Mahorn | 69. Sis. Marva Sam |
| 23. Bro. Vernon Cumberbatch | 70. Sis. Maida Davis-Bunyan |
| 24. Bro. Colbert Douglas | 71. Sis. Norma Gibson |
| 25. Sis. Keturah Lawrence | 72. Sis. Marcella Garraway |
| 26. Sis. Theodosia Clarke | 73. Bro. Elson Bailey |
| 27. Sis. Arlene Crozier | 74. Sis. Beverly Dublin |
| 28. Bro. Frank Mason | 75. Bro. Sigbert Stephens |
| 29. Bro. David Palmer | 76. Sis. Edginton Welch |
| 30. Sis. Sharon Nero | 77. Bro. Kerwin Johnney |
| 31. Bro. Carl Glasgow | 78. Sis. Charmine Shallow-Joseph |
| 32. Bro. Arnold O'Garro | 79. Sis. Faith Martin |
| 33. Bro. Keith Hoyte | 80. Sis. Eastlyn Quashie |
| 34. Bro. Haddeson Cupid | 81. Bro. Carl Williams |
| 35. Bro. Bernard Mascoll | 82. Bro. Joel Gilchrist |
| 36. Sis. La Fern Millington | 83. Bro. Dave Smith |
| 37. Bro. Trevor Williams | 84. Sis. Juliana Peters |
| 38. Sis. Coretta Abbott | 85. Bro. Wilbert Scipio |
| 39. Bro. Caiphaz Edwards | 86. Bro. Philemon Pemberton |
| 40. Sis. Cealia O'Garro | 87. Bro. Anson Ollivierre |
| 41. Sis. Kurl Hillocks | 88. Sis. Mineva George |
| 42. Sis. Maxine Daniel | 89. Bro. Charles Lee |
| 43. Bro. Othneil Whyte | 90. Bro. Arnold Sampson |
| 44. Sis. Venita Corridon | 91. Sis. Joycelyn Parris |
| 45. Sis. Althea Commissiong | 92. Bro. Noel Adams-Roberts |
| 46. Sis. Hyacinth Joseph | 93. Sis. Serita John |
| 47. Bro. Matthias Saxon | 94. Bro. Kevin Quashie |

THE TREASURER'S REPORT TO THE 47TH 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, 2012.

- 1.1 Many of the challenges that previously existed prevailed in 2012; the slowdown in economic activities across the global economy which trickled down to our very own local economy continued to have profound effects on employment, the agriculture sector and the financial services sector. In spite of all challenges, GECCU was able to sustain a stable financial structure. A net surplus was achieved after three (3) years of losses as a result of the provisions made on the investments with BAICO and CLICO.

2.0 FINANCIAL PERFORMANCE

- 2.1 The following is a synopsis of performance for the financial year ended December 31, 2012 with comparison to the 2011 financial year.

Assets

	2012 \$	2011 \$	Increase/ (Decrease)	Increase/ (Decrease) (% age)
Total Assets	159,944,699	152,551,061	7,393,638	5%
Loans	91,339,757	91,363,186	(23,429)	(0.03%)
Investment Securities	24,614,544	26,268,873	(1,654,329)	(6%)
Cash Resources	23,710,667	14,478,967	9,231,700	64%

- 2.3 During the year total assets increased by 5% over 2011.
- 2.4 Loans to members recorded a very marginal reduction of 0.03% when compared to 2011. The mortgage portfolio grew by 2% and consumer loans decreased by 2%. Although there was a very slight reduction in the portfolio GECCU's loan activities continued to be high. The value of loans disbursed during the year exceeded the projected amount.
- 2.5 There was a decrease in investment securities of 6% relative to 2011. This was mainly due to the challenge of finding viable financial investments and the prudent approach of the credit union to ensure that investments are within the scope of the investment policy.
- 2.6 Cash resources increased by \$9.2m or 64% relative to 2011. This increase in cash resources has further strengthened the liquidity of the credit union. The liquidity ratio stood at 29%, this outperformed the PEARLS benchmark of 15-20%.

2.7 SHARE CAPITAL & MEMBERS' DEPOSITS

	2012 \$	2011 \$	Increase/(Decrease)	Increase/ (Decrease) (% age)
Permanent Shares	4,529,047	3,654,005	875,042	24%
Members' Shares Savings	56,378,842	53,256,372	3,122,470	6%
Term Deposits	52,177,594	52,028,344	149,250	0.29%
Ordinary Deposits	17,575,299	15,276,161	2,299,138	15%
Junior Savers	2,355,932	2,165,504	190,428	9%

2.71 Members' shares savings and deposits increased by \$3.1m or 6% and \$2.3m or 15% respectively. They remained the main sources of finance for GECCU's operations and represented 80% of total asset which is in keeping with the PEARLS benchmark -70-80% of savings deposits should be used to fund assets.

2.7.2 During the year the credit union capital base was strengthened with the 24% growth in the Permanent Shares portfolio relative to 2011.

2.8 INCOME

	2012 \$	2011 \$	Increase/ (Decrease)	Increase/ (Decrease) (% age)
Loan Interest Income	9,039,411	8,126,561	912,850	11%
Investment Income	1,348,139	1,354,321	(6,182)	(0.46%)
Rental Income	215,174	314,280	(99,106)	(32%)
Death Benefit Contributions	508,880	501,200	7,680	2%

2.8.1 Loan interest income increased by 11%, investment income decreased by 0.46% and rental income decreased by 32% relative to 2011. The marginal decrease in investment income is due to the reduction in the investment securities portfolio. The decrease in rental income is due to more temporary vacant rental spaces.

2.9 EXPENSES

	2012 \$	2011 \$	Increase/ (Decrease)	Increase/ (Decrease) (% age)
Interest Expenses	4,500,934	3,658,524	842,410	23%
Marketing Expenses	218,890	179,546	39,344	22%
Personnel Costs	1,914,875	1,869,191	45,684	2%
CUNA Insurance	678,862	652,637	26,225	4%
Impairment of Investment	0	7,511,745	(7,511,745)	(0%)
Loan Loss Allowance	215,174	773,312	(558,138)	(72%)
General and Administrative Expenses	1,953,880	1,700,448	253,432	15%
Death Benefit Payments	348,000	348,800	(800)	(0.23)%

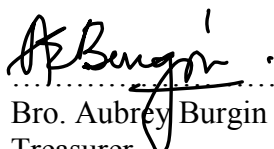
- 2.9.1 Total expense has decreased by 44% or \$7.7m relative to 2011. This was mainly due to there being no impairment charge on investments during the year; in 2011 a charge of \$7.5m was applied. In addition, during the year emphasis was placed on cost containment to help mitigate any effects of reduced income growth.

2.10 NET SURPLUS

- 2.10.1 A net surplus of \$1,439,134 was realized for 2012. This represents an increase of 132% compared to 2011.

3.0 CONCLUSION

- 3.1 The financial performance for 2012 is an obvious indication of the resilience and commitment of the credit union to ensure a safe, sustainable, strong financial institution and to maintain its segment of the local financial market. The lingering effects of the global financial crisis coupled with aggressive competition from other financial institutions were a challenge to the credit union. As part of the mitigation process considerable focus was placed on operational efficiencies and prudent risk management was of utmost importance in our decision making.
- 3.2 As GECCU continue to monitor the local and global economy, we intend to prudently structure operations to realize optimal returns for the members and achieve an effective stable financial structure, by capitalizing on GECCU's strengths and opportunities, improving on the weaknesses and implementing measures to curtail threats. It is GECCU's intention to work with the new regulatory body to ensure a safe, sustainable credit union and most importantly to maintain the confidence of the members and the general public.
- 3.3 The confidence and support shown by the members during 2012 was fundamental. I would like to thank the general membership, the Board of Directors, management and staff and committees for their support during 2012. I encourage us all to continue working together as we strive to maximize the returns to our members, be a responsible corporate citizen and deliver service of excellence to all stakeholders.


.....
Bro. Aubrey Burgin
Treasurer

**General Employees’
Co-operative Credit Union Limited**
Financial Statements
Year Ended December 31, 2012

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Page 1	Corporate Information
Pages 2 - 3	Independent Auditors' Report
Page 4	Statement of Financial Position
Page 5	Statement of Changes in Members' Equity
Page 6	Statement of Comprehensive Income
Page 7	Statement of Cash Flows
Pages 8 - 27	Notes to the Financial Statements

REGISTERED OFFICE

Halifax Street
Kingstown
St. Vincent and the Grenadines

DIRECTORS

Mr. Clarence Harry – President
Mr. Gary Matthias– Vice President
Mr. Aubrey Burgin - Treasurer
Mr. Stanley Harris
Miss. Mineva Glasgow
Miss Gemma Mc Cree-Clarke
Mr. Cecil Ryan
Mr. Jerold Jackson

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, 2012, and the statement of changes in members' equity, statement of comprehensive income and statement of 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 entity's 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 expressing 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 audit opinion.



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Sergeant Jack Drive
Arnos Vale
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Kingstown VC0100
St. Vincent

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of **General Employees' Co-operative Credit Union Limited** as of December 31, 2012, and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

April 15, 2013

General Employees' Co-operative Credit Union Limited

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Statement of Financial Position

As of December 31, 2012

	Notes	2012 \$	2011 \$
ASSETS			
Cash resources	7	23,710,667	14,478,967
Investment securities	8	24,614,544	26,268,873
Loans to members	9	91,339,757	91,363,186
Other assets	10	550,895	629,322
Investment properties	11	15,358,660	15,358,660
Property, plant and equipment	12	4,370,176	4,452,053
		159,944,699	152,551,061
LIABILITIES AND MEMBERS' EQUITY			
Liabilities			
Other payables	13	3,358,232	4,524,883
Members' deposits	14	72,191,431	69,524,309
Members' ordinary savings	15	56,378,839	53,256,372
		131,928,502	127,305,564
Members' Equity			
Permanent share capital	16	4,529,050	3,654,005
Statutory reserve	17	26,139,760	25,754,465
Revaluation reserve		511,915	463,728
Social development fund	18	2,065,992	1,699,048
Statutory development fund	19	30,000	30,000
Unrealised gain on investments		401,916	401,916
Accumulated deficit		(5,662,436)	(6,757,665)
		28,016,197	25,245,497
		<u>159,944,699</u>	<u>152,551,061</u>

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

APPROVED ON BEHALF OF THE BOARD: -



Clarence Harry
President



Aubrey Burgin
Treasurer



Camilla Mandeville
Secretary

General Employees' Co-operative Credit Union Limited

Statement of Changes in Members' Equity
For the Year Ended December 31, 2012

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		Share	Statutory	Revaluation	Social	Statutory	Unrealised		
		Capital	Reserve	Reserve	Development	Development	Gain on	Accumulated	
	Note	\$	\$	\$	Fund	Fund	Investments	Deficit	Total
								\$	\$
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
Social 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									
Conversion of members' redeemable shares to statutory reserves		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
Net income for the year		0	0	0	0	0	0	1,439,134	1,439,134
Net increase in permanent shares		875,045	0	0	0	0	0	0	875,045
Social development fund net		0	0	0	366,944	0	0	0	366,944
Entrance fees		0	1,358	0	0	0	0	0	1,358
Appropriations		0	359,784	0	0	0	0	(359,784)	0
Transfer from South Rivers Credit Union	27	0	24,153	48,187	0	0	0	15,879	88,219
Balance as of December 31, 2012		4,529,050	26,139,760	511,915	2,065,992	30,000	401,916	(5,662,436)	28,016,197

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

General Employees' Co-operative Credit Union Limited
Statement of Comprehensive Income
For the Year Ended December 31 2012

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	Notes	2012 \$	2011 \$
Income			
Loan interest		9,039,411	8,126,561
Investment income - net	20	1,348,139	(6,157,424)
		<u>10,387,550</u>	<u>1,969,137</u>
Interest Expense		4,500,934	3,658,524
Net Interest Income		<u>5,886,616</u>	<u>(1,689,387)</u>
Increase in allowance for loan loss, less recoveries	9.3	215,174	773,312
		<u>5,671,442</u>	<u>(2,462,699)</u>
Income from Investment Properties	11	251,045	2,063,758
		<u>5,922,487</u>	<u>(398,941)</u>
Selling Expenses	21	218,890	179,546
General and Administrative Expenses	22	2,632,742	2,353,085
Staff Cost	23	1,914,875	1,869,191
		<u>1,155,980</u>	<u>(4,800,763)</u>
Other Income (Expenses)			
Commission income		66,334	60,615
Income on death benefit plan - net	24	160,880	152,400
Miscellaneous income		56,272	35,447
Loss on disposal of property, plant and equipment		(332)	(3,360)
		<u>283,154</u>	<u>245,102</u>
Net Profit (Loss) for the Year		<u>1,439,134</u>	<u>(4,555,661)</u>
Other Comprehensive Income			
Loss on remeasuring available-for-sale financial investments		0	(23,650)
Comprehensive Income (Loss) for Year		1,439,134	(4,579,311)
The following expense is included in the foregoing:-			
Depreciation	12	277,079	268,548

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, 2012

	Notes	2012 \$	2011 \$
Cash Flows from Operating Activities			
Net profit (loss) for the year		1,439,134	(4,555,661)
Adjustments for			
Depreciation		277,079	268,548
Loss on disposal of equipment		332	3,360
Impairment of held-to-maturity financial investment		0	7,511,745
Appreciation of investment property		0	(1,749,478)
Operating Profit before Changes in Operating Assets and Liabilities		1,716,545	1,478,514
(Increase) Decrease in Operating Assets			
Decrease (increase) in loans to members		23,429	(6,236,244)
Decrease (increase) in other assets		78,427	(129,624)
Increase (Decrease) in Operating Liabilities			
Increase in members' deposits		2,667,122	2,394,740
(Decrease) increase in other payables		(1,166,651)	343,068
Increase in members' ordinary savings		3,122,467	3,977,996
Net Cash Generated from Operating Activities		6,441,339	1,828,450
Cash Flows from Financing Activities			
Net increase in social development fund		366,944	468,955
Increase in permanent share capital		875,045	896,030
Entrance fees		1,358	2,125
Transfer of equity and reserve from South Rivers Credit Union	27	88,219	0
Net Cash Generated from Financing Activities		1,331,566	1,367,110
Cash Flows from Investing Activities			
Purchase of plant and equipment		(195,534)	(71,914)
Net movement in investment securities		1,654,329	(281,335)
Acquisition of investment property		0	(225,000)
Net Cash Generated from (Used in) Investing Activities		1,458,795	(578,249)
Increase in Cash and Cash Equivalents		9,231,700	2,617,311
Cash and Cash Equivalents - Beginning of Year		14,478,967	11,861,656
Cash and Cash Equivalents - End of Year	7	23,710,667	14,478,967

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

General Employees' Co-operative Credit Union Limited

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General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2011

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, 2012. The Credit Union's operations are subject to the supervision of the Financial Services Authority.

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 April 15, 2013.

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.

IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Credit Union'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 2012

- * **IFRS 7 (Amendment)** – 'Financial Instruments: Disclosures' (effective July 1, 2011).

The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures of transactions where a financial asset is transferred but the transferor retains some level of continuing exposure in the asset.

Standards, Amendments and Interpretations to Existing Standards Effective for reporting periods on or after January 1, 2012, but not Relevant

- * **IAS 12 (Amendments)** – 'Income Taxes' (effective January 1, 2012)

The amendments to IAS 12 provide an exception to the general principle set out in IAS 12 Income Taxes that the measurement of deferred tax should reflect the manner in which an entity expects to recover the carrying amount of an asset. Specifically, the amendments establish a rebuttable presumption that the carrying amount of an investment property measured using the fair value model in IAS 40, investment property will be recovered entirely through sale.

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 (Amendment) – ‘Financial Instruments’ (Effective January 1, 2015)**

The amendment requires all recognized financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit and loss) attributable to changes in the credit risk of that liability.

*** IFRS 11 – ‘Joint Arrangements’ (Effective January 1, 2013)**

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC – 13 Jointly Controlled Entities – Non-monetary Contributions by Ventures. IFRS 11 deals with how a joint arrangement should be classified where two or more parties have joint control. There are two types of joint arrangements under IFRS 11: joint operations and joint ventures. These two types of joint arrangements are distinguished by parties rights and obligations under the arrangements.

*** IFRS 12 – ‘Disclosure of Interests in Other Entities’ (Effective January 1, 2013)**

IFRS 12 is a disclosure standard and is applicable to entities that have interest in subsidiaries, joint arrangements, associates or unconsolidated structured entities. It establishes disclosure objectives and specified minimum disclosures that entities must provide to meet those objectives. The objective is that an entity should disclose information that help users of financial statements evaluate the nature of, and risks associated with; its interests in other entities and the effects of those interests on its financial statements.

*** IFRS 13 – ‘Fair Value Measurement’ (Effective January 1, 2013)**

The standard establishes a single source of guidance for fair value measurements and disclosures about fair value measurement. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. It applies to both financial instrument items and non-financial instrument items which other IFRS require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances.

*** IFRS 7 – ‘Financial Instruments: Disclosures’ (Effective January 1, 2013)**

The amendments to IFRS 7 require entities to disclose information about rights to offset and related arrangements for financial instruments under an enforceable master netting arrangement or similar arrangements.

*** IAS 1 (Amendment) – ‘Presentation of Financial Statements’ (Effective July 1, 2012)**

The amendments require additional disclosures to be made in the comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

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 (Cont'd)

*** IAS 16 – 'Property, Plant and Equipment' (Effective January 1, 2013)**

The improvement clarifies that items such as spare parts, stand-by or servicing equipment are required to be classified as property, plant and equipment (PPE) when they meet the definition of PPE, and are classified as inventory when the definition is not met.

*** IAS 32 – 'Financial Instruments: Presentation' (Effective January 1, 2014)**

The amendments address inconsistencies in current practice when applying the offsetting criteria. They clarify the meaning of 'currently held legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement.

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.

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

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 profit and loss.

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 profit and loss in the statement of comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currencies 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 in other comprehensive income and ultimately accounted for in reserves 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.

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

Management determines the classification of its investments at initial recognition.

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

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

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

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

Doing so significantly reduces measurement inconsistencies that would arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortised cost, such as loans and advances to customers or banks, and debt securities in issue;

Certain investments, such as equity investments, that are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy and reported to key management personnel on that basis, are designated at fair value through profit and loss; and

Financial instruments, such as debt securities held, containing one or more embedded derivatives that significantly modify the cash flows, are designated at fair value through profit and loss.

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

ii. *Loans and Receivables*

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

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 insignificant amounts of held-to-maturity assets, the entire category would be reclassified as available for sale.

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

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

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

Financial assets are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transactions costs are expensed in the statement of comprehensive income. 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 Credit Union 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 techniques 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.

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

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

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

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

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

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

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

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.

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

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

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

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

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

The Credit Union assesses at each 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.

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

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.

j. 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.

k. 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

i. Share Capital**Share Capital Costs**

The proceeds from the issue of new shares, except shares redeemable at the option of the holder, are accounted for as equity, net of transaction costs. Shares which are redeemable at the option of the holder are accounted for as financial liabilities.

Dividends

Dividends on shares, other than those redeemable at the option of the holder, are recognised in equity in the period in which they are approved by the directors. Dividends on shares which are redeemable at the option of the holders are accounted for as a charge in profit and loss in comprehensive income in the period they are approved by the directors.

5. Financial Risk Management**a. Financial Risk Factors**

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 Credit Union 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.

5. Financial Risk Management (Cont'd)

a. Financial Risk Factors (Cont'd)

i. Credit Risk (Cont'd)

The following summarises the maximum credit risk:

	2012	2011
	\$	\$
Deposits with commercial banks	22,947,859	13,615,309
Investment securities	24,614,544	26,268,873
Loans to members	91,339,757	91,363,186
Other assets	550,895	629,322
	<u>139,453,055</u>	<u>131,876,690</u>

ii. Liquidity Risk

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

iii. Currency Risk

The Credit Union is subject to foreign currency risk to the extent that it trades in currencies other than Eastern Caribbean currency. The Credit Union 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 Credit Union's assets and liabilities were denominated 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.

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 Credit Union 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 Credit Union 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.

6. Critical Accounting Estimates and Judgments (Cont'd)

b. Valuation of Properties

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

	2012 \$	2011 \$
Cash on hand	762,808	863,658
Current account	5,510,543	3,219,103
Special savings	17,437,316	10,396,206
	23,710,667	14,478,967

The effective interest rate on special savings is 3.04% (2011: 3.04%)

All cash resources are denominated Eastern Caribbean Currency.

8. Investment Securities

	2012 \$	2011 \$
SECURITIES HELD-FOR-TRADING		
4.50% Government of St. Lucia treasury bills, maturity January 4, 2012	0	990,806
5.75% Government of Grenada treasury bills, maturity July 20, 2012	0	944,500
4.25% Government of St. Vincent and the Grenadines treasury bills, maturity February 28, 2012	0	989,429
6% Government of Grenada treasury bills, maturity July 18, 2013	942,025	0
6% Government of St. Lucia treasury bills, maturity January 14, 2013	987,066	0
3.25% Government of Dominica treasury bills, maturity March 4, 2013	993,922	0
3.25% Government of St. Vincent and the Grenadines treasury bills, maturity March 8, 2013	991,922	0
3.998% Government of St. Vincent and the Grenadines treasury bills, maturity December 31, 2011	0	2,000,000
5.56% Government of St. Lucia Eurobond, maturity December 27, 2013	1,183,300	1,121,451
Government of St. Lucia fixed rate bond, maturity December 28, 2012	0	1,057,500
5.25% Barbados Natural Oil Company fixed rate bond, maturity December 27, 2013	1,115,663	0
Total Securities Held-for-Trading	6,213,898	7,103,686

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2012

8. Investment Securities (Cont'd)

	2012 \$	2011 \$
SECURITIES AVAILABLE-FOR-SALE		
St. Vincent Brewery Limited – 4,666 ordinary shares – at FMV	90,405	90,405
FirstCaribbean 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	73,950
St. Vincent Co-operative Credit Union League – at cost	274,064	272,711
Eastern Caribbean Co-operative Central Limited- at cost	15,000	15,000
SVG Small Business and MicroFinance Co-operative Society Ltd. (COMFI)	97,098	5,000
Total Securities Available-for-Sale	836,549	743,098
SECURITIES HELD-TO-MATURITY		
Government of St. Vincent and the Grenadines		
7.5% 10 years fixed rate bond, repayable in semi-annual instalments of \$10,000, maturity August 17, 2016	80,000	100,000
7.5% 10 years fixed rate bond, repayable in semi-annual instalments of \$15,000, maturity September 26, 2017	150,000	180,000
8.5% 10 years fixed rate bond, maturity September 11, 2018	298,859	353,197
8% 7 years fixed rate bond, maturity March 12, 2016	750,000	964,285
	1,278,859	1,597,482
Colonial Life Insurance Company Limited		
7% flexible premium annuity, maturity August 8, 2009	863,594	863,594
8% flexible premium annuity, maturity April 12, 2010	2,985,722	2,985,722
8% flexible premium annuity, maturity May 13, 2011	408,175	408,175
8.5% flexible premium annuity, maturity October 16, 2011	479,016	479,016
	4,736,507	4,736,507
British American Insurance Company Limited		
8.25% flexible premium annuity, maturity March 9, 2009	58,590	58,590
8.25% flexible premium annuity, maturity March 10, 2009	58,590	58,590
8.25% flexible premium annuity, maturity June 8, 2009	85,282	85,282
8.25% flexible premium annuity, maturity October 13, 2009	58,590	58,590
8% flexible premium annuity, maturity January 27, 2010	37,095	37,095
8.25% flexible premium annuity, maturity March 14, 2010	75,046	75,046
8.5% flexible premium annuity, maturity December 6, 2010	136,679	136,679
8% flexible premium annuity, maturity January 27, 2011	37,791	37,791
8% flexible premium annuity, maturity May 5, 2011	18,895	18,895
8% flexible premium annuity, maturity May 11, 2011	18,895	18,895
8% flexible premium annuity, maturity May 13, 2011	18,895	18,895
8% flexible premium annuity, maturity May 16, 2011	30,000	30,000
8.75% flexible premium annuity, maturity November 10, 2011	59,133	59,133
8.25% flexible premium annuity, maturity December 13, 2011	63,424	63,424
9% flexible premium annuity, maturity March 31, 2012	141,158	141,158
9% flexible premium annuity, maturity May 30, 2012	151,040	151,040
9% flexible premium annuity, maturity June 5, 2012	163,879	163,879
9% flexible premium annuity, maturity June 8, 2012	109,478	109,478
9.5% flexible premium annuity, maturity August 7, 2013	102,500	102,500
8.5% flexible premium annuity, maturity January 29, 2012	147,263	147,263
	1,572,223	1,572,223

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2012

8. Investment Securities (Cont'd)

	2012 \$	2011 \$
SECURITIES HELD-TO-MATURITY (Cont'd)		
Credit Union Central Finance Facility		
4% Certificate of deposit, maturity December 31, 2013	1,090,506	1,043,010
	<u>1,090,506</u>	<u>1,043,010</u>
Bank of St. Vincent and the Grenadines Limited		
5% fixed deposit, maturity April 1, 2013	4,420,874	4,210,356
5% fixed deposit, maturity February 3, 2013	2,246,312	2,139,345
	<u>6,667,186</u>	<u>6,349,701</u>
Kingstown Co-operative Credit Union Limited		
7.25% Special deposit, maturity July 19, 2012	0	1,984,634
	<u>0</u>	<u>1,984,634</u>
St. Vincent Co-operative Bank Limited		
4% Certificate of deposit, maturity December 31, 2013	80,673	77,571
3.5% Certificate of deposit, maturity August 12, 2013	1,000,000	0
	<u>1,080,673</u>	<u>77,571</u>
CIBC-FirstCaribbean International Bank Limited		
1% Certificate of Deposit, maturity October 1, 2013	1,092,964	1,060,961
	<u>1,092,964</u>	<u>1,060,961</u>
St. Vincent Teachers' Co-operative Credit Union Limited		
6% Certificate of deposit, maturity December 31, 2013	45,179	0
	<u>45,179</u>	<u>0</u>
Total Securities Held-to-Maturity	<u>17,564,097</u>	<u>18,422,089</u>
	24,614,544	26,268,873

The government of St. Lucia Euro-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 rates on held-to-maturity securities are as follows:-

	2012 %	2011 %
St. Vincent Teachers Co-operative Credit Union Limited	6.17	0
Government of St. Vincent & the Grenadines 10 years fixed rate bonds	8.23	8.06
Government of St. Vincent & the Grenadines 7 years fixed rate bond	8.16	8.30
St. Vincent Co-operative Credit Union League	4.00	4.00
St. Vincent Co-operative Bank Limited	3.54	4.07
Kingstown Co-operative Credit Union Limited	3.69	7.50
CIBC-FirstCaribbean International Bank Limited	2.53	3.04
Bank of St. Vincent & the Grenadines Limited	5.11	5.11

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

	2012 \$	2011 \$
One year	16,285,238	16,309,346
From 1 – 5 years	980,000	1,579,546
Over 5 years	298,859	533,197
	<u>17,564,097</u>	<u>18,422,089</u>

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2012

8. Investment Securities (Cont'd)

Investment securities are denominated in the following currencies:-

	2012	2011
	\$	\$
ECD	24,029,653	25,629,644
BDS	286,032	286,032
USD	298,859	353,197
	<u>24,614,544</u>	<u>26,268,873</u>

During the year, the fair value of securities available for sale increase by Nil (2011: decrease of \$23,650).

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

	2012	2011
	\$	\$
Consumer loans	55,819,772	56,508,727
Computer loans	58,350	82,041
Mortgage loans	34,564,172	33,818,713
Student loans	3,366,278	3,266,727
Interest receivable thereon, net	1,178,501	1,113,913
	<u>94,987,073</u>	<u>94,790,121</u>
Allowance for loan losses	<u>(3,647,316)</u>	<u>(3,426,935)</u>
	<u>91,339,757</u>	<u>91,363,186</u>

The effective interest yield during the year on loans to members was 9.6% (2011: 9%).

9.1 Loans to Members Impairment Analysis

Loans and advances are summarised as follows: -

	2012	2011
	\$	\$
Neither past due nor impaired	82,187,156	82,524,443
Past due but not impaired	8,806,938	7,278,942
Impaired	3,992,979	4,986,736
Gross	<u>94,987,073</u>	<u>94,790,121</u>
Less: allowance for impairment	<u>(3,647,316)</u>	<u>(3,426,935)</u>
Net	<u>91,339,757</u>	<u>91,363,186</u>

9.2 Allowance for Loan Losses

	2012	2011
	\$	\$
Balance - Beginning of Year	3,426,935	2,707,153
Provision for loan impairment (note 9.3)	225,168	782,952
Loans written off during the year as uncollectible	<u>(4,787)</u>	<u>(63,170)</u>
Balance - End of Year	<u>3,647,316</u>	<u>3,426,935</u>

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2012

9. Loans to Members (Cont'd)

9.3 Allowance for Impairment on Loans

	2012	2011
	\$	\$
Increase in allowance for losses (Note 9.2)	225,168	782,952
Recoveries	(9,994)	(9,640)
	<u>215,174</u>	<u>773,312</u>

As of reporting date, interest of \$571,224 (2011: \$484,428) was suspended on loans amounting to \$6,152,735 (2011: \$6,360,667).

10. Other Assets

	2012	2011
	\$	\$
ATM receivables	156,921	173,192
Interest receivable on investment securities, net	283,830	322,766
Rent receivable	48,217	17,266
Prepaid expenses	20,812	20,879
Staff receivables - Net	1,673	(46)
Western Union receivables	29,842	33,233
Other	82,845	74,264
	<u>624,140</u>	<u>641,554</u>
Allowance for impairment of other receivables	<u>(73,245)</u>	<u>(12,232)</u>
	<u>550,895</u>	<u>629,322</u>

All other assets are denominated in Eastern Caribbean Currency.

11. Investment Properties

	2012	2011
	\$	\$
Carrying value at beginning of year	15,358,660	13,384,182
Addition	0	225,000
Revaluation	0	1,749,478
Carrying value at end of year	<u>15,358,660</u>	<u>15,358,660</u>

Rental income from investment properties amounted to \$251,045 (2011: \$314,280) and direct operating expenses amounted to \$43,164 (2011: \$45,278).

Income from investment properties are as follows: -

	2012	2011
	\$	\$
Rental income	251,045	314,280
Appreciation value of investment properties	0	1,749,478
	<u>251,045</u>	<u>2,063,758</u>

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2012

12 Property, Plant and Equipment

	Land \$	Building \$	Furniture & Equipment \$	Motor Vehicle \$	Total \$
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
Year Ended December 31, 2012					
Opening net book amount	1,200,000	2,940,000	312,051	2	4,452,053
Additions	25,644	56,356	113,534	0	195,534
Disposal	0	0	(332)	0	(332)
Depreciation charge	0	(61,127)	(215,952)	0	(277,079)
Closing net book amount	1,225,644	2,935,229	209,301	2	4,370,176
At December 31, 2012					
Cost or valuation	1,225,644	3,056,356	1,447,497	130,110	5,859,607
Accumulated depreciation	0	121,127	1,238,196	130,108	1,489,431
Net book amount	1,225,644	2,935,229	209,301	2	4,370,176

Depreciation expense of \$277,079 (2011: \$268,548) has been charged to general and administrative expenses.

13. Other Payables

	2012 \$	2011 \$
Accounts payable and accrued liabilities	925,324	2,096,836
Dividends payable	174,492	174,492
Interest payable on fixed deposits	1,186,763	1,720,604
Interest payable on member share savings	1,071,653	532,951
	<u>3,358,232</u>	<u>4,524,883</u>

Other payables are denominated in Eastern Caribbean currency.

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2012

14. Members' Deposits

	2012 \$	2011 \$
Term deposits	52,177,594	52,028,344
Saving deposits	20,013,837	17,495,965
	<u>72,191,431</u>	<u>69,524,309</u>

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

	2012 %	2011 %
Term deposits	4.37	5.04
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 rates 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. Permanent Share Capital

	No. of Shares	Value
Authorised Capital	Unlimited	Unlimited
	2012 \$	2011 \$
Issued Capital		
905,810 (2011: 730,801) \$5.00 non-redeemable members' shares	4,529,050	3,654,005

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.

	2012 \$	2011 \$
Balance – Beginning of Year	25,754,465	5,752,340
Entrance fees received in current year	1,358	2,125
Appropriation for the year	359,784	0
Conversion of members' redeemable shares	0	20,000,000
Transfer of statutory reserve from South Rivers Co-operative Credit Union Ltd.	24,153	0
Balance - End of Year	<u>26,139,760</u>	<u>25,754,465</u>

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 respectively. Members' ordinary savings shall bear interest at a rate not exceeding the regulatory rate stipulated on commercial banks' savings accounts by the Eastern Caribbean Central Bank.

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.

	2012	2011
	\$	\$
Balance – beginning of year	1,699,048	1,230,093
Contribution received	406,100	529,080
Benefits paid	(39,156)	(60,125)
Balance – end of year	2,065,992	1,699,048

19. Statutory Development Fund

	2012	2011
	\$	\$
Opening balance	30,000	30,000
Closing balance	30,000	30,000

In accordance with Article 125 of the Co-operative Societies Act 2012, the Credit Union shall maintain, from annual appropriations not exceeding ten percent of net profits, a Development Fund, which shall be administered by the National League, for the development of registered societies.

20. Investment Income - Net

	2012	2011
	\$	\$
Dividend	12,765	28,224
Interest earned	1,335,374	1,326,097
Impairment in held to maturity financial securities investment	0	(7,511,745)
	1,348,139	(6,157,424)

21. Selling Expenses

	2012	2011
	\$	\$
Advertising	68,848	37,153
Donations	40,566	37,216
Heritage month expenses	3,066	1,645
Scholarships	93,677	93,103
School co-operative expense	6,374	4,544
Social assistance expense	6,359	5,885
	218,890	179,546

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2012

22. General and Administrative Expenses

	2012 \$	2011 \$
ATM card embossing cost	6,083	6,771
Audit fee	53,920	45,924
Bad debts – rent and other	61,013	0
Bank charges	6,888	7,751
Credit Union week	15,484	9,223
Depreciation expense	277,079	268,548
Education and promotion	18,993	37,585
Electricity	143,610	133,133
General insurance	46,815	46,599
Georgetown branch expenses	85,045	89,212
Grenadines expenses	84,793	81,030
Honorarium	9,600	9,600
Insurance on members' shares and loans	678,862	652,637
International year of co-operatives 2012	49,046	0
League dues	119,584	112,353
Licensing fees	35,264	43,929
Meeting expenses	102,547	99,395
Miscellaneous expenses	41,437	13,550
Motor vehicle expense	36,424	28,118
Professional fees	81,744	21,410
Property tax	4,775	4,775
Repairs and maintenance	149,671	116,309
Security	113,105	109,430
Social events	31,896	32,927
Stationery and office supplies	158,646	143,518
Subscriptions and membership dues	6,024	7,753
Telephone	108,209	106,972
Travel and subsistence	85,505	73,040
Water and sewerage	20,680	19,828
WOCCU convention	0	31,765
	<u>2,632,742</u>	<u>2,353,085</u>

Staff Cost

	2012 \$	2011 \$
Education assistance	3,240	0
Group insurance	65,701	63,453
Holiday grant	2,500	2,000
Housing allowance	4,800	0
Pension	72,960	73,372
National Insurance contributions	57,397	58,459
Salaries, wages and bonus	1,560,148	1,564,420
Staff training	62,136	56,647
Travel and entertainment allowances	50,850	48,388
Uniforms	35,143	2,452
	<u>1,914,875</u>	<u>1,869,191</u>
Number of employees as of reporting date	40	42

General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2012

24. Income on Death Benefit Plan – Net

	2012	2011
	\$	\$
Members' death benefit contributions during the year	508,880	501,200
Death benefit claims paid during the year	348,000	348,800
	<u>160,880</u>	<u>152,400</u>

25. Income Tax

The Credit Union, in accordance with Section 241 of the Co-operative Societies Act 2012, 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. Transfer of Assets of South Rivers Co-operative Credit Union Ltd.

Effective May 27, 2012, the Board of Directors by resolution dated May 30, 2012, agreed to the transfer of assets, liabilities and equity of the South Rivers Co-operative Credit Union Limited to the General Employees Co-operative Credit Union Limited. This has resulted in an increase in the assets and equity of the General Employees Co-operative Credit Union Limited by \$226,517 and \$88,219 respectively, as at December 31, 2012.

THE CREDIT COMMITTEE'S REPORT TO THE 47TH ANNUAL GENERAL MEETING

1.0 Introduction

1.1 The under-mentioned persons continue to serve on the Credit Committee for the year 2012

- * Bro. Stewart Haynes
- * Bro. Harold Lewis
- * Sis. Elsa K. Wynne

1.2 They were joined by the following members, who were elected at the 46th Annual General Meeting:

- * Sis. Marla Mulraine
- * Bro. H. Colin Sam

Bro. Sam was elected to serve his second three-year term while Sis. Mulraine will be serving her first term.

Sis. Elsa K. Wynne was selected as Chairman and Bro. H. Colin Sam as Secretary.

During the year Bro. Stewart Haynes resigned, as a result of being elected to the Board of the Financial Services Authority (FSA). This decision was taken in order to avoid any perceived conflict of interest with the Credit Union and the Regulatory Authority.

2.0 Meetings and Attendance

2.1 For the calendar year 2012, a total of fifty two (52) regular meetings were convened and thirty seven (37) site visits were made.

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

	2012
Bro. Stewart Haynes	39
Bro. Harold Lewis	51
Sis. Elsa Wynne	52
Bro. Colin Sam	40
Sis. Marla Mulraine	22

3.0 Work Programme

- * Assessment of loans in accordance with 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
- * Work along with technical personnel

- 3.1 The Credit Committee continues to recognize the increasing socio-economic and financial challenges being posed by the on-going global economic and financial crisis, which began in late September 2007. In sum, these challenges are made worse by the sluggish pace of recovery in the United States economy, the widespread debt crisis in major European countries and the prevalence of negative to low growth in the economies of the OECS over the past four (4) years, of which St. Vincent and the Grenadines is a part.

In light of the above, the Credit Committee and the members of the Credit Union have continued to exhibit financial discipline in terms of lending and borrowing respectively. This is evidenced by the reduction in the value of loans processed, approved and disbursed during the financial year 2012, when compared with the financial year 2011.

Additionally, the Committee continues to place great emphasis on evaluating loans based on the five (5Cs) or canons of credit which include: capacity, collateral, character, condition and credit-score, in an effort to enhance the credit-screening process of all loan applications.

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 2012

	2012		2011	
Particulars	No	Value	No	Value
Total loans processed	7321	\$38,738,391.00	6948	\$42,264,527.00
Total loans approved	7261	\$32,991,770.00	6873	\$34,884,793.00
Total loans disbursed	7251	\$31,415,798.00	6865	\$34,076,836.00
Total loans undisbursed	10	\$1,575,972.00	8	\$807,957.00
Total loans deferred	13	\$1,111,249.00	19	\$1,905,263.00
Total loans disallowed	47	\$4,635,372.00	56	\$5,474,471.00

- 4.1.1 Table 1 reveals an 8.34 % decrease in the value of loans processed and a 5.39% increase in the number of loans processed.

4.2 The table below shows loans disbursed by type.

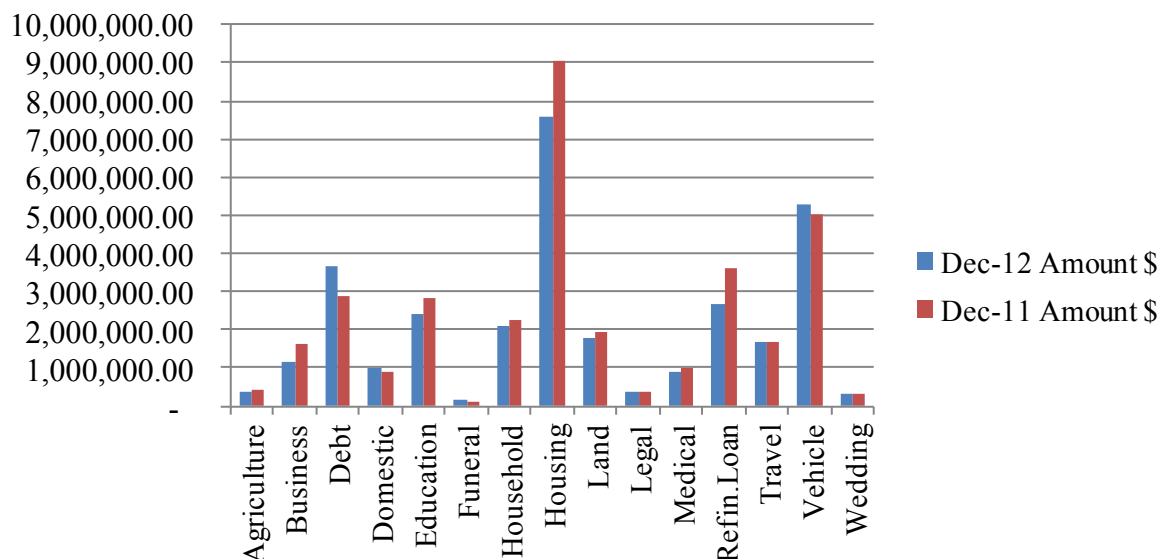
Table 2: Loans Disbursed by type

Type	Jan-Dec 2012			Jan-Dec 2011		
	No of	Amount	% of Total	No of	Amount	% of Total
	Loans	(\$)	Loan Value	Loans	(\$)	Loan Value
Agriculture	138	372,890.00	1.3	153	425,240.00	1.3
Business	255	1,177,620.00	4.8	266	1,624,092.00	4.8
Debt	1619	3,676,687.00	8.5	1322	2,899,021.00	8.5
Domestic	911	1,020,196.00	2.7	767	911,431.00	2.7
Education	692	2,428,729.00	8.4	628	2,851,177.00	8.4
Funeral	46	143,543.00	0.3	39	111,070.00	0.3
Household	780	2,091,849.00	6.6	825	2,257,670.00	6.6
Housing	769	7,609,106.00	26.5	831	9,031,960.00	26.5
Land	48	1,754,709.00	5.7	49	1,940,957.00	5.7
Legal	85	360,219.00	1.1	87	390,289.00	1.1
Medical	486	905,267.00	2.9	478	977,199.00	2.9
Refin. Loan	111	2,653,429.00	10.7	157	3,633,362.00	10.7
Travel	507	1,654,330.00	4.9	483	1,671,648.00	4.9
Vehicle	730	5,265,254.00	14.7	701	5,022,771.00	14.7
Wedding	74	301,970.00	0.9	79	328,949.00	0.9
Total	7,251	31,415,798.00	100	6865	34,076,836.00	100

4.2.1 During the period under review the amount of loans disbursed decreased from \$34,076,836.00 to \$31,415,798.00, representing a decrease of 7.80 percent. However, we have exceeded the budgeted figure for the year by \$ 9.4 million dollars.

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

Chart 1: Loans disbursed by type for the period 2011-2012



5.0. Mortgage Financing Program (MFP)

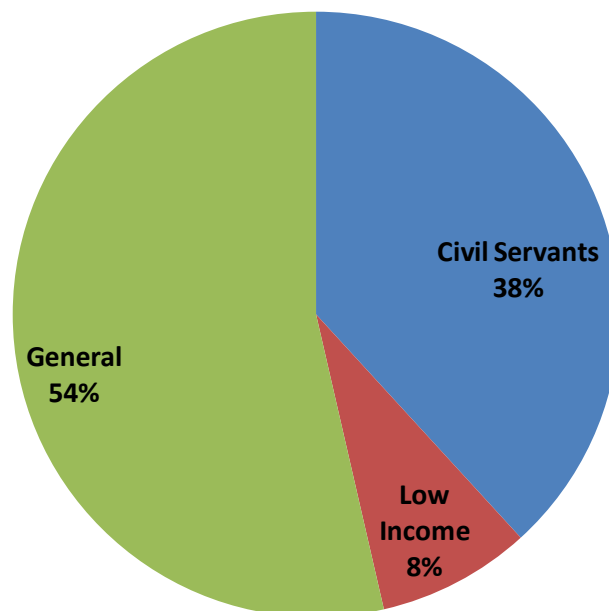
- 5.1 The total value of mortgage (housing) portfolio stood at \$34.6 million as at December 2012 representing 37% of the total loan which values \$91.3 million.
- 5.2 For the period under review, the number of mortgages approved totaled 31 and amounted to \$4,720,159.00. This represented approximately 15% 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 2012 with comparison to the year 2011.

Table 3: Mortgage portfolio by category

	2012			2011		
Category	No of loans	Value(\$)	Percentage	No of loans	Value(\$)	Percentage
Civil Servants	90	\$13,201,648.00	38	84	\$12,682,839.00	37.6
Low Income	34	\$2,836,203.00	8	34	\$2,579,528.00	7.6
General	144	\$18,526,324.00	54	134	\$18,528,417.00	54.8
TOTAL	268	\$34,564,175.00	100	252	\$33,790,784.00	100

- 5.3.1 The distribution of mortgage portfolio for the fiscal year 2012 is presented in the pie chart below.

Chart 2: Mortgage portfolio by category



6.0 Conclusion

- 6.1 The Committee is gratified that GECCU was able to make positive changes in the lives of its members throughout the year. This is evident by GECCU being able to exceed the value of loans disbursed to \$31.4 million dollars compared to the budgeted sum of \$22 million dollars.

Notwithstanding this success, we hasten to point out that we are mindful of the aggressive marketing by some of the financial institutions operating within the state, resulting in the loss of some mortgages of salaried workers.

We also recognise that the Credit Union, because of the members it attracts, must continue to explore new and innovative ways of reaching out to and retaining these members.

The Committee takes this opportunity to express its gratitude to the general membership; Board of Directors, other Committees, Management and staff for their support during the year.



Sis. Elsa K. Wynne
Chairperson



Bro. H. Colin Sam
Secretary

THE SUPERVISORY COMMITTEE'S REPORT TO THE 47TH ANNUAL GENERAL MEETING

1.0 INTRODUCTION

- 1.2 The Supervisory Committee is satisfied that the General Employees Cooperative Credit Union's operations and controls are in accordance with the Cooperative Societies Act and the organisation's by-laws.
- 1.3 At the 46th Annual General Meeting, Sis Colleen Thomas was elected to serve for a period of three (3) years.
- 1.4 The other members of the Committee are:
- Sis Elizabeth Williams
Sis Cecelia Williams
Sis Arlene Lewis
Bro Joel Poyer
- 1.5 The Internal Auditor, Sis Damoris Alexander, assisted the Committee in the implementation of its' work programme.
- 1.6 Sis Elizabeth Williams and Sis Arlene Lewis were elected as Chairperson and Secretary respectively. Regular meetings were scheduled for the second and fourth Tuesday of each month.

2.0 ATTENDANCE AT MEETINGS

- 2.1 Fourteen (14) meetings were held with attendance as follows:
- | | |
|------------------------|-------------|
| Sis Elizabeth Williams | 14 meetings |
| Sis Cecelia Williams | 13 meetings |
| Sis Arlene Lewis | 13 meetings |
| Bro Joel Poyer | 13 meetings |
| Sis Colleen Thomas | 11 meetings |
- 2.2 The Supervisory Committee's duties and responsibilities are detailed in the Cooperative Societies Act and GECCU's by-laws inter alia: examining the organisation's records and inspecting records pertaining to its operations.

3.0 SCOPE OF WORK

- 3.1 In accordance with the relevant act and by-laws, the Committee wishes to report its findings as follows:

4.0 LOANS

- 4.1 All categories of loans were examined and generally the regulations, loans policy and by-laws were adhered to in the granting of these loans.

5.0 ACCOUNTS OF BOARD AND COMMITTEE MEMBERS

- 5.1 An examination of the accounts of Board and Committee members was undertaken. The Committee is satisfied that members' accounts are in keeping with the stipulated guidelines.

6.0 DISASTER MANAGEMENT POLICY

- 6.1 A Disaster Management Committee was established to formulate a Disaster Management Policy aimed at providing guidelines to address short and long term threats posed by a variety of natural and manmade events. The work of the Disaster Management Committee is ongoing. The Supervisory Committee is pleased with the efforts taken to ensure the security of the Organisation's records, assets and personnel.

7.0 DORMANT AND REACTIVATED ACCOUNTS

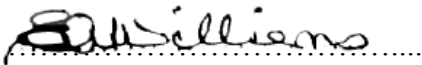
- 7.1 The records were generally found to be in order with a few exceptions, and in those cases the necessary remedial actions were taken.

8.0 GOVERNANCE

- 8.1 GECCU continues to adhere to the corporate governance principles in ensuring that proper procedures and policies are in place for prudent management and decision making.
- 8.2 The Supervisory Committee is pleased with the revised Co-operative Societies Act No: 12 of 2012. The Committee has been working along with the Board of Directors and Management to continually improve the operations of GECCU.

9.0 ACKNOWLEDGEMENT

- 9.1 Sincerest appreciation is extended to members, management, staff and all elected members for the opportunity afforded to serve GECCU through involvement on the Supervisory Committee.


Sis Elizabeth Williams
Chairperson


Sis Arlene Lewis
Secretary

THE EDUCATION COMMITTEE'S REPORT TO THE 47TH ANNUAL GENERAL MEETING

Introduction

- 1.1** The Education Committee, jointly with the Marketing Department, worked assiduously to achieve the objectives listed below during 2012. These objectives were derived from GECCU's overall strategic objectives which were developed by the Board of Directors and the general membership of the institution.
- 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 and the provision of 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.
 - j. To determine the effectiveness of our investment in marketing.
 - k. To increase awareness of and support for the activities of IYC
- 1.2** The following individuals comprised the 2012 Education Committee:
- * Sis. Camilla Mandeville - Chairperson
 - * Bro. Sylvester King
 - * Sis. Velda Gumbs
 - * Sis. Janice King
 - * Sis. Gemma Mc Cree-Clarke
 - * Sis. Diane Browne
 - * Bro. Claude Cambridge
 - * Bro. Richard Cumberbatch
 - * Bro. Kenneth Douglas
 - * Bro. Andrew Bramble
 - * Sis. Dionne John
 - * Sis. Mineva Glasgow
 - * Sis. Cheryl Bacchus – Staff
 - * Bro. Anton Jardine – Staff
 - * Bro. Ryan Hazell – Staff
 - * Sis. Kathlyn Parsons - Staff

2.0 Meetings

- 2.1 The Committee met on the second Monday of each month. Additionally, several sub-committee meetings were convened to address specific issues and to plan activities identified in the Work Plan.

3.0 Activities

Two committee members journeyed to Bequia to re-organise the sub-committee and to develop a workplan for the same. This workplan was incorporated into the Education Committee's broader work plan.

- 3.1 A workshop was hosted for Liaison Officers on February 15th. The participants were given a brief overview of their roles and functions in their respective departments.
- 3.2 Members of GECCU participated in the National Insurance Services' activity for senior citizens at the Arnos Vale Playing Field on January 6th.
- 3.3 GECCU's Exercise Programme was launched on February 6, 2012. This programme is facilitated by the Sports Department; exercise sessions are held two days per week at the main office. The programme is open to all staff, volunteers and the general membership.
- 3.4 Recruitment Drives
- * Three (3) Recruitment Drives were held during the year:
 - Police Training School (1)
 - School of Nursing (2)
 - * Schools' Co-operatives
 - Periodic field visits were made to schools participating in the Agri-Business Pilot Programme.
- 3.5.1 A wreath was laid at the obelisk at Dorsetshire Hill on Heroes' Day by the Chairperson of the Education Committee. Members of the committee journeyed to Fancy after the wreath-laying ceremony to participate in the cultural activities organised by a community group in the area.
- 3.6 Committee members represented GECCU at the annual Girls' High School Sports meet.
- 3.7 Credit Union Week activities organised included:
- * Visits to School's Co-operatives in Kingstown
 - * visits to School's Agribusiness Projects
 - * Hosting of a Fun Day jointly with the South Rivers sub-branch: river cook, games and river bathing)
 - * Members' Appreciation Day with live radio link-up

Other:

- * Participation in Financial Literacy Month activities
- * Participation in Financial Fair in conjunction with ECCB at Heritage Square in October
- * Showcasing of product brochures and members' small business initiatives at Vincy Trade Fair in December
- * Production of a Newsletter in December
- * Participation at Teacher Guides Awards Luncheon which was hosted in December by the Co-operative Department
- * Formulating a list of proposals for the 50th Anniversary Celebrations

4.0 IYC Activities

IYC 2012 presented the opportunity for Cooperatives to unite in the rally towards building awareness of the benefits of Cooperatives while raising the profile of Cooperatives on the local, regional and international levels.

The Committee's work plan was developed with the theme "Cooperatives Enterprises build a better world" in mind. GECCU's activities were geared towards ensuring that the cooperative philosophy and principles are common place to all Vincentians.

The Committee worked tirelessly to sensitize the general membership to the plans and activities organized to celebrate the year.

Major achievements at GECCU's level were:

- * Participation in National Ecumenical Service
- * Assistance with organization of the SVG IYC Theme Song contest.
- * Full payment of GECCU contribution to IYC budget.
- * Adjustment to all stationery to reflect ICY 2012 logo and slogan.
- * Participation at all planning committee levels of the launch of the IYC year.
- * Reactivation of Grenadines Education Sub Committees to build awareness of the sector among the populace.
- * Workshop to educate Liaison Officers on the IYC Work plan.
- * Participation at the IYC March and Rally.
- * Attendance at Wreath laying ceremony in conjunction with Credit Union League on National Heroes Day.
- * Attendance at Heritage Cultural Ceremony in Fancy with League Staff.
- * Preparation of business model "Model for Financing and Organizational Development of the Agriculture Sector with specific emphasis on Producer Cooperatives.
- * Passing of Resolution to amalgamate the South Rivers Credit Union in keeping with the consolidation strategies for IYC.
- * Launch of GECCU special education loan facility – "Learn while you earn".
- * Youth Development Workshop and Launch of a Youth Committee in keeping with IYC initiative.
- * Participation in activities to commemorate Credit Union Week celebrations.

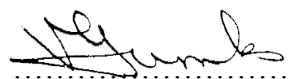
4.0 Conclusion

The Education Committee and the Marketing Department continue to work diligently to ensure that GECCU's strategic objectives are realised and wish to report that approximately 95% of these objectives were achieved.

Both parties are truly appreciative of the support and guidance they continue to receive from members, the Board of Directors, other committees and staff throughout 2012.



Sis. Camilla Mandeville
Chairperson



Sis. Velda Gumbs
Secretary

Serving Officers 2012/2013

Board of Directors

Bro. Clarence Harry	- President
* Bro. Gary Matthias	- Vice President
Bro. Aubrey Burgin	- Treasurer
* Sis. Camilla Mandeville	- Secretary
Sis. Mineva Glasgow	- Director
* Bro. Stanley Harris	- Director
Bro. Jerold Jackson	- Director
Bro. Cecil Ryan	- Director
Sis. Gemma Mc Cree-Clarke	- Director

Credit Committee

*Sis. Elsa Wynne	- Chairperson
Bro. Colin Sam	- Secretary
Bro. Harold Lewis	- Member
Sis. Marla Mulraine	- Member
** Bro. Stewart Haynes	- Member

Supervisory Committee

*Sis. Elizabeth A Williams	- Chairperson
Sis. Arlene Lewis	- Secretary
Bro. Joel Poyer	- Member
Sis. Colleen Thomas	- Member
*Sis. Cecelia Williams	- Member

*Indicates members due to retire at this meeting.

**member resigned from the committee

AREAS OF FOCUS

**SOCIAL
EVENTS**

YOUTH

**CORP. SOCIAL
RESPONSIBILITY**



**NETWORKING
&
TECHNOLOGY**

LEGACY

HISTORY

**AWARENESS /
EDUCATION**

**NEW
SERVICES**

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