

GECCU LTD

General Employees' Co-operative Credit Union Limited



48th Annual General Meeting

Reports & Accounts 2013

Tuesday 29th April, 2014

Methodist Church Hall, Kingstown

"Proud of the Past... Prepared for the Future"

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.

CONTENTS

48 th Annual General Meeting Notice/Agenda	Page	3
Standing Orders	Page	4
President's Message	Page	5
Minutes of the 47 th Annual General Meeting	Page	7
Board of Directors' Report	Page	18
Treasurer's Report	Page	39
Auditors' Report	Page	42
Credit Committee's Report	Page	73
Supervisory and Compliance Committee's Report	Page	78
Education Committee's Report	Page	80

NOTICE/AGENDA OF THE 48th ANNUAL GENERAL MEETING

Dear Members,

Notice is hereby given that the 48th Annual General Meeting of the General Employees' Co-operative Credit Union Limited is scheduled to take place on Tuesday 29th April, 2014 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. Remarks– Minister of Co-operatives
8. Greetings – Guest Societies

CLOSED SESSION

1. Ascertainment of Quorum
2. Minutes of the 47th Annual General Meeting
3. Matters arising from Minutes
4. Reports and Elections
 - (a) Board of Directors
 - (i) Board of Directors' Report
 - (ii) Treasurer's Report
 - (iii) Auditors' Report
 - (iv) Election of Board of Directors
 - (b) Credit Committee
 - (i) Credit Committee's Report
 - (ii) Election of Credit Committee
 - (c) Supervisory and Compliance Committee
 - (i) Supervisory and Compliance Committee's Report
 - (ii) Election of Supervisory and Compliance Committee
 - (d) Education Committee
 - (i) Education Committee's Report
5. Election of Auditors
6. New Business
7. Resolution
8. Closing Exercise

Co-operatively yours,



Dr. Mineva Glasgow
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



“The Journey to 50 and the Road Ahead”

Brothers and sisters, fellow co-operators, it is a pleasure and an honour for me as President of the General Employees Co-operative Credit Union (GECCU) Ltd to address you at this our 48th Annual General Meeting (AGM) and as we celebrate our fiftieth anniversary.

Brothers and sisters, fellow co-operators according to the Epistle of James Chapter 1:17 ***“Every good gift and perfect gift is from above, and cometh down from the Father of lights, with whom is no variableness, neither shadow of turning”*** and so I want to thank Almighty God for the many good gifts and blessings that He has bestowed on this our beloved Credit Union - GECCU.

In the words of Sybil, ***“Our successes are built on the foundation created for us by those who went before us, the encouragement of those who journeyed with us and the inspiration of those who blazed the trail before us and challenged us to dream more, do more and be more.”***

When our founding fathers and pioneers envisioned the idea of starting this Credit Union some five (5) decades ago, it was because they had a dream and more importantly, the courage to pursue that dream. That dream grew; it evolved and mushroomed into the largest Credit Union, as well as one of the leading financial institutions in St. Vincent and the Grenadines.

In the words of Victor Hugo, ***“There is nothing like a dream to create the future”***. We are the future of that dream and so today we have much to be thankful for and even much more to celebrate as we reflect on ***“the journey to 50 and the road ahead”***.

Brothers and sisters, fellow co-operators, this journey was in no way easy or seamless by any stretch of the imagination, but rather punctuated by the many challenges and struggles of one kind or the other. The opportunities were plentiful. We built on our strengths, capitalized on our opportunities, worked on our weaknesses and converted our threats into opportunities. We performed well and we achieved. Our stalwarts, our volunteers, our management, staff and membership made the sacrifice and put in the hard work to make this credit union what it is today - the first choice financial institution by our members and the general public.

Brothers and sisters, fellow co-operators, your credit union, my credit union and our credit union - GECCU remained resolute, focused and purposeful in its approach to the economic challenges; we weathered the economic storms and emerged as gold tried in the fire.

As we approach the 50th birthday of our Credit Union we have amassed the following as at December 31, 2013:

- Total Assets -\$166. 8 Million
- Loans -\$96.6Million
- Investment Securities -\$29.4 Million
- Cash resources- \$20.1 Million
- Permanent shares -\$5.3 Million
- Members' shares savings- \$79.5 Million
- Term deposits -\$50.5 Million
- Ordinary deposits- \$20.0 Million
- Junior Savers-\$2.5 Million
- Membership inclusive of depositors in excess of 38,000
- Taken over the assets and liabilities of two of (2) more credit unions – the Georgetown /Mt.Coke Methodist and the Unity Labour Party Co-operative Credit Unions.

Brothers and sisters, fellow co-operators, the road ahead is not promised to be smooth or simple without potholes, sharp bumps, steep climbs, sharp turns, bends and even sudden stops, but what we see ahead of us is that road. How we navigate on that road, noting its architectural composition, is of paramount importance.

We have developed and operationalized a three (3) year strategic business plan for the period 2014 to 2016, developed a recapitalization plan for the similar period and employed strategies to maintain and enhance financial sustainability, soundness and greater operational efficiencies. We have also continued the focus on our young people, developed a Disaster Management and Recovery Plan for the organization, continued to develop education and training programmes for the staff, volunteers and general membership, continued to provide strong leadership to the movement locally and regionally, responded to the housing needs of our members, developed a HIV/AIDS policy for the organization and launched our online services and mobile App as part of GECCU's Link -24 suite of services which also includes the ATM.

Brothers and Sisters, fellow co-operators, as we reflect on the journey, let's celebrate with thankful hearts as we are indeed proud of the past and as we are prepared for the future and the road ahead.

I want to thank my fellow Board members, Committees, Management and staff for their support and dedication. The general membership, I salute you and thank you for your confidence. To the many volunteers who have served in various capacities, I want to thank you for your invaluable contributions.

Brothers and Sisters, fellow co-operators, the experience afforded to me from serving on the Board of Directors and this noble organization is unmatched and priceless.

I want to leave you with the word of God according to the Gospel of St. Luke 12:48 ***“for unto whomsoever much is given, of him shall be much required: and of whom men have committed much, of him they will ask the more.”***

May Almighty God continue to bless us all.

I thank you.



.....
Bro. Clarence Harry
President

MINUTES OF THE 47TH ANNUAL GENERAL MEETING OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU), HELD AT THE KINGSTOWN METHODIST CHURCH HALL ON MAY 14TH 2013 AT 4:30 P.M.

OPENING SESSION

PRESENT:	Bro Clarence Harry	-	President
	Bro Gary Matthias	-	Vice-President
	Sis Camilla Mandeville	-	Secretary
	Bro Audrey Burgin	-	Treasurer
	Sis Mineva Glasgow	-	Director
	Sis Gemma Mc Cree-Clarke	-	Director
	Bro Stanley Harris	-	Director
	Bro Jerold Jackson	-	Director
	Bro Cecil Ryan	-	Director
	Bro Lennox Bowman	-	Chief Executive Officer

1. CALL TO ORDER

Bro Clarence Harry, Chairman, called the meeting to order at 4:50 p.m.

2. SILENT TRIBUTE

A one minute silence was observed for members who passed away during the year.

3. PRAYERS

Sis Mineva Glasgow led the meeting in prayer.

4. NATIONAL ANTHEM

The National Anthem was played.

5. APOLOGIES FOR ABSENCE

Apologies were made on behalf of: Sisters: Beryl Baptiste, Michaela Ambrose; and Bro Joseph Burns Bonadie.

6. AMENDMENTS TO AGENDA

The agenda was amended as follows:

- Item 7: was added: "Remarks by Hon Frederick Stephenson, Minister responsible for Co-operatives"
- Item 7 then became Item 8: "Greetings- Guest Societies"
- Item 7 from the closed session was moved to Item 9: "Resolutions"

Closed Session

- Item 7 was transferred to the opening session
- Item 8 became item 7

Bro Philbert John moved a motion to accept the amendments to the AGENDA seconded by Bro Joel Poyer. 42 persons voted in favour and 1 person voted against. The amendments were carried and accepted.

7. WELCOME

The President welcomed all to the 47th Annual General Meeting under the theme: ***“GECCU going gold, doing more together than we can individually”***.

The President said that he was gratified that GECCU continued to develop smart products and services to meet the needs of its members and that GECCU played a pivotal role in the establishment of COMFL.

He further highlighted some of the achievements of the organization for the year: The target set for new membership was surpassed and 58% of the new members were under the age of 30 years. The target for the reactivation of dormant accounts was surpassed; depositors grew by 6%; delinquency went down by 1%; savings and deposits grew by 16%; the cash position increased by \$9.2 million. Loans disbursed exceeded the budgeted amount by EC\$9.4 million and the interest rate on loans for lands moved from 12% to 8.75%.

He applauded the membership for their contribution to the development of GECCU and encouraged every member to be part of GECCU's history to mark 50 years of existence in 2014.

The President concluded his welcome remarks by thanking the membership, Board members, Committees, Management and Staff for their unwavering support and commitment to the tasks of building a sound financial institution.

8. REMARKS BY HON FREDERICK STEPHENSON, MINISTER OF CO-OPERATIVES

Hon. Frederick Stephenson congratulated GECCU on the 47th Annual General Meeting and their achievements for the financial year. GECCU was encouraged to live up to the byelaws. He stated that the successes that were attained were based on prudent financial management, transparency, stability and good governance.

He referred to the theme 'Going Gold' and said that this entailed greater advancements and finding better ways to serve and appreciate customers as their funds were used to make profits and obtain assets. Also, 'Going Gold' meant the recognition of the 50th Anniversary.

He highlighted the 6% increased membership and increased cash reserve amount that was attained even through these challenging financial times.

He confirmed that the Government will continue to work together with the co-operatives to ensure financial stability, collaborate on issues of national interest including economic development, good governance, employment creation, co-operative legislative reform and compliance as was evident with the Financial Services Authority- the regulatory framework for credit unions and other non-bank institutions and the enactment of the Co-operatives Societies Act No. 12 of 2012.

He recommended that GECCU should further advance its services in education, home construction and business enterprise to meet the needs of its members including students, single mothers and farmers. The Minister added that it was his hope that GECCU and other credit unions will decrease the interest payments on loans to farmers so that the farmers and farms could be sustained and hence increase the productivity in agriculture.

He ended by congratulating GECCU on a work well done and wished them all the best for their Golden anniversary.

9. GREETINGS – GUEST SOCIETIES

Fraternal greetings were received from the following societies:

- Kingstown Co-operative Credit Union Limited
- St. Vincent and the Grenadines Police Co-operative Credit Union Limited
- St. Vincent and the Grenadines Teachers' Co-operative Credit Union Limited
- Financial Services Authority
- Unity Labour Party Co-operative Credit Union Limited
- SVG Small Business and Microfinance Co-operative Limited (COMFI)
- Georgetown/Mount Coke Circuit Methodist Co-operative Credit Union Limited
- Barrouallie Co-operative Credit Union Limited
- Marriagua Co-operative Credit Union Limited
- Eastern Caribbean Co-operative Central Limited
- SVG Co-operative League Limited
- Baptiste & Company Chambers
- St. Vincent Automotive Co-operative Society Limited
- Lyndon George Chambers

The representatives of all these organizations commended GECCU on their achievements as stated in the report and wished them a successful AGM.

10. RESOLUTIONS

Two resolutions on the amalgamation of two sister credit unions with GECCU were placed before the members for their vote:

Bro Stanley Harris presented Resolutions 1 and 2.

He stated that the amalgamation of credit unions was encouraged by WOCCU/CCCU and more specifically, the amalgamation of small credit unions with larger ones, to serve members better.

Resolution 1

To formally accept the Assets and Liabilities of Georgetown/Mount Coke Circuit Methodist Co-operative Credit Union Limited

WHEREAS the General Employees' Co-operative Credit Union Limited and the Georgetown/Mount Coke Circuit Methodist Co-operative Credit Union Limited held several meetings relating to the matter of the transfer of assets and liabilities of Georgetown/Mount Coke Circuit Methodist Co-operative Credit Union Limited to the General Employees' Co-operative Credit Union Limited;

AND WHEREAS the Georgetown/Mount Coke Circuit Methodist Co-operative Credit Union Limited has passed a Resolution at the meeting summoned for that purpose on Saturday 27th April, 2013 and recorded by the Financial Services Authority;

AND WHEREAS the General Employees' Co-operative Credit Union Limited agreed to accept the transfer of the assets and liabilities of the Georgetown/Mount Coke Circuit Methodist Co-operative Credit Union Limited in accordance with the provisions of Section 147 (1) (b) of the Co-operative Societies Act No. 12 of Section 2012;

BE IT RESOLVED that the said transfer of the said assets and liabilities as of record with the Financial Services Authority be now part of the assets and liabilities of the General Employees' Credit Union Limited with effect from the date hereof;

BE IT FURTHER RESOLVED that the office of the said (former) Georgetown/ Mount Coke Circuit Methodist Co-operative Credit Union shall be an office of the General Employees' Co-operative Credit Union Limited serving principally the multiple communities in Stubbs and other neighbouring areas.

Discussion followed the presentation of the resolution

In response to a question as to the assets and liabilities of the Georgetown/Mount Coke Circuit Methodist Co-operative Union Limited, the following figures were presented:

	2011	2012
Total Assets	\$ 534 920	523 022
Total Liabilities	\$ 420 883	48 885

The resolution was moved by Bro. Stanley Harris and seconded by Bro. Jerold Jackson. One hundred and fifty five persons (155) voted in favour. There were no dissenting votes.

Resolution 1 - To formally accept the Assets and Liabilities of Georgetown/Mount Coke Circuit Methodist Co-operative Credit Union Limited was accepted and carried.

Resolution 2

To formally accept the Assets and Liabilities of the Unity Labour Party Co-operative Credit Union Limited.

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

AND WHEREAS the Unity Labour Party Co-operative Credit Union Limited has passed a Resolution at the meeting summoned for this purpose on Monday 13th May 2013 and recorded by the Financial Services Authority;

AND WHEREAS the General Employees' Co-operative Credit Union Limited has agreed to accept the transfer of the assets and liabilities of the Unity Labour Party Co-operative Credit Union Limited in accordance with the provisions of Section 147 (1) (b) of the Co-operative Societies Act No. 12 of Section 2012;

BE IT RESOLVED that the said transfer of the said assets and liabilities as of record with the Financial Services Authority 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 FUTHER RESOLVED that the offices of the General Employees' Co-operative Credit Union Limited wherever located shall serve all members of the former Unity Labour Party Co-operative Credit Union Limited

Discussion

There was a lengthy discussion on this resolution during which the following were highlighted.

The assets and liabilities of ULP Co-operative Union were:

	2011	2012
Total Assets	\$56 540	\$34 925
Total Liabilities	\$(71 260)	\$(93 533)

- Some members felt the assets of the Unity Labour Party Co-operative Credit Union were too little and the liabilities were too great for amalgamation.
- In support of the amalgamation, Bro. Junior Bacchus stated that there was enough money to facilitate the ULP Co-operative Credit Union and cover its debts without harming the members' savings and investments. He urged members to put aside party politics and look at the bigger picture.
- Bro Cecil 'Pa' Jack said that the credit union was above politics and further stated that he supported the resolution.
- Bro Philmore Isaacs indicated that the name of the credit union should not be used to debate the resolution. He stated that he believed the resolution would be passed with a unanimous vote similar to the vote that accepted the resolution with the South Rivers Cooperative Credit Union Limited.
- Sis Elsa Wynne pointed out that the Georgetown/Mount Coke Circuit Methodist Co-operative Credit Union had a surplus of \$109,941 and the Unity Labour Party Co-operative Credit Union had a deficit of \$90,533 and if both scenarios were taken into consideration there will still be a surplus of \$16,408.

Following the debate the resolution was moved by Bro. Clarence Harry and seconded by Bro. Philbert John. One hundred and sixty four (164) persons voted in favour; eight (8) persons voted against and one (1) person abstained.

The resolution - **To formally accept the Assets and Liabilities of the Unity Labour Party Co-operative Credit Union Limited** was accepted and carried.

Mrs. Celitha Davy was recognized for her hard work and dedication toward the development of the ULP Co-operative Credit Union Limited.

CLOSED SESSION

1. ASCERTAINMENT OF QUORUM

There were approximately 274 members present.

2. MINUTES OF SPECIAL GENERAL MEETING

The minutes of the June 19th 2012 Special General Meeting having been circulated were taken as read.

There were no amendments to the minutes and on a motion moved by Bro. Andrew Bramble and seconded by Bro. Philbert John, the minutes were confirmed and accepted.

Matters Arising

In response to a question regarding the progress on the new South Rivers Office, Bro. Lennox Bowman, CEO reported that architects were invited to propose a design for the South Rivers' Office. Following this, one of the designs will be selected in furtherance of this process of constructing a new building.

3. MINUTES OF THE 46TH ANNUAL GENERAL MEETING

The minutes of the 46th Annual General Meeting held on 19th June 2012, having been circulated were taken as read.

There were no amendments to the minutes and on a motion moved by Bro. Philbert John, seconded by Sis. Rosemarie Richardson, the minutes were confirmed and accepted.

Matters Arising

There were no matters arising from the minutes.

4. REPORTS AND ELECTIONS

(a) Board of Directors:

i. Board of Directors' Report

The Board of Directors' report was taken as read. On a motion moved by Bro. Philbert John and seconded by Bro. Harold Lewis, the Board of Directors' Report was accepted.

Discussion

- In a response as to whether Junior Savers should be included in the membership figure, Bro Lennox Bowman stated that junior savers were regarded as depositors.
- Bro Earl Bennet commended GECCU on attaining 1,491 reactivated accounts and surpassing the target of 1,000.
- In response to a question as to the success of the Recoveries programme that was put in place to handle recoveries and reduce the delinquency rate, Bro Bowman stated that financial counselors of GECCU work closely with borrowers especially farmers to help them manage their loans. This helped in maintaining a lower delinquency rate.
- In response to the questions as to training opportunities for ordinary members, Bro Bowman said that training for members commenced in Bequia and plans were in place for the mainland. He noted that the website and social media were in place to educate members.
- In response to the question regarding the findings of the report on GECCU's buildings submitted by M.A John and Associates, Bro Bowman said that the report focused on the physical integrity of the buildings along with their economic benefit and viability. It was reported that the five (5) buildings were not in sound condition.
- The consultants recommended two different approaches that would not disrupt GECCU services while the development is being undertaken. The first approach was to fix the former Reliance Pharmacy property and move operations into it and work on the other four buildings. Another approach was to start with the Connells' Property in Middle Street, move operations into it and work on the other properties.
- Bro Cecil 'Pa' Jack further asked if the development of the properties was also an effort to generate income. Bro Bowman responded in the affirmative.
- In response to Bro Cecil 'Pa' Jack's question as to whether or not there was a policy to acquire more properties in Kingstown, Bro Bowman said that there was none in place and that the Board was focusing on the task at hand.
- Bro Harvey Farrell expressed his disappointment that there was no detailed report to the membership on the consultancy.
- The Chairman said that the Board was awaiting possible design and alternatives before bringing it to

the membership.

- In response to a question on an update on the Peter's Hope Project, the CEO said that the Project Manager was appointed and that the surveying work had begun. Members who had indicated an interest in lands were reassured that their applications were on file and there should be enough land for those persons.
- In response to Bro Cecil 'Pa' Jack's question as to the amount of money GECCU invested into COMFI and clarification that the services that COMFI offered were not in competition with GECCU, the CEO said that the three (3) larger credit unions each supplied 25% of the capital (1.3 million each over a period of 3 years). To date, approximately \$300,000 was put into the establishment, mainly for administrative set-up.
- COMFI was set up to satisfy the needs of small businesses, by analyzing their business requests and giving financial, technical training and marketing assistance to these businesses. When business loan requests were made to the credit unions, the persons were referred to COMFI which is owned by the credit unions. Therefore it was not a competitor. Its main aim was to create sustainable businesses in St. Vincent and the Grenadines.
- Bro. Philbert John commended GECCU on the significant turn-around in the net surplus.
- Sis. Angela Martin commended the proposed 6% returns to be paid on permanent shares, but questioned why a rebate was not proposed for loans repayment.
- Bro. Bowman stated that GECCU was happy to pay the dividend and interest. He further stated that the rate on land loans was reduced from 12% to 8.75% and mortgages were reduced from 8.75% to 7.75%. Therefore no rebate was recommended on loans repayment.
- It was clarified that the interest rates on existing mortgages were also reduced from 8.75% to 7.75%.
- Bro. Cecil 'Pa' Jack suggested that the interest paid on ordinary shares be increased to the strength of the Credit Union base.
- Bro. Floyd Patterson explained that the strength of the credit union was based on the permanent shares, hence the need to encourage more members to increase their permanent shares.
- Bro. Philbert John inquired on the re-naming of the Social Development Fund. Bro Bowman stated that the Board of Directors had not yet taken a decision to do so. He further stated that the year 2014 will be an important year for GECCU, and stalwarts will be recognized; some avenue will be explored to honour the memory and contribution of Bro Calvin Nicholls.
- Bro. Earl Bennett commended the Board on the number of scholarships offered. He suggested that the number of scholarships be increased in 2013 and also in 2014 when GECCU celebrates its 50th Anniversary.
- It was reported that that issue was currently being reviewed by the Board of Directors.
- Sis Marcelle Burgin asked for an update on the counseling session that was conducted with two scholarship holders.
- Bro Bowman stated that it was a continuous activity of the committee and they will continue to work with the students, parents and teachers to ensure that scholarship beneficiaries perform well.
- Bro Philbert John reiterated that he did not support the award for punctuality and attendance since punctuality and attendance were expected of any institution's staff.

- Bro Andrew Bramble congratulated all the staff who received awards and added that the services at GECCU continued to be efficient.
- Sis Patricia Williams said that the most valuable asset was the staff and she congratulated GECCU on recognizing its staff.
- The Board of Directors' report was adopted on a motion moved by Bro. Joel Poyer and seconded by Bro Philbert John.

ii. Treasurer's Report

- The Treasurer's report was taken as read. On a motion moved by Bro. Harold Lewis and seconded by Sis. Cecelia Williams, the Treasurer's Report was confirmed.

Discussion

- The CEO confirmed that there was a deficit in 2011 and a surplus in 2012.
- Sis Martin questioned why consumer loans were on the decline. In response, Bro Bowman stated that the figures represented the general loans portfolio. He added that the loans disbursed were in excess of 9.4 million dollars and that the reflows from consumer loans were significant. He also reported that GECCU had lost a few mortgages because of the lower interest being offered by other financial institutions but that GECCU had since reduced the interest rates on its mortgages.

iii. Auditor's Report

- In response to the question if GECCU had any investments in St Vincent Building and Loan Association, the CEO responded in the negative. He also said that GECCU was constantly looking for ways to invest members' money safely and soundly so that it will offer attractive returns to its members.
- Bro. Floyd Patterson added that GECCU is in compliance with the act which governed the liquidity of credit unions.
- There was a concern as to why the British American and CLICO investments that were written off still appeared as assets in the financial statements. In response to this concern, Bro Floyd Patterson responded that the organization followed the stipulated rules of the IFRS 13 and was in compliance with the standards.
- Bro. Cecil Jackson referred to the net surplus and suggested that the proposed 6% on permanent shares be reduced and a percentage be allocated to a reserve.
- The Chairman said that the 6% was already allocated.
- On a motion moved by Bro. Earl Bennett and seconded by Sis. Cecelia Williams, the Treasurer's Report and the Auditor's report were adopted.

iv. Election of Board of Directors

- It was reported that the Financial Services Authority (FSA) was responsible for conducting the election.

- The Nominating Committee comprising of Sis Verlene Saunders, Sis Camilla Mandeville and Bro Richard Cumberbatch recommended Bro Ronnie Daniel, Sis Cecelia J. Williams and Bro Stanley Harris for election to the Board of Directors. From the floor, Bro. Kelvin Pompey was nominated on a motion moved by Bro. Philmore Isaacs and seconded by Bro Philbert John.
- Nominations were closed on a motion moved by Bro .Harold Lewis and seconded by Bro. Philbert John.

The results of the election were:

Bro. Stanley Harris	- 68 votes
Bro. Kelvin Pompey	- 95 votes
Bro. Ronnie Daniel	- 104 votes
Sis. Cecelia Williams	- 98 votes

- Therefore, the three persons elected to serve were: Sis Cecelia Williams, Bro. Ronnie Daniel and Bro. Kelvin Pompey.

(b) Credit Committee

i. Credit Committee's Report

- The Credit Committee's Report having been previously circulated was taken as read.
- It was reported that Bro. Stewart Haynes resigned when he accepted a job with FSA.
- The report was adopted on a motion moved by Bro Philbert John and seconded by Bro Earl Bennett.

ii. Election of Credit Committee

- The two retiring members were: Sis. Elsa Wynne and Bro. Stewart Haynes. The Nominating Committee recommended Sis. Rhodelle Yearwood and Bro. Michael Sayers. From the floor, Bro Linus Goodluck was nominated by Sis. Dionne John and seconded by Bro. Joel Poyer.
- Nominations were closed on a motion moved by Sis. Myrna Bramble and seconded by Bro. Cecil Jackson.

The results of the election were:

Bro. Linus Goodluck	- 60 votes
Bro. Michael Sayers	- 93 votes
Sis. Rhodelle Yearwood	- 50 votes

- Therefore, the two persons elected to serve on the Credit Committee were: Bro Linus Goodluck and Bro Michael Sayers.

(c) Supervisory Committee

i Supervisory Committee's Report

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

Discussion

- In response to a question as to the duties of the Supervisory Committee, it was stated that the committee was the watch-dog of the organization as it oversees the functioning of all committees, including the Board of Directors.
- It was further stated that the Supervisory Committee had absolute authority over the organization; and that to date, there was no attempt by anyone to curtail its power.
- It was further stated that the Internal Auditor worked independently within the organization; and along the Supervisory Committee when the need arises.
- The report was adopted on a motion moved by Bro. Philbert John and seconded by Sis Marcelle Burgin.

ii Election of Supervisory Committee

- The Nominating Committee nominated Sisters. Devon Wright and Anika Stapleton. From the floor, Sis. Patricia Williams was nominated by Bro. Philmore Isaacs and seconded by Bro. Philbert John. Sis. Lauramay Pope was nominated by Sis. Olga Samuel and seconded by Bro. Daniel Mc Millan.
- Nominations were closed on a motion moved by Sis. Olga Samuel and seconded by Bro. Philbert John.
- Bro Andrew Bramble suggested that a profile of each nominated person be presented in the future so that members will be made aware of their skills to serve on the various committees.
- Bro Earl Bennett supported the suggestion made by Bro. Bramble.

The results were:

Sis. Anika Stapleton	- 54 votes
Sis. Devon Wright	- 42 votes
Sis. Patricia Williams	- 32 votes
Sis. Lauramay Pope	- 63 votes

The two persons elected to serve were: Sis Anika Stapleton and Sis Lauramay Pope.

Permission was granted to destroy the ballots.

(d) Education Committee's Report

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

Discussion

- Sis. Camilla Mandeville reported that approximately 95% of the Committee's objectives were achieved.
- Bro. Philbert John stated that there was a need to educate members about the credit union.
- In response, Sis Mandeville reiterated that strategic planning sessions were held with members in the Grenadines and that the sessions will be brought to St. Vincent soon.
- Sis Patricia Williams expressed her concern that there was no attendance record of the Education Committee as was done with the other committees. In response, Sis Mandeville indicated that the Education Committee was selected by the Board of Directors and not elected by the members; therefore it was not a requirement to present the attendance record to the members at the AGM.
- Bro Cecil 'Pa' Jack suggested that a radio call in programme be launched to discuss how the country will move forward with regard to Credit Unions. He also suggested that there should be proper documentation of the 50th Anniversary and that copies of the reports should be made available at the Documentation Centre.

- Sis. Mandeville responded that documentation of GECCU's history was already in the plans for the 50th Anniversary.
- Bro. Cecil Jackson thanked GECCU and more specifically the Education Committee on their contributions to the success of the IYC Activities, 2012. He suggested that seminars/ workshops be held to sensitize the membership on the principles of co-operatives.
- The report was adopted on a motion moved by Sis Patricia Williams and seconded by Sis Cecelia Williams.

(5) Election of Auditor

- The representative from the FSA reported that effective from this election, an Auditor will only be allowed to audit for 5 consecutive years.
- On a motion moved by Bro. Richard Cumberbatch and seconded by Sis. Marcelle Burgin, BDO was nominated as Auditor.
- Nominations were closed on a motion moved by Bro. Philbert John and seconded by Sis Camilla Mandeville. There were no other nominations. BDO was elected unopposed.

(6) New Business

The Chairman thanked:

- Bro. Gary Matthias for his service as Vice President on the Board of Directors and commended him for the excellent and invaluable service;
- Sis. Camilla Mandeville for the invaluable service she provided as Secretary to the Board of Directors;
- Bro. Stanley Harris for the unique style that he brought to the Board;
- Sis .Elsa Wynne for the excellent service she provided over the years;
- Bro. Stewart Haynes for his contribution to the organization; and
- Sis. Elizabeth A. Williams for her dedication over the years.
- He also thanked the dedicated and committed staff led by the competent CEO Bro. Lennox Bowman of GECCU for their hard work and contribution. He thanked the members for their immense support over the years.
- It was suggested that more focus should be paid to the youth and their needs.
- It was reported that the 50th Anniversary should begin at the launch of the Credit Union's Week, 2013.

(7) Closing Exercise

There being no other business, the meeting ended at 9:10 on a motion moved by Sis Renè Baptiste and seconded by Bro Fredrick Forbes.

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

.....
Chairman

.....
Secretary

**BOARD OF DIRECTORS' REPORT
TO THE 48TH ANNUAL GENERAL MEETING**

BOARD OF DIRECTORS 2013



**Bro. Clarence Harry
President**

**Sis. Gemma Mc Cree - Clarke
Director**



**Bro. Kelvin Pompey
Vice - President**

**Bro. Ronnie Daniel
Director**



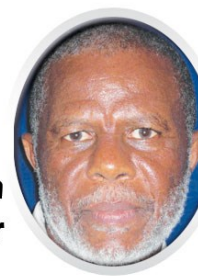
**Sis. Mineva Glasgow
Secretary**

**Bro. Jerold Jackson
Director**



**Bro. Aurbrey Burgin
Treasurer**

**Bro. Cecil Ryan
Director**



**Sis. Cecelia Williams
Director**

**Bro. Lennox Bowman
CEO**



1.0 Introduction

Fellow Co-operators,

- 1.1 The Board of Directors is pleased to present the report on the operations of GECCU Ltd for the period January 1st to December 31st, 2013.

This is indeed a significant year as GECCU launched its 50th Anniversary programme of activities on Credit Union Day, 17th October, 2013. This fifteen (15) month programme of activities will conclude in December, 2014 and is being celebrated under the theme **“Proud of the Past... Prepared for the Future”**.

As GECCU celebrates under this theme, thanks must be given to all those pioneers and other stalwarts who have made and who continue to make tremendous sacrifice, volunteering their time, energies, skills and expertise to make this Credit Union the successful economic, educational and social agent which it has become.

Ten years ago when we celebrated our 40th Anniversary, we were 17,000 members strong. Today we are over 38,000 members strong!

Economic Experience

- 1.2 Most economies in the OECS continue to be characterized by overstretched governments, an under-performing private sector and weak and dependent civil societies.
- 1.3 Despite the anxiety associated with aggressive competition in the financial market; falling interest rates; the growing trend of mergers and amalgamations and the continuing economic challenges of our nation, GECCU remained focused and resolute in our approach to these challenges and emerged at the end of the year with growth in most of the critical areas of our operations.
- 1.4 This was achieved mainly through the continued strategy of constantly monitoring all external issues and taking the appropriate actions to maintain our competitive advantage. We also provided quality services throughout the year as well as improved access to these services.

2.0 Corporate Governance

- 2.1 During the year, the Board of Directors focused on the continued adherence to the best practices of external, internal and individual governance as outlined in the WOCCU's governance charter.
- 2.2 Special emphasis continued to be placed on the monitoring and reporting system, thereby ensuring that the communication flow in all directions within the organization was achieved in a timely and effective manner.
- 2.3 During the year the Financial Services Authority (FSA) replaced the Registrar of Co-operatives as the regulator for Credit Unions. The Board embraces this change and has been working very well with this body.
- 2.4 In keeping with best practice and in the quest to continue GECCU's culture of innovation, a new three (3) year strategic business plan was developed and operationalized.
- 2.5 Input to the plan was drawn from a wide cross-section of stakeholders including the Credit Union League, the Financial Services Authority (FSA) and the Co-operative Department. A recapitalization plan previously developed was also integrated into this strategic plan which will guide GECCU for the next three years (2014-2016).

- 2.6 The major goals of this plan include, improvement in asset quality; increased profitability and sustainability ; increased financial stability; improved physical infrastructure; improved service delivery to members and enhanced management and governance.
- 2.7. All statutory obligations were observed and the close working relationships with the SVG Co-operative League, the Co-operative Department and the Financial Services Authority were maintained.

3.0 **Board of Directors**

- 3.1 At the 47th Annual General Meeting, three new members, Sis. Cecelia Williams and Brothers Kelvin Pompey and Ronnie Daniel were elected to the Board.
- 3.2 At its first meeting, the Board of Directors elected Bro. Clarence Harry – President, Bro. Kelvin Pompey-Vice President, Bro. Aubrey Burgin – Treasurer, and Sis. Mineva Glasgow - Secretary.

The full Board of Directors comprises the following:

Bro. Clarence Harry	-	President
Bro. Kelvin Pompey	-	Vice President
Sis. Mineva Glasgow	-	Secretary
Bro. Aubrey Burgin	-	Treasurer
Sis. Cecelia Williams	-	Director
Sis. Gemma Mc Cree-Clarke	-	Director
Bro. Ronnie Daniel	-	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	15	25
Bro. Kelvin Pompey	9	14	23
Sis. Mineva Glasgow	9	13	22
Bro. Aubrey Burgin	10	15	25
Sis. Cecelia Williams	9	14	23
Sis. Gemma Mc Cree-Clarke	10	15	25
Bro. Ronnie Daniel	9	14	23
Bro. Jerold Jackson	9	13	22
Bro. Cecil Ryan	9	13	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 work plan (with clear targets and time frames) as well as a budget to address the critical issues. This work plan 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, 2,347 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 are 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 38,496. This figure represents a net increase in total membership of 7%.

Table 2: Breakdown of new membership/depositors by age

AGE	Number of Persons	Percentage
Junior Savers	612	26
16-30	747	32
31-40	321	14
41-50	290	12
51-60	236	10
60+	141	6
TOTAL	2347	100

During the period nine (9) organizations also joined GECCU as depositors.

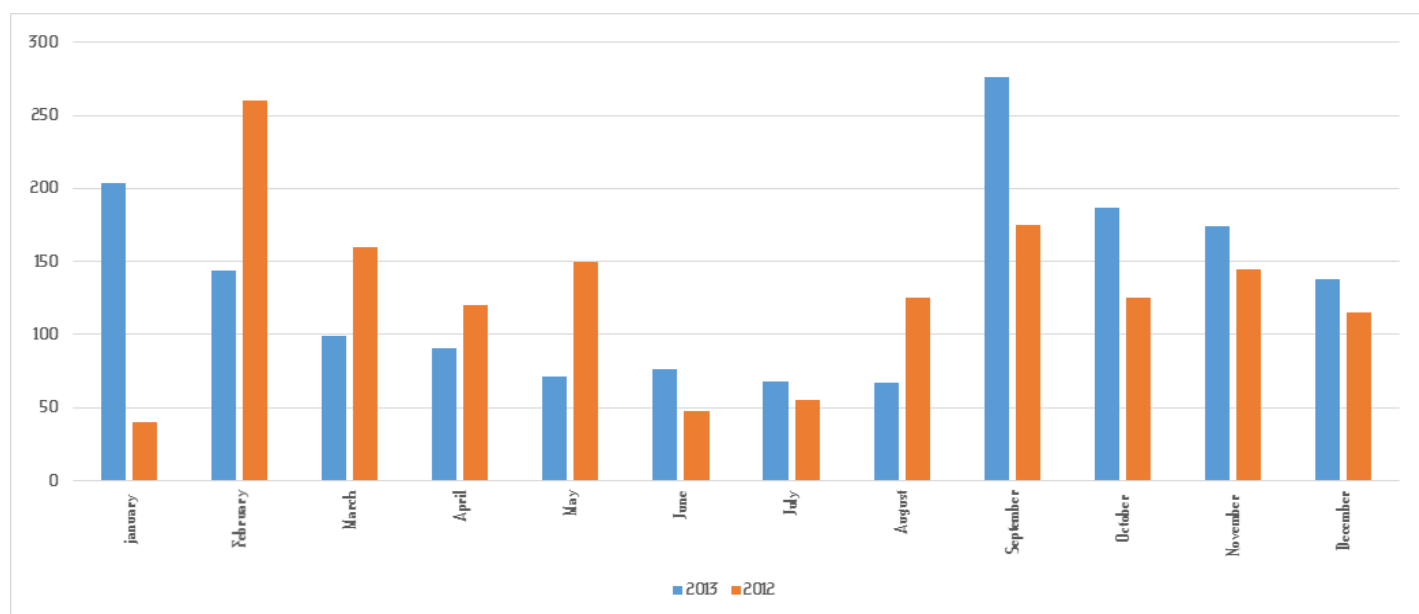
Four hundred and twenty-seven (427) persons from Georgetown/Mt. Coke Methodist Circuit and Unity Labour Party credit unions became members as a consequence of the amalgamation .

4.1.2 PRIORITY 2: DORMANCY

4.1.2.1 Our focus 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, 1,595 members were re-activated with total receipts of \$472,035.80. This compares favourably with 1,491 members and receipts of \$396,215.38 in 2012. The targeted number of reactivated accounts set for the year was 1,000. This was well surpassed.

Table 4: Comparison of 2013 & 2012 Re-activated Accounts



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

4.1.3.1 In keeping with its internal governance structure, GECCU continues to focus on building our capacity to protect the organization, staff and members in the eventuality of natural and other disasters.

4.1.3.2 During the period under review the following have been undertaken:

- The Board approved a Disaster Management and Recovery Plan for the organization.
- Through the Social Development Plan, GECCU is still in the process of responding to our affected members. Additionally our Loans Department continues to work closely with members affected, especially the farmers.
- The physical security of our buildings as well as the security and integrity of our equipment and data remain a continuous area of review and improvement. We are confident of our safety measures in this regard.
We are also in the final stage of making a determination of how we should proceed with our proposed new headquarters.
- We also have a close working relationship with NEMO, the Ministry of Housing, BRAGSA, the Royal St. Vincent Police Force, VINLEC, CWSA and other relevant stakeholders as it pertains to natural and other disasters.

4.1.4 PRIORITY 4: ENHANCEMENT OF RECOVERIES PROGRAMME

4.1.4.1 During the year, GECCU's experience was that the challenging economic and financial environment continued to place pressure on some of our members' ability to comfortably meet their commitments to the Credit Union.

4.1.4.2 Issues varying from loss of employment, illness, death, to simply unforeseen sudden expenditure, were given for members' inability to meet their commitments. Of course there were also those members who made little or no effort to repay even when clearly they were in a position to do so.

4.1.4.3 Among the strategies employed to assist our members and GECCU include the following:

1. Increase in the complement of the staff of the Recoveries Department
2. Increased financial counselling for our members
3. Increased training for staff
4. Special assistance to vulnerable small business sector (e.g.) farming
5. Renegotiating and rescheduling of loans where appropriate
6. Increase in the number of site visits
7. More effective monitoring of delinquency and more speedy action

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.

GECCU believes that developing the skills of our people is as important as building the institution itself.

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 and Forum

Title	Participant	Date	Facilitated by
Fire Prevention and Protection (Part 1)	All Staff	September 11	Bro. Stanley Harris

Title	Participant	Date	Resourced by
Business Symposium and Innovation	Damoris Alexander Elias Francis Maxine Johnney Cornelia Moses	October 22	ECCB

Table 6: Workshops and Seminars 2013

Title	Participant	Location	Date	Resourced by
The role of labour standards in accessing international markets and supporting the Caribbean Single Market	Danny-lee Francis	St. Vincent & The Grenadines	February 20	ILO/SVEF
IFRS Regional Train the Trainers for non bank financial institutions	Damoris Alexander Maxine Johnney	St. Kitts & Nevis	February 25 – March 1	World Bank/ECCB
Youth, Co-operatives and Entrepreneurship (CaribDE)	Rhonda Thompson Charissa Pitt	Grenada	March 10 - 16	NCUF/ILO
Event Planning	Cheryl Bacchus Cornelia Moses	St. Vincent & The Grenadines	March 26 – 27	CED/BIMAP
Customer Service Excellence	Dacia Lauren Kadir Nedd Tonyah Williams	St. Vincent & The Grenadines	April 9	SVEF
Compliance Training: ‘Authority and the Differently Abled’	All Staff	St. Vincent & The Grenadines	April 22	Baptiste & Co. Law Firm Inc.
Negotiating Skills	Maxine Johnney Cornelia Moses Rhonda Thompson	St. Vincent & The Grenadines	May 9	CED/BIMAP
HIV and AIDS Workplace Policy	Cornelia Moses	St. Vincent & The Grenadines	May 23	ILO/SVEF
Mortgage Underwriting	Keon Findlay	Dominica	June 3 - 7	ECHMB
HIV/AIDS/STI (Focal Point)	Cornelia Moses	St. Vincent & The Grenadines	July 23 & 24	Dept. of Labour, Ministry of Health and SVEF
How to assess your risk profile	Rhonda Thompson	St. Vincent & The Grenadines	August 8	First Citizens Investment Services
Corporate Governance	Clarence Harry Mineva Glasgow Gemma Mc Cree Maxine Johnney	St. Kitts & Nevis	August 21	ECCL
HIV/AIDS/STI (Peer Educators)	Cheryl Bacchus Keon Findlay Bernadette John Baldwin Johnney Rhonda Thompson	St. Vincent & The Grenadines	September 17 & 18	Dept.of Labour, Ministry of Health and SVEF
Caribbean Development Education (CaribDE)	Elias Francis	Trinidad & Tobago	September 15 - 21	NCUF/CCCU
The Internationalization of SMEs – Marketing and eBusiness	Cheryl Bacchus	St. Vincent & The Grenadines	September 19 & 20	UWI

Title	Participant	Location	Date	Resourced by
New Reporting Forms for Credit Unions	Damoris Alexander Anika Stapleton Colleen Thomas Rhonda Thompson	St. Vincent & The Grenadines	September 25	FSA
Credit and Property Risk Assessment	Cheryl Bacchus	Antigua & Barbuda	November 11 – 15	ECHMB
Promoting Stability and Economic Growth	Ronnie Daniel Anika Stapleton Lauramay Pope Michael Sayers Harold Lewis Velda Gumbs Maxine Johnney Damoris Alexander Gertrude Jacobs	St. Vincent & The Grenadines	November 12	FSA
Insights and Issues for Credit Unions in SVG & OECS	Clarence Harry Kelvin Pompey Marla Mulraine Colin Sam Lauramay Pope Anika Stapleton Velda Gumbs Sylvester King Gertrude Jacobs Julian Joslyn Maxine Johnney Rhonda Thompson Damoris Alexander Keon Findlay Francis Thompson Joanne Powers	St. Vincent & The Grenadines	November 13	FSA

4.1.6 PRIORITY 6: TO ASSIST MEMBERS IN FULFILLING THEIR HOUSING NEEDS

- 4.1.6.1 The housing needs of our members remain an important priority for GECCU Ltd. The growing complexities of the housing market make it imperative that we encourage our members to seek the best possible advice as they contemplate the largest investment which they will make.
- 4.1.6.2 We continue to encourage and assist members who do not have title to the land they occupy, to obtain such titles. This has been a very successful strategy and many members have been given loans to purchase land or to assist with legal fees.
- 4.1.6.3 We have also continued with training of our Staff and Credit Committee in the administration of loans.
- 4.1.6.4 With respect to GECCU's 30 acres of land at Peter's Hope, the joint project with NIS to develop and sell these lands is in progress. A project manager has been appointed by the joint Committee and an application for the approval of the design plan is now with the Department of Physical Planning. The development of these lands will commence as soon as this approval is granted.

4.1.7 PRIORITY 7: STRENGTHENING OF THE MOVEMENT NATIONALLY AND REGIONALLY

- 4.1.7.1 GECCU continues to demonstrate leadership in this area. Apart from active support for the activities of St. Vincent and the Grenadines Co-operative League and the Co-operative Department, financial and human resource assistance continues to be provided to sister credit unions and non-financial co-operatives locally and regionally. Two GECCU members, Bro. Kelvin Pompey and Sis. Camilla Mandeville currently serve on the Board of the League.
- 4.1.7.2 GECCU also continues to play its part in the administration of SVG Small Business and Micro-Finance Co-operative Ltd (COMFI). Bro. Clarence Harry is GECCU's representative on the Board. Bro. Lennox Bowman, Sis. Camilla Mandeville and Sis. Rhonda Thompson also sit on the Credit Committee and Supervisory and Compliance Committees respectively.
- 4.1.7.3 GECCU continues to have a very good relationship with our sister Credit Unions both locally and regionally. The special "twin" relationships with City of Port of Spain (COPOS) and the Grenville (Grenada) credit unions are outstanding examples of the principle of "co-operation among co-operatives".
- 4.1.7.4 GECCU was also represented at the OECS summit in St. Kitts and Nevis, the CCCU Convention in Panama and the WOCCU Convention in Canada.
- 4.1.7.5 Following the takeover of the assets and liabilities of South Rivers Co-operative Credit Union on 1st October 2012, GECCU also took over the assets and liabilities of Georgetown/Mt. Coke Methodist Co-operative Credit Union and the Unity Labour Party Co-operative Credit Union on 31st December, 2013, in keeping with the two relevant resolutions passed at the 47th AGM of GECCU Ltd. Members of these credit unions now enjoy access to a larger pool of savings and a wider array of modern financial products which GECCU offers.

4.1.8 PRIORITY 8: ACCESS TO GECCU SERVICES

- 4.1.8.1 GECCU now operates from four (4) locations. The Bank of St. Vincent and the Grenadines is the only financial institution which operates from more locations. Design plans are currently being prepared for the construction of two more offices – one at South Rivers which will serve the communities of South Rivers, Park Hill, Colonarie and the surroundings and the other at the Troumaca-Rose Hall Junction where land was recently acquired at this strategic location. There is no financial institution operating in North Leeward and GECCU hopes to bring such convenience and financial services to the citizens of this area.
- 4.1.8.2 These initiatives clearly indicate GECCU's commitment to providing our members and the communities, access to safe, sound, inclusive and comparable financial services.
- 4.1.8.3 The offices at Bequia, Union Island and Georgetown currently provide a full array of GECCU's services as well as a Western Union money transfer service which is provided by GECCU as an agent. GECCU also provides a monthly service at Canouan.
- 4.1.8.4 Our ATM service on the Bank of St. Vincent and the Grenadines network allows access to the island wide network of machines.
- 4.1.8.5 Regular visits are made to our offices by our Marketing Department, Education, Supervisory and Compliance Committees and our Internal Auditor, in an effort to continue the enhancement of our administration of these offices.
- 4.1.8.6 Very early in the New Year, GECCU will launch its ONLINE SERVICES and MOBILE APP SERVICE as part of its GECCU Link-24 suite of services which also includes the GECCU ATM.

These two delivery channels will be historic for Credit Unions in the OECS and will also be very attractive for our members, especially our younger members who would much prefer to do their Credit Union business online as well as use their phones to access our services via our Mobile application.

- 4.1.8.7 Our members can now access a full spectrum of small business loans, technical assistance, training and other support from COMFI. We hope that this will not only encourage our members to seek these small business services, but will contribute to the establishment of many sustainable businesses in St. Vincent and the Grenadines.

Table 4: Sub– Offices Operations

	New Members		Collections		Disbursement	
	2013	2012	2013	2012	2013	2012
Union Is. & Canouan	76	100	\$2,267,907.44	\$2,056,816.04	\$1,676,783.14	\$1,252,279.72
Bequia	55	47	\$547,052.32	\$586,218.56	\$298,319.68	\$272,402.46
Georgetown	377	343	\$7,097,498.06	\$8,449,412.12	\$11,051,291.51	\$11,051,291.51
TOTAL	508	490	\$9,912,457.82	\$11,092,446.72	\$13,026,394.33	\$12,575,973.69

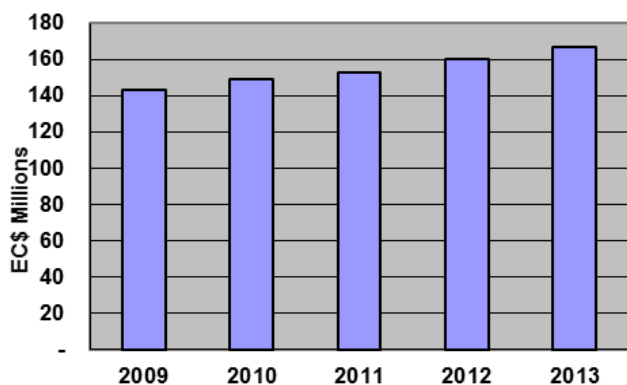
44.1.9 PRIORITY 9: FINANCIAL SUSTAINABILITY AND PROFITABILITY

- 4.1.9.1 The year 2013 was one of intense competition in the financial services sector on one hand and the sluggish performance of the economy on the other hand. Emphasis of GECCU was more on consolidation through quality growth, cost containment, improved asset quality and capital enhancement.
- 4.1.9.2 During the year our assets grew by 4% and a net surplus of \$2,107,661 was realized for 2013.
- 4.1.9.3 Loans disbursed grew by 6% over the period showing an increased demand for mortgages resulting from the competitive adjustment to the mortgage rate.
- 4.1.9.4 Our liquidity position remains very strong notwithstanding a 15% (\$3.5M) decrease due mainly to the increase in loans disbursed and the additional financial investments made.
- 4.1.9.5 Our expenses decreased by 8% for the period as we continue to closely monitor our costs.
- 4.1.9.6 The delinquency position moved marginally from 8.94% to 9.23%. This remains a priority area for the Credit Union. Improved processes and increased resources have been employed to enhance the management of this portfolio.
- 4.1.9.7 These results underscore the continued confidence and commitment of GECCU's loyal membership.
- 4.1.9.8 Though a detailed analysis is included in the Treasurer's Report, the following table shows the performance highlights for the year.

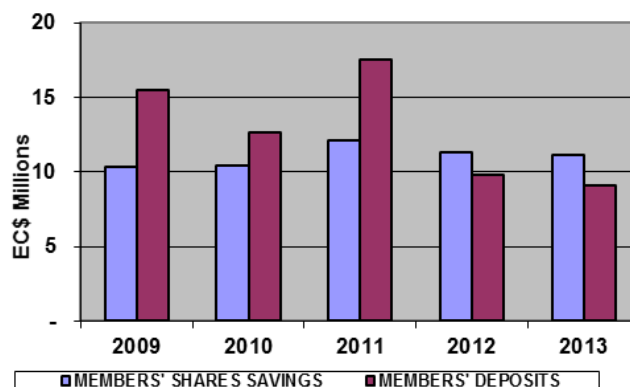
4.1.9.6 GECCU Performance Highlights 2009-2013

	2013	2012	2011	2010	2009
	EC\$	EC\$	EC\$	EC\$	EC\$
ASSET GROWTH					
Loans – net	96,624,034	91,339,757	91,363,186	85,126,942	80,226,045
Cash Resources	20,196,191	23,710,667	14,478,967	11,861,656	15,033,095
Fixed Assets	4,571,584	4,370,176	4,452,053	4,652,047	4,514,351
Investment Securities	29,457,653	24,614,544	26,268,873	33,522,933	29,871,037
Other Assets	631,777	550,895	629,322	499,698	539,600
Investment Properties	15,358,660	15,358,660	15,358,660	13,384,182	12,814,182
Total Assets	166,839,901	159,944,699	152,551,061	149,047,458	142,998,310
SAVINGS COMPONENTS					
Members’ Shares	79,511,378	56,378,839	73,256,372	69,278,376	67,067,021
Savings					
Members’ Deposits	73,115,286	72,191,431	69,524,309	67,129,569	63,683,705
Total Savings	152,626,664	128,570,270	142,780,681	136,407,945	130,750,726
INCOME					
Loan Interest	8,904,483	9,039,411	8,126,561	7,949,445	8,176,612
Investment Income	1,298,550	1,348,139	1,354,321	1,112,653	1,426,662
Non Interest Income	735,149	882,531	2,657,660	1,336,589	751,053
Total Income	11,173,022	11,270,081	12,138,542	10,398,687	10,354,327
EXPENSES					
General and Admin Expense	5,166,519	5,114,839	12,262,367	4,242,694	4,208,028
Interest Expense	3,679,092	4,500,934	4,518,400	4,661,485	5,376,688
Allowance for Loan Loss	222,764	215,174	773,312	267,179	294,159
Total Expense	9,068,357	9,830,947	17,554,079	12,671,358	15,504,779
PROFITABILITY					
Surplus	2,107,661	1,439,134	(5,415,537)	(3,163,371)	(5,151,804)
Other Reserves		28,789,799	8,349,157	7,901,727	9,301,741
Permanent Shares	5,334,904	4,529,050	3,654,005	2,757,975	
MEMBERSHIP	38,496	36,011	34,006	32,105	29,994

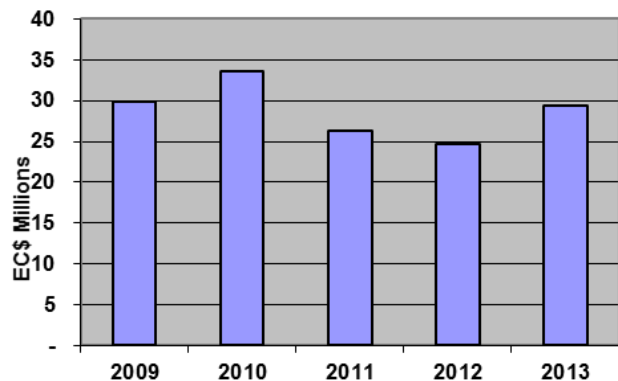
TOTAL ASSETS



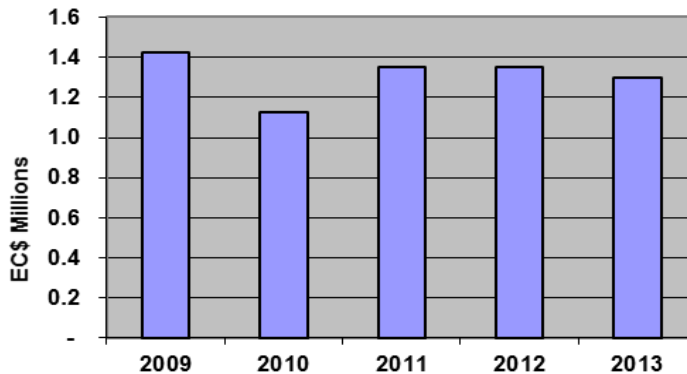
MEMBERS SHARES SAVINGS and MEMBERS' DEPOSITS



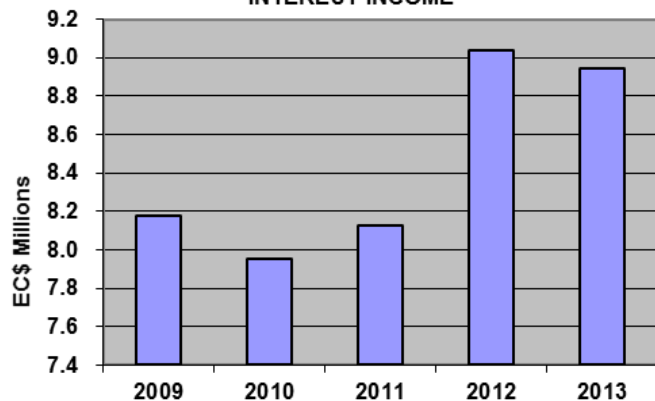
INVESTMENT SECURITIES



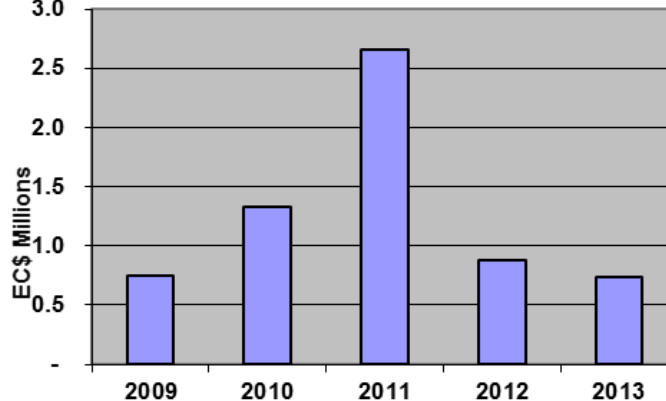
INVESTMENT INCOME



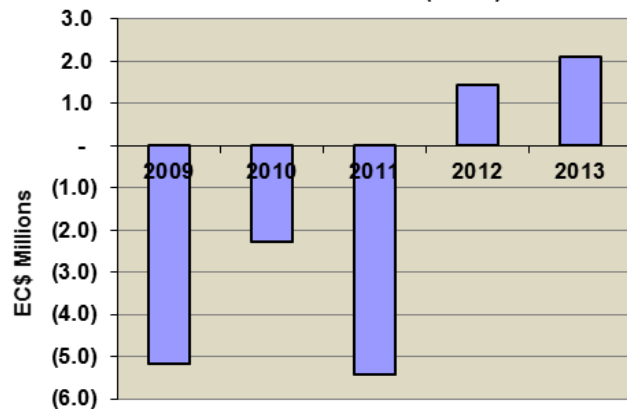
INTEREST INCOME



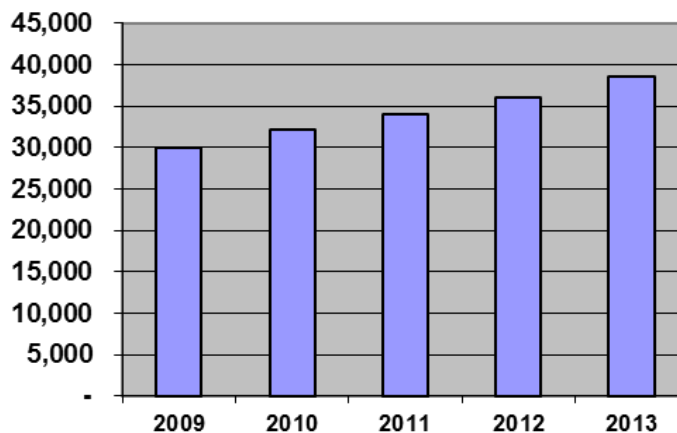
NON INTEREST INCOME



NET SURPLUS / (LOSS)



MEMBERSHIP



4.1.9.7 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 2012	31 st Dec 2013
P – Protection			
Loan Loss Allowances / Delinquency >12mths <i>This measures the adequacy of the provision for loans delinquent over 12 months</i>	100%	100%	105%
Solvency <i>The degree of protection for members' shares & deposits in the event of liquidation.</i>	Min 100%	116.25	102%
E – Effective Financial Structure			
Net Loans / Total Assets <i>Measures the %-age of total assets invested in Loans.</i>	Between 70 to 80%	56.37%	57.93%
Financial Investments / Total Assets <i>Measures the %-age of long-term Investment in Total Assets</i>	Max 10%	5.95%	6%
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%	8.94%	9.23%
Non-Earning Assets / Total Assets <i>This measures the %-age of total assets not producing income.</i>	Less than 5%	7.73%	9.74%
R – Rates of Return and Cost			
Net Loan Income / Average Net Loan Portfolio <i>Measures the %-age yield on the Loan Portfolio</i>	Between 9 to 12%	9.72%	9.24%
Operating Expenses / Average Assets <i>Measures the cost associated with the management of the C.U assets.</i>	Less than 5%	2.98%	3.07%
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%	29.43%	27.10%
Non-Earning Liquid Assets / Total Assets <i>Measures the %-age of cash invested in Non earning Assets</i>	Less than 1%	3.91%	7%
S – Signs of Growth			
Net Loans <i>Measures the %-age growth in Loan Portfolio</i>	More than 10%	0.10%	5.54%
Total Assets <i>To measure the %-age growth in Total Assets.</i>	More than 10%	4.85%	4.28%
Membership <i>Measures the %-age growth in Membership</i>	Min 5%	6%	6.9%

4.1.9.8 Interest

The interest paid on members' Shares Savings is 1.25%.

5.0 Corporate Social Responsibility

- Corporate Social Responsibility (CSR) goes beyond donating money or volunteering time to worthy causes. For GECCU, it is about operating in a manner that is responsible to our members and our staff, respectful of the environment, and supportive of the communities in which we live and work. Corporate Social Responsibility is really the DNA of GECCU.
- Corporate Social Responsibility has become an integral part of doing business in GECCU. In this regard, GECCU has focused on developing products, services, business and practices which, while serving members well, have contributed meaningfully to the social, educational and environmental good of our communities.
- More specifically, during the year, human resource support and financial contributions were made to a number of institutions, associations and groups in the areas of sports, arts, culture and education.
- The Credit Union continues to play leading roles in national activities and celebrations - National Heritage Month, Emancipation Day Celebrations, May Day, Carnival, Independence, Easterval, Gospel Festival and Nine Mornings.
- At many of the above mentioned events, Staff and Committee members assisted.
- Individual cases worthy of assistance were also supported .

6.0 Social Development Fund

6.1 The Social Development Fund was established by a 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 2013 was not an eventful one as far as requests for assistance arising out of loss or damage to property are concerned. The applications that came to the office were predominantly for medical assistance. The heavy rains and the resulting flooding that were associated with a trough system that affected the island on the evening of 24th December 2013 caused widespread loss and damage to property. Many of our members were affected and four such persons applied to the fund for relief during the last week of the year. These requests are to be addressed in 2014.

6.1.3 The table below gives a breakdown of the applications that were received and processed in 2013.

Category	No. received	No. Approved
Medical	22	21
Housing, flood & Fire	6	2
Other	0	0
TOTAL	28	23

6.1.4 The Social Development Committee in conjunction with a two man team from the Board of Directors carried out an exercise to review the Social Development Fund Guidelines and to finalise work on an application form. In this exercise several concerns raised by the Supervisory Committee were addressed. The revised Guidelines were submitted to the Board of Directors for approval.

7.0 Annual Scholarships to Secondary School

- During the period under review, eleven (11) scholarships were awarded to students who were successful in the 2013 Common Entrance Examinations. This number increased by four (4) and also included the eight recipient of the annual Grenadines scholarship.

* The 2013 scholarship recipients were :

Girls:	Kelcey Allen	- Kingstown Preparatory School
	Jordan Joseph	- Kingstown Preparatory School
	Tia Jackson-James	- Kingstown Preparatory School
	Ashleigh Scott	- St. Mary's Roman Catholic School
	Chavé Mc Intosh	- Kingstown Preparatory School
Boys:	Phillip Charles	- St. Mary's Roman Catholic School
	Cimalon Hamilton	- Kingstown Preparatory School
	Andray Nichols	- Sugar Mill Academy
	Dimelon Francis	- Lowmans Leeward Anglican School
	Ethan Myers	- St. Mary's Roman Catholic School

Grenadines Scholarship: Radelle Grant – Bequia Anglican Primary

- The scholarship recipients were presented with certificates of academic excellence at a ceremony held on Tuesday 27th August, 2013 at the Methodist Church Hall, Kingstown.
- One hundred and one (101) other successful students received monetary awards of \$100.00 each. In addition, bursaries ranging from \$150.00 to \$250.00 were awarded to ten (10) students who needed assistance for the school year. Scholarships and bursaries amounted to \$95,455.00 for the period under review.
- During the period, members of the Scholarship Committee held a counseling session with a scholarship holder to ensure that acceptable conduct and performance were maintained.
- The Board of Directors extends congratulations to all scholars who performed well in the 2013 Caribbean Secondary Education Certificate (CSEC) and the Caribbean Advanced Proficiency Examinations (CAPE).
- Special congratulations to Taj Lee, scholar of 2006 for his outstanding performance in the Caribbean Advanced Proficiency Examinations (CAPE). Taj is a recipient of one of the Government's National Scholarships of 2013.
- The Scholarship Committee drafted the terms of reference to guide the work of GECCU's Youth Committee which was established on August 21, 2012. During the period under review, the youth committee worked closely with the Marketing Department and developed a youth work programme which focused on the provision of products, services and programmes which are of interest to the youth. Other activities of the committee included the utilization of social networks to engage and encourage the involvement and participation of fellow-youth in the business of the credit union; interaction with fellow co-operators on the importance of thrift and products and services offered by the credit union.
- Sis. Danny-lee Francis, Senior Marketing Officer and youth co-ordinator was assigned to oversee the administration of the youth committee and to provide advisory support.

GECCU 2013 SCHOLARSHIP RECIPIENTS



GECCU YOUTH EXECUTIVE COMMITTEE



Highlights 2013



River lime at South Rivers



Georgetown / South Rivers
Town Hall Meeting



Scholarship Award Ceremony



50th Anniversary Launch



Staff Legal Training



Staff HIV / Aids
Awareness Workshop

GECCU LTD

50th Anniversary Calendar of Activities

EVENTS

OCTOBER 2013

Anniversary Launch

NOVEMBER 2013

Sidewalk Exhibition

Television News broadcast for hearing impaired.

DECEMBER 2013

Distribution of Calendar of Events

JANUARY 2014

Pioneer Lecture Series # 1 :

Beryl Baptiste MBE Lecture

Testimonials (Radio Ads)

FEBRUARY 2014

Television Programme on IKT—
(GECCU not for profit)

MARCH 2014

Television Documentary (*Proud of the Past
....Prepared for the future*)

Naming of Board Room

Health and Fitness Walk

Billboards

APRIL 2014

Planting of trees

Pioneer Lecture Series # 2 : Viola John
Lecture

Radio Panel Discussion

Hosting of Grenville Credit Union

River Lime

Excursion to Bequia

Launch of "Green Loan"

MAY 2014

Exhibition— All things GECCU

Cultural night "Sit and Sip"

Distribution of 50 food baskets



GECCU 50th Anniversary Lecture Series

Pioneer Lecture Series # 1:

Beryl Baptiste MBE
Founding Member

Pioneer Lecture Series # 2:

Viola John
Longest Serving Manager

Pioneer Lecture Series # 3:

Bertrand Neehall (deceased)
First President

EVENTS

JUNE 2014

Opening of South Rivers and Troumaca
Branch

Launch of the "Golden Investment Loan"
Youth Savers Recognition

JULY 2014

Newspaper Articles/Spread

Pioneer Lecture Series # 3:

Bertrand Neehall Lecture

Anniversary Dinner and Awards
Ceremony

Lime/Outing (Staff and Committees)

Anniversary Church Service

AUGUST 2014

Youth Symposium

Inter Credit Union Sports

SEPTEMBER 2014

Ground breaking ceremony for new
Headquarters

Secondary School's Debate

Lime/Outing (Staff & Committee)

Payment of Utility Bills at Sub-branches

OCTOBER 2014

President's Day

Commemorative Magazine

Heritage Pageant (GECCU to have a Float)

Excursion to Union Island

NOVEMBER 2014

Introduction of Debit Cards

Online Financial Services

DECEMBER 2014

Lime /Outing

**Proud of the PAST...
Prepared for the FUTURE!**

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
Sis. Adinga Findlay- Disbursement Officer
Bro. Ryan Hazell- Payroll Officer
Sis. Kathlyn Parsons - Junior Accounts Clerk
Bro. Ricardo Springer – Cashier
Sis. Dacia Lauren- Cashier
Sis. Ketora Browne- Junior Clerk/Cashier
Bro. Michael Garraway – Junior Clerk/Cashier

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 John -Customer Service Clerk
Sis. Melissa Millington- Customer Service Clerk
Bro. Taj Lee- Customer Service Clerk
Sis. Grace Guy- Receptionist
Sis. Lydia Cain - Office Attendant

MARKETING DEPARTMENT

Sis. Danny-lee Francis - Senior Marketing Officer
Bro. Osbert Cunningham Jr.
- Junior Marketing Officer

LOANS DEPARTMENT

Sis. Gertrude Jacobs- Loans Supervisor
Bro. Julian Ivo Joslyn- Senior Loans Officer
Sis. Cheryl Bacchus – Senior Loans Officer
Sis. Sarah Commissiong - Loans Officer
Bro. Hassan Archibald- Loans Officer
Sis. Sharlene Charles – Securities Clerk
Bro. Junelto James – Securities Clerk
Sis. Theresa Douglas – Loans Receptionist/Typist

Recoveries Section

Sis. Joanne Stowe- Powers- Recoveries Officer
Sis. Frances Thompson – Ass’t Recoveries Officer
Bro. Keon Findlay – Ass’t Recoveries Officer

IT DEPARTMENT

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

NORTHERN GRENADINES OFFICE

Sis. Rekha Gooding- 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. Charissa Pitt- Junior Clerk
Sis. Noriesiah Shallow- Cashier
Sis. Tonyah Williams - Junior Clerk
Bro. Keldon Walters - Office Attendant

8.0 Future Directions and Strategies

- 8.1.1 While SVG continues to witness the growing discontent surrounding the ongoing effects of the financial and economic crises, GECCU continues to consolidate its gains, celebrate its successes, rally the public to the co-operative way of doing business and strive to achieve best policy and legislative settings for co-operative development and expansion.
- 8.1.2 As GECCU moves forward over the next three years and beyond, our priority areas as indicated in our new strategic plan may be summarized as follows:
- To maintain and enhance a financially sound and secure institution
 - To increase the awareness of our co-operative credit union as a value-based business model for development
 - To enhance the capacity of GECCU Ltd at all levels
 - To promote the establishment of policies of GECCU, conducive to its growth
 - To promote GECCU as an agent of socio-economic development for our members and communities.
 - To make GECCU more relevant to young people
- 8.1.3 We will therefore continue to build on our initiatives in the areas of policy, youth, networking, consolidation, sector expansion, mass events, academics as well as our education and communication campaign.
- 8.1.4 To achieve the foregoing, the Board and Management must continue to keep planning sessions focused on the strategic issues, make the recruitment and development of top talent a priority and make member education our trump card, while also embracing good governance as a strategic priority.
- 8.1.5 Over the past 15 years GECCU has consistently registered approximately 2,000 members per year! This is a clear indication that our citizens have bought into the GECCU BRAND. It is also heartening that we have experienced quality growth as a consequence of staying true to our roots - the Co-operative Philosophy that people are more important than dollars!

9.0 Condolences

- 9.1 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.

10.0 Acknowledgement

- 10.1 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.
- 10.2 Deepest appreciation and heartfelt thanks to the members of the Education, Supervisory and Compliance, Credit and other Committees for the valuable work they have rendered to the development of the Credit Union.
- 10.3 Special thanks to the Co-operative Department, the SVG Co-operative League, Sister Credit Unions, the solicitor Baptiste and Company and Lyndon George; the Auditors BDO and other stakeholders for their support.
- 10.4 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.
- 10.5 The Board also wishes to congratulate the entire membership on the 50th Anniversary of our blessed GECCU and urges participation in the activities during the year to celebrate this historic milestone.



.....
Bro. Clarence Harry
President

Appendix 1

List of deceased members who passed on during the year:

- | | |
|-----------------------------|-----------------------------------|
| 1. Sis. Jacqueline Williams | 39. Sis. Stephanie Bowman |
| 2. Bro. Winston Crozier | 40. Bro. Cardi Hillocks |
| 3. Bro. Vincent Peters | 41. Bro. David Warren |
| 4. Sis. Shauna Warren | 42. Bro. Kenneth Pompey |
| 5. Sis. Magdalene Bruce | 43. Bro. Alvin Robertson |
| 6. Bro. Eric Williams | 44. Sis. Vena Henson |
| 7. Sis. Norma Keizer | 45. Sis. Leila Williams |
| 8. Sis. Camelia Bailey | 46. Bro. Esau Roberts |
| 9. Bro. James George | 47. Sis. Anselma Soso |
| 10. Bro. Leroy Latchman | 48. Sis. Velorne Samuel-Francis |
| 11. Bro. Ormond Michael | 49. Sis. Rachee Barbour |
| 12. Bro. Fred Carr | 50. Sis. Yvonne Quammie |
| 13. Bro. Francis Cole | 51. Bro. William Nanton |
| 14. Bro. Edd Pope | 52. Bro. Grantley Malcolm |
| 15. Bro. Nathaniel Ashton | 53. Sis. Margaret Edwards |
| 16. Bro. Alexander Campbell | 54. Sis. Margaret Douglas |
| 17. Bro. Deniston Bacchus | 55. Sis. Violet King |
| 18. Bro. Clarence Mitchell | 56. Sis. Betsy Cyrus |
| 19. Bro. Daniel Bascombe | 57. Bro. Garnet Edwards |
| 20. Bro. Noel Glynn | 58. Sis. Doren Young |
| 21. Sis. Norma Da Breo | 59. Sis. Jennifer Connor |
| 22. Bro. Mefeaton Shortte | 60. Bro. Eldon Peters |
| 23. Bro. Joseph Peters | 61. Sis. Ayana Joseph |
| 24. Sis. Suzette Rouse | 62. Bro. Raphael Kydd |
| 25. Sis. Gwendolyn Gooding | 63. Bro. Anthony Da Breo |
| 26. Bro. Ronald Lavia | 64. Bro. Asborn Simon |
| 27. Sis. Annette Francis | 65. Bro. Lenford Dublin |
| 28. Sis. Irene Williams | 66. Sis. Isola Castello |
| 29. Bro. Keron Thomas | 67. Bro. Edwin Mills |
| 30. Sis. Helena Gilchrist | 68. Bro. Edwin Alexander |
| 31. Bro. Elmore Scott | 69. Sis. Pearlina Johnny-Matthias |
| 32. Bro. Patrick Prescod | 70. Bro. Curtis Neverson |
| 33. Sis. Roxane Shallow | 71. Bro. Alban Hadley |
| 34. Sis. Judy Gibson | 72. Sis. Hazel Baptiste |
| 35. Bro. Joseph Williams | 73. Bro. Alfred Browne |
| 36. Sis. Kayanka Weekes | 74. Bro. Alpheaus Gurley |
| 37. Sis. Priscilla Anderson | 75. Bro. Kalique Thomas |
| 38. Bro. Clinton Antrobus | 76. Sis. Neeka Williams |

THE TREASURER'S REPORT TO THE 48TH 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, 2013.

- 1.1 The year 2013 was another challenging year for the economies of countries of the region and for our very own local economy. Some of the economic problems encountered in 2012 continued into the year 2013 and impacted the financial services sector. Amidst the challenges, GECCU was able to further improve its financial performance and remained sound in its operations.

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

	2013 \$	2012 \$	Increase/ (Decrease)	Increase (Decrease) %-age 2013 over 2012	Increase/ (Decrease) (% age) 2012 over 2011
Total Assets	166,839,901	159,944,699	6,895,202	4%	5%
Loans (Net)	96,624,034	91,339,757	5,284,277	6%	(0.03%)
Investment Securities	29,457,655	24,614,544	4,843,111	20%	(6%)
Cash Resources	20,196,191	23,710,667	(3,514,476)	(15%)	64%

- 2.3 During the year total assets increased by 4% over 2012.

2.4 LOANS

Loans to members have dominated our growth and recorded an increase of 6% when compared to 2012. This is a significant growth when compared to the decrease of 0.03% experienced in the period 2012 over 2011. There was growth in most categories of the portfolio with the most significant increase being mortgages by 9% or \$3.1m which is a direct result of the decision to reduce the rate of interest on land and house mortgages. Consumer loans also contributed to the overall growth of the portfolio; it increased by 4% or \$2.2m. Loan activities continued to be high; the value of loans disbursed during the year exceeded the projected amount.

2.5 INVESTMENTS

There was an increase in investment securities of 20% relative to 2012. This is another noteworthy increase since the portfolio decreased by 6% for the comparative period 2012 over 2011. The financial investments undertaken during the year include the purchase of Government Treasury Bills, placing of fixed deposit with the First Citizens Investment Service and COMFI, purchase of shares from the Bank of St. Vincent and the Grenadines and COMFI as well as the recapitalization of the interest earned on existing deposits.

2.6 LIQUIDITY

Cash resources decreased by \$3.5m or 15% relative to 2012. This was mainly due to the additional financial investments undertaken and the increase in the value of loans disbursed. The decrease in our cash resources has not hindered our liquidity position; our liquidity remains above the recommended level set by the PEARLS Standards.

2.7 SHARE CAPITAL & MEMBERS' DEPOSITS

	2013 \$	2012 \$	Increase/ (Decrease) \$	Increase/ (Decrease) 2013 over 2012 (% age)	Increase/ (Decrease) 2012 over 2011 (% age)
Permanent Shares	5,334,904	4,529,050	805,854	18%	24%
Members' Shares Savings	79,511,378	56,378,839	23,132,539	41%	6%
Term Deposits	50,533,409	52,177,594	(1,644,185)	(3%)	0.29%
Ordinary Deposits	19,993,459	17,575,299	2,368,628	13%	15%
Junior Savers	2,588,220	2,355,932	232,288	10%	9%

2.7.1 Members' shares savings and members' deposits continue to be the main contributors to the growth of the credit union since they are the main sources of funding for our loan portfolio and investments. Members' shares savings and ordinary deposits increased by \$23.1m or 41% and \$0.9m or 1% respectively. The large increase in members' shares savings was due to the decision to re-transfer the \$20m from statutory reserves back to members' share savings account on the advice of the Financial Services Authority (FSA).

2.7.2 During the year the credit union capital base was strengthened with the 18% growth in the Permanent Shares portfolio relative to 2012.

2.8 INCOME

	2013 \$	2012 \$	Increase/ (Decrease)	Increase/ (Decrease) 2013 over 2012 (% age)	Increase/ (Decrease) 2012 over 2011 (% age)
Loan Interest Income	8,940,483	9,039,411	(98,928)	(1%)	11%
Investment Income	1,298,550	1,348,139	(49,589)	(4%)	(0.46%)
Rental Income	198,840	251,045	(52,205)	(21%)	(20%)
Death Benefit Contributions	532,340	508,880	23,460	5%	2%

2.8.1 Loan interest income decreased by 1% relative to 2012, while loan interest income increased by 11% or \$912k for 2012 over 2011. The marginal decrease in loans interest income is due to a reduction in interest rates. During the year the decision was taken to reduce the mortgage interest and land loan interest rates. Although overall the mortgage portfolio increased for 2013, the full effect of this growth on income will be manifested in 2014.

2.8.2 Investment income decreased by 4% and rental income decreased by 21% relative to 2012. The reduction in investment income was mainly due to RBTT converting our account from a special deposit account to a non interest bearing current account due to sudden change in bank policy. This was also affected by the reduction in the interest rate on some of our financial instruments. The decrease in rental income is due to more temporary vacant rental spaces.

2.9 EXPENSES

	2013 \$	2012 \$	Increase/ (Decrease)	Increase/ (Decrease) 2013 over 2012 (% age)	Increase/ (Decrease) 2012 over 2011 (% age)
Interest Expenses	3,679,092	4,500,934	(821,842)	(18%)	23%
Marketing Expenses	208,921	218,890	(9,969)	(5%)	22%
Personnel Costs	2,029,037	1,914,875	114,162	6%	2%
CUNA Insurance	700,229	678,862	21,367	3%	4%
Loan Loss Allowance	222,764	215,174	7,590	4%	(72%)
General & Administrative Expenses	1,933,318	1,954,880	(21,562)	(1%)	15%
Death Benefit Payments	292,000	348,000	(56,000)	(16%)	(0.23%)

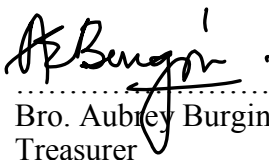
- 2.9.1 Total expense decreased by 8% or \$764k relative to 2012. This was mainly due to a decrease in the rate of interest to be paid on regular shares savings. In addition, during the year emphasis continued to be placed on cost containment to help mitigate any effects of reduced income growth.

2.10 NET SURPLUS

A net surplus of \$2,107,661 was realized for 2013. This represents an increase of 46% compared to 2012.

3.0 CONCLUSION

- 3.1 In 2013 GECCU continued its focus on operational efficiencies and risk management in an effort to reduce cost and increase revenue. The effect of this was manifested in the improved performance for 2013.
- 3.2 GECCU continues to play its part by enhancing the life of its members and the community. GECCU ensures that innovative services are delivered at a low cost, employing strategies to ensure that the return on the members' investments are maximized. We continue to fulfill our corporate social responsibility ensuring that the credit union continue to strengthen and remain a stable financial institution.
- 3.3 Our stakeholders continue to contribute to the success of GECCU and the year 2013 was no exception. I wish to express heartfelt thanks to the general membership, the Board of Directors, management, staff and committees for their continued support during 2013. I encourage us all to continue to work together as we strive to accomplish our goals and objectives for 2014: the 50th year of existence.


.....
Bro. Aubrey Burgin
Treasurer

**General Employees’
Co-operative Credit Union Limited**
Financial Statements
Year Ended December 31, 2013

Contents

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. Kelvin Pompey– Vice President
Mr. Aubrey Burgin - Treasurer
Mr. Ronnie Daniel
Miss Gemma Mc Cree-Clarke
Mr. Cecil Ryan
Mr. Jerold Jackson
Mrs. Cecelia Williams

SECRETARY

Dr. Mineva Glasgow

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, 2013, and the statement of changes in members' equity, statement of profit or loss and other 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 expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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 (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, 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

March 11, 2014

General Employees' Co-operative Credit Union Limited
Statement of Financial Position
As of December 31, 2013

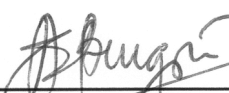
4

	Notes	2013 \$	2012 \$
ASSETS			
Cash resources	7	20,196,191	23,710,667
Investment securities	8	29,457,655	24,614,544
Loans to members	9	96,624,034	91,339,757
Other assets	10	631,777	550,895
Investment properties	11	15,358,660	15,358,660
Property, plant and equipment	12	4,571,584	4,370,176
		<u>166,839,901</u>	<u>159,944,699</u>
LIABILITIES AND MEMBERS' EQUITY			
Liabilities			
Other payables	13	3,077,559	3,358,232
Members' deposits	14	73,115,286	72,191,431
Members' ordinary savings	15	79,511,378	56,378,839
		<u>155,704,223</u>	<u>131,928,502</u>
Members' Equity			
Permanent share capital	16	5,334,904	4,529,050
Statutory reserve	17	8,817,877	26,155,639
Revaluation reserve		511,915	511,915
Social development fund	18	201,431	2,065,992
Statutory development fund	19	30,000	30,000
Unrealised gain on investments		401,916	401,916
Accumulated deficit		(4,162,365)	(5,678,315)
		<u>11,135,678</u>	<u>28,016,197</u>
		<u>166,839,901</u>	<u>159,944,699</u>

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

APPROVED ON BEHALF OF THE BOARD: -


 Clarence Harry
 President


 Aubrey Burgin
 Treasurer


 Dr. Mineva Glasgow
 Secretary

General Employees' Co-operative Credit Union Limited

Statement of Changes in Members' Equity

For the Year Ended December 31, 2013

5

	Note	Share Capital	Statutory Reserve	Revaluation Reserve	Social Development Fund	Statutory Development Fund	Unrealised Gain on Investments	Accumulated Deficit	Total
		\$	\$	\$	\$	\$	\$	\$	\$
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		0	40,032	48,187	0	0	0	0	88,219
Balance as of December 31, 2012		4,529,050	26,155,639	511,915	2,065,992	30,000	401,916	(5,678,315)	28,016,197
Net income for the year		0	0	0	0	0	0	2,107,661	2,107,661
Net increase in permanent shares		529,107	0	0	0	0	0	0	529,107
Social development fund net		0	0	0	335,439	0	0	0	335,439
Entrance fees		0	1,365	0	0	0	0	0	1,365
Appropriations		0	526,915	0	0	0	0	(526,915)	0
Transfer adjustment -									
South Rivers Credit Union		0	(1,303)	0	0	0	0	0	(1,303)
Transfer to member shares		0	(20,000,000)	0	0	0	0	0	(20,000,000)
Transfer from social development fund		0	2,200,000	0	(2,200,000)	0	0	0	0
Dividend declared		239,288	0	0	0	0	0	(239,288)	0
Over accrual of prior period dividend		0	0	0	0	0	0	174,492	174,492
Transfer from ULP Credit Union	28	9,250	(117,568)	0	0	0	0	0	(108,318)
Transfer from Georgetown Mount									
Coke Methodist Circuit									
Co-operative Credit Union	27	28,209	52,829	0	0	0	0	0	81,038
Balance as of December 31, 2013		5,334,904	8,817,877	511,915	201,431	30,000	401,916	(4,162,365)	11,135,678

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

General Employees' Co-operative Credit Union Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended December 31 2013

6

	Notes	2013 \$	2012 \$
Income			
Loan interest		8,940,483	9,039,411
Investment income - net	20	1,298,550	1,348,139
		<u>10,239,033</u>	<u>10,387,550</u>
Interest Expense		3,679,092	4,500,934
Net Interest Income		<u>6,559,941</u>	<u>5,886,616</u>
Increase in allowance for loan loss, less recoveries	9.3	222,764	215,174
		<u>6,337,177</u>	<u>5,671,442</u>
Income from Investment Properties	11	198,840	251,045
		<u>6,536,017</u>	<u>5,922,487</u>
Selling Expenses	21	208,921	218,890
General and Administrative Expenses	22	2,633,547	2,632,742
Staff Cost	23	2,029,037	1,914,875
		<u>1,664,512</u>	<u>1,155,980</u>
Other Income (Expenses)			
Commission income		68,769	66,334
Income on death benefit plan - net	24	240,340	160,880
Miscellaneous income		135,095	56,272
Loss on disposal of property, plant and equipment		(1,055)	(332)
		<u>443,149</u>	<u>283,154</u>
Net Profit for the Year		<u>2,107,661</u>	<u>1,439,134</u>
Other Comprehensive Income			
Loss on remeasuring available-for-sale financial investments		0	0
Comprehensive Income for Year		<u>2,107,661</u>	<u>1,439,134</u>
The following expense is included in the foregoing:-			
Depreciation	12	208,152	277,079

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

General Employees' Co-operative Credit Union Limited
Statement of Cash Flows
For the Year Ended December 31, 2013

7

	Notes	2013 \$	2012 \$
Cash Flows from Operating Activities			
Net profit for the year		2,107,661	1,439,134
Adjustments for			
Depreciation		208,152	277,079
Loss on disposal of equipment		1,055	332
Operating Profit before Changes in Operating Assets and Liabilities		<u>2,316,868</u>	<u>1,716,545</u>
(Increase) Decrease in Operating Assets			
(Increase) decrease in loans to members		(5,284,277)	23,429
(Increase) decrease in other assets		(80,882)	78,427
Increase (Decrease) in Operating Liabilities			
Increase in members' deposits		923,855	2,667,122
Decrease in other payables		(280,673)	(1,166,651)
Increase in members' ordinary savings		<u>3,132,539</u>	<u>3,122,467</u>
Net Cash Generated from Operating Activities		<u>727,430</u>	<u>6,441,339</u>
Cash Flows from Financing Activities			
Net increase in social development fund		335,439	366,944
Increase in permanent share capital		805,854	875,045
Entrance fees		1,365	1,358
(Decrease) increase in statutory reserve from credit union takeovers		(66,042)	88,219
Dividend paid on permanent shares		<u>(64,796)</u>	<u>0</u>
Net Cash Generated from Financing Activities		<u>1,011,820</u>	<u>1,331,566</u>
Cash Flows from Investing Activities			
Purchase of plant and equipment		(410,615)	(195,534)
Net movement in investment securities		<u>(4,843,111)</u>	<u>1,654,329</u>
Net Cash (Used in) Generated from Investing Activities		<u>(5,253,726)</u>	<u>1,458,795</u>
(Decrease) Increase in Cash and Cash Equivalents		<u>(3,514,476)</u>	<u>9,231,700</u>
Cash and Cash Equivalents - Beginning of Year		<u>23,710,667</u>	<u>14,478,967</u>
Cash and Cash Equivalents - End of Year	7	<u>20,196,191</u>	<u>23,710,667</u>

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

General Employees' Co-operative Credit Union Limited

Index to Notes to the Financial Statements

Note 1	Incorporation
Note 2	Principal Objectives and Activities
Note 3	Date of Authorization of Issue
Note 4	Significant Accounting Policies
Note 5	Financial Risk Management
Note 6	Critical Accounting Estimates and Judgements
Note 7	Cash Resources
Note 8	Investment Securities
Note 9	Loans to Members
	9.1 Loans to Members Impairment Analysis
	9.2 Allowance for Loan Losses
	9.3 Allowance for Impairment on Loans
Note 10	Other Assets
Note 11	Investment Properties
Note 12	Property, Plant and Equipment
Note 13	Other Payables
Note 14	Members' Deposits
Note 15	Members' Ordinary Savings
Note 16	Permanent Share Capital
Note 17	Statutory Reserve
Note 18	Social Development Fund
Note 19	Statutory Development Fund
Note 20	Investment Income - Net
Note 21	Selling Expenses
Note 22	General and Administrative Expenses
Note 23	Staff Cost
Note 24	Income on Death Benefit Plan – Net
Note 25	Income Tax
Note 26	Staff Retirement Benefit Plan
Note 27	Transfer of Assets of Georgetown Mount Coke Methodist Circuit Co-operative Credit Union Ltd.
Note 28	Transfer of Assets of Unity Labour Party Co-operative Credit Union Ltd.
Note 29	Related Party Transactions

1. Incorporation

The General Employees' Co-operative Credit Union Limited was registered on July 14, 1964 and its activities are subject to the provisions of the Co-operative Societies Act, 2012. The Credit Union's operations are subject to the supervision of the Financial Services Authority.

Effective May 31, 2013, the Credit Union acquired the net assets of the Georgetown Mount Coke Circuit Co-operative Credit Union Limited and Unity Labour Party Co-operative Credit Union Limited. On December 31, 2013, the Georgetown Mount Coke Circuit Co-operative Credit Union Limited and Unity Labour Party Co-operative Credit Union Limited were dissolved.

2. Principal Objective and Activities

The principal objectives of the Credit Union is to promote thrift and savings among its members, and make 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 March 11, 2014.

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, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB).

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 2013

In the current year, the Credit Union has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on January 1, 2013.

- **IFRS 13, 'Fair Value Measurement'** – IFRS 13 was issued in May 2011. This new standard aims to improve consistency and reduce complexity by providing precise definition of fair value, provides the framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies both to financial and non-financial instruments for which other IFRSs require or permit fair value measurement and disclosures about fair value measures, except in specified circumstances.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

4. Significant Accounting Policies (Cont'd)

a. Basis of Presentation (Cont'd)

Standards, Interpretations and Amendments to Existing Standards Effective in 2013 (Cont'd)

• **IFRS 13, 'Fair Value Measurement' (Cont'd)**

IFRS 13 requires prospective application from January 1, 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the standard in comparative information provided for periods before the initial application of the standard. In accordance with these transitional provisions the Credit Union has not made any new disclosures required by IFRS 13 for the 2012 comparative period. The application of IFRS 13 has not had any material impact on the amounts recognized in the financial statements.

- **IFRS 7 – 'Financial Instruments: Disclosures' – Offsetting Financial Assets and Financial Liabilities -** 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.

The Credit Union does not have any offsetting arrangements in place. The application of the amendments has had no material impact on the disclosures or on the amounts recognised in the financial statements.

- **IAS 1 (Revised), 'Presentation of Financial Statements'** – The amendment to IAS 1, issued in June 2011, requires additional disclosures to be made in the other comprehensive 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.

Under the new amendments to IAS 1, the statement of comprehensive income is renamed as "statement of profit or loss and other comprehensive income". The application of the amendments to IAS 1 did not result in any impact on the Credit Union's profit or loss, other comprehensive income and total comprehensive income.

Standards, Interpretations and Amendments to Existing Standards Effective for reporting periods on or after January 1, 2013, but not Relevant

The following standards are not relevant to the Credit Union's operations

- **IFRS 10, 'Consolidated Financial Statements'**
- **IFRS 11, 'Joint Arrangements'**
- **IFRS 12, 'Disclosure of Interest in Other Entities'**
- **IAS 19, 'Employee Benefits'**

4. Significant Accounting Policies (Cont'd)

a. Basis of Presentation (Cont'd)

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

The Credit Union has not applied the following new and revised IFRSs that have been issued but are not yet effective.

- **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 carried 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. The Credit Union anticipates that the application of IFRS 9 in the future will not have a significant impact in amounts reported in respect of financial assets and financial liabilities.
- **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 has legally enforceable right of set-off’ and that some gross settlement systems may be considered equivalent to net settlement. The Credit Union does not anticipate the application of the amendments to IAS 32 will have a significant impact on the financial statements as it does not have significant financial assets and financial liabilities that qualify for offset.

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 profit or loss.

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.

4. Significant Accounting Policies (Cont'd)

c. Property, Plant and Equipment (Cont'd)

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 profit or loss. When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

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

d. Investment Properties

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

	2013 \$	2012 \$
Deposits with commercial banks	18,989,082	22,947,859
Investment securities	29,457,655	24,614,544
Loans to members	96,624,034	91,339,757
Other assets	631,777	550,895
	<u>145,702,548</u>	<u>139,453,055</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 reporting 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

	2013 \$	2012 \$
Cash on hand	1,207,109	762,808
Current account	9,878,284	5,510,543
Special savings	9,110,798	17,437,316
	<u>20,196,191</u>	<u>23,710,667</u>

The effective interest rate on special savings is 3.04% (2012: 3.04%)

All cash resources are denominated Eastern Caribbean Currency.

8. Investment Securities

	2013 \$	2012 \$
SECURITIES HELD-FOR-TRADING		
2.999% Government of St. Lucia treasury bills, maturity January 31, 2014	309,322	0
6% Government of Grenada treasury bills, maturity August 30, 2014	1,000,000	0
3% Government of St. Vincent and the Grenadines treasury bills, maturity February 20, 2014	992,821	0
6% Government of Grenada treasury bills, maturity July 18, 2013	0	942,025
6% Government of St. Lucia treasury bills, maturity January 14, 2013	0	987,066
3.25% Government of Dominica treasury bills, maturity March 4, 2013	0	993,922
3.25% Government of St. Vincent and the Grenadines treasury bills, maturity March 8, 2013	0	991,922
3.990% Government of St. Vincent and the Grenadines treasury bills, maturity March 21, 2014	994,845	0
5% Government of St. Lucia treasury bills, maturity February 14, 2014	1,000,000	0
2.990% Government of St. Lucia treasury bills, maturity February 7, 2014	992,330	0
Total Securities Held-for-Trading	5,289,318	3,914,935

General Employees' Co-operative Credit Union Limited
Notes to the Financial Statements
For the Year Ended December 31, 2013

19

8. Investment Securities (Cont'd)

	2013 \$	2012 \$
SECURITIES AVAILABLE-FOR-SALE		
Bank of St. Vincent and the Grenadines Limited shares – at FMV	99,965	0
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	276,195	274,064
Eastern Caribbean Co-operative Central Limited- at cost	15,000	15,000
SVG Small Business and MicroFinance Co-operative Society Ltd. (COMFI)	715,050	97,098
Total Securities Available-for-Sale	1,556,597	836,549
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	60,000	80,000
7.5% 10 years fixed rate bond, repayable in semi-annual instalments of \$15,000, maturity September 26, 2017	120,000	150,000
8.5% 10 years fixed rate bond, maturity September 11, 2018	245,095	298,859
8% 7 years fixed rate bond, maturity March 12, 2016	535,714	750,000
	960,809	1,278,859
Colonial Life Insurance Credit Union 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 Credit Union 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
Notes to the Financial Statements
For the Year Ended December 31, 2013

20

8. Investment Securities (Cont'd)

	2013 \$	2012 \$
SECURITIES HELD-TO-MATURITY (Cont'd)		
Credit Union Central Finance Facility		
4% Certificate of deposit, maturity December 31, 2014	1,134,126	1,090,506
5% Certificate of deposit, maturity December 31, 2014	45,169	0
	<u>1,179,295</u>	<u>1,090,506</u>
Bank of St. Vincent and the Grenadines Limited		
5% fixed deposit, maturity April 1, 2014	4,641,918	4,420,874
5% fixed deposit, maturity February 3, 2014	2,358,628	2,246,312
	<u>7,000,546</u>	<u>6,667,186</u>
St. Vincent Building and Loan Association		
5% Certificate of deposit	20,008	0
	<u>20,008</u>	<u>0</u>
St. Vincent Co-operative Bank Limited		
3.5% Certificate of deposit, maturity December 31, 2014	83,800	80,673
3.5% Certificate of deposit, maturity August 12, 2014	1,035,000	1,000,000
	<u>1,118,800</u>	<u>1,080,673</u>
CIBC-FirstCaribbean International Bank Limited		
1% Certificate of Deposit, maturity October 1, 2014	1,103,894	1,092,964
	<u>1,103,894</u>	<u>1,092,964</u>
St. Vincent Teachers' Co-operative Credit Union Limited		
6% Certificate of deposit, maturity December 31, 2013	0	45,179
	<u>0</u>	<u>45,179</u>
SVG Small Business and MicroFinance Co-operative Society Ltd. (COMFI)		
4.5% deposit, maturity November 15, 2014	500,000	0
	<u>500,000</u>	<u>0</u>
First Citizens Investment Services Limited		
5.25% Certificate of deposit, maturity December 27, 2014	1,245,423	1,183,300
3.75% Certificate of deposit, maturity October 13, 2014	2,000,000	0
5.25% Certificate of deposit, maturity December 27, 2014	1,174,235	1,115,663
	<u>4,419,658</u>	<u>2,298,963</u>
Total Securities Held-to-Maturity	<u>22,611,740</u>	<u>19,863,060</u>
	<u>29,457,655</u>	<u>24,614,544</u>

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

	2013 \$	2012 %
SVG Small Business and Micro-Finance Co-operative Society Ltd. (COMFI)	4.50	0.00
St. Vincent Teachers Co-operative Credit Union Limited	0.00	6.17
Government of St. Vincent & the Grenadines 10 years fixed rate bonds	8.24	8.23
Government of St. Vincent & the Grenadines 7 years fixed rate bond	8.16	8.16
St. Vincent Co-operative Credit Union League	4.00	4.00
St. Vincent Co-operative Bank Limited	3.50	3.54
CIBC-FirstCaribbean International Bank Limited	1.00	2.53
Bank of St. Vincent & the Grenadines Limited	5.11	5.11
St. Vincent Building and Loan Association	5.00	0.00
First Citizens Investment Services Limited	4.57	4.75

8. Investment Securities (Cont'd)

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

	2013	2012
	\$	\$
One year	21,650,931	18,584,201
From 1 – 5 years	960,809	980,000
Over 5 years	0	298,859
	<u>22,611,740</u>	<u>19,863,060</u>

Investment securities are denominated in the following currencies:-

	2013	2012
	\$	\$
ECD	28,925,928	24,029,653
BDS	286,032	286,032
USD	245,695	298,859
	<u>29,457,655</u>	<u>24,614,544</u>

During the year, the fair value of securities available for sale increase by Nil (2012: Nil).

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

	2013	2012
	\$	\$
Consumer loans	57,971,604	55,819,772
Computer loans	68,526	58,350
Mortgage loans	37,621,546	34,564,172
Student loans	3,345,177	3,366,278
Interest receivable thereon, net	1,023,098	1,178,501
	<u>100,029,951</u>	<u>94,987,073</u>
Allowance for loan losses	<u>(3,405,917)</u>	<u>(3,647,316)</u>
	<u>96,624,034</u>	<u>91,339,757</u>

The effective interest yield during the year on loans to members was 9.3% (2012: 9.6%).

9.1 Loans to Members Impairment Analysis

Loans and advances are summarised as follows: -

	2013	2012
	\$	\$
Neither past due nor impaired	87,536,287	82,187,156
Past due but not impaired	6,536,598	8,806,938
Impaired	5,957,066	3,992,979
Gross	<u>100,029,951</u>	<u>94,987,073</u>
Less: allowance for impairment	<u>(3,405,917)</u>	<u>(3,647,316)</u>
Net	<u>96,624,034</u>	<u>91,339,757</u>

General Employees' Co-operative Credit Union Limited
Notes to the Financial Statements
For the Year Ended December 31, 2013

22

9. Loans to Members (Cont'd)

9.2 Allowance for Loan Losses

	2013 \$	2012 \$
Balance - Beginning of Year	3,647,316	3,426,935
Allowance for loan impairment (note 9.3)	231,000	225,168
Allowance for loan impairment transferred ULP and Mt. Coke Credit Union	7,902	0
Loans written off during the year as uncollectible	(480,301)	(4,787)
Balance - End of Year	3,405,917	3,647,316

9.3 Allowance for Impairment on Loans

	2013 \$	2012 \$
Increase in allowance for losses (Note 9.2)	231,000	225,168
Recoveries	(8,236)	(9,994)
	222,764	215,174

As of reporting date, interest of \$497,470 (2012: \$571,224) was suspended on loans amounting to \$7,297,502 (2012: \$6,152,735).

10. Other Assets

	2013 \$	2012 \$
ATM receivables	103,948	156,921
Interest receivable on investment securities, net	331,698	283,830
Rent receivable	47,667	48,217
Prepaid expenses	37,023	20,812
Staff receivables - Net	2,096	1,673
Western Union receivables	41,858	29,842
Other	145,732	82,845
	710,022	624,140
Allowance for impairment of other receivables	(78,245)	(73,245)
	631,777	550,895

All other assets are denominated in Eastern Caribbean Currency.

11. Investment Properties

	2013 \$	2012 \$
Carrying value at beginning of year	15,358,660	15,358,660
Carrying value at end of year	15,358,660	15,358,660

Rental income from investment properties amounted to \$198,840 (2012: \$251,045) and direct operating expenses amounted to \$992 (2012: \$43,164).

Income from investment properties are as follows: -

	2013 \$	2012 \$
Rental Income	198,840	251,045

General Employees' Co-operative Credit Union Limited

23

Notes to the Financial Statements

For the Year Ended December 31, 2013

12 Property, Plant and Equipment

	Land \$	Building \$	Furniture & Equipment \$	Motor Vehicle \$	Total \$
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
Year Ended December 31, 2013					
Opening net book amount	1,225,644	2,935,229	209,301	2	4,370,176
Additions	147,991	0	262,624	0	410,615
Disposal	0	0	(1,055)	0	(1,055)
Depreciation charge	0	(61,127)	(147,025)	0	(208,152)
Closing net book amount	1,373,635	2,874,102	323,845	2	4,571,584
At December 31, 2013					
Cost or valuation	1,373,635	3,056,356	1,541,691	130,110	6,101,792
Accumulated depreciation	0	182,254	1,217,846	130,108	1,530,208
Net book amount	1,373,635	2,874,102	323,845	2	4,571,584

Depreciation expense of \$208,152 (2012: \$277,079) has been charged to general and administrative expenses.

13. Other Payables

	2013 \$	2012 \$
Accounts payable and accrued liabilities	975,969	925,324
Dividends payable	0	174,492
Interest payable on fixed deposits	1,156,153	1,186,763
Interest payable on member share savings	945,437	1,071,653
	<u>3,077,559</u>	<u>3,358,232</u>

Other payables are denominated in Eastern Caribbean currency.

General Employees' Co-operative Credit Union Limited
Notes to the Financial Statements
For the Year Ended December 31, 2013

24

14. Members' Deposits

	2013 \$	2012 \$
Term deposits	50,533,409	52,177,594
Saving deposits	22,581,877	20,013,837
	73,115,286	72,191,431

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

	2013 %	2012 %
Term deposits	4.23	4.37
Saving deposits	3.16	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
	2013 \$	2012 \$
Issued Capital		
1,066,980 (2012: 905,810) \$5.00 non-redeemable members' shares	5,334,904	4,529,050

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

Pursuant to the provisions of Article XIV (66) of the By-Laws, 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 shall be credited to a reserve account. The reserve may be applied, with the sanction of the Financial Services Authority, to meet either bad debts or extraordinary losses

	2013 \$	2012 \$
Balance – Beginning of Year	26,155,639	25,754,465
Entrance fees received in current year	1,365	1,358
Appropriation for the year	526,915	359,784
Transfer to members' redeemable shares	(20,000,000)	0
Transfer of statutory reserve from South Rivers Co-operative Credit Union Ltd.	(1,303)	40,032
Transfer of general reserve from Georgetown Mount Coke Methodist Circuit Co-operative Credit Union Ltd.	52,829	0
Transfer of general reserve from ULP Co-operative Credit Union Ltd.	(117,568)	0
Transfer from Social Development Fund	2,200,000	0
Balance - End of Year	8,817,877	26,155,639

17. Statutory Reserve (Cont'd)

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.

	2013 \$	2012 \$
Balance – beginning of year	2,065,992	1,699,048
Contribution received	434,380	406,100
Benefits paid	(98,941)	(39,156)
Transfer to statutory reserve	(2,200,000)	0
Balance – end of year	201,431	2,065,992

19. Statutory Development Fund

	2013 \$	2012 \$
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

	2013 \$	2012 \$
Dividend	12,731	12,765
Interest earned	1,285,819	1,335,374
	1,298,550	1,348,139

21. Selling Expenses

	2013 \$	2012 \$
Advertising	43,859	68,848
Donations	59,534	40,566
Heritage month expenses	5,426	3,066
Scholarships	95,455	93,677
School co-operative expense	722	6,374
Social assistance expense	3,925	6,359
	208,921	218,890

General Employees' Co-operative Credit Union Limited

26

Notes to the Financial Statements

For the Year Ended December 31, 2013

22. General and Administrative Expenses

	2013 \$	2012 \$
50 th Anniversary celebration	1,048	0
ATM card embossing cost	7,213	6,083
Audit fee	54,050	53,920
Bad debts – rent and other	5,000	61,013
Bank charges	4,392	6,888
Cash losses due to theft	106,967	0
Credit Union week	15,891	15,484
Depreciation	208,152	277,079
Education and promotion	1,330	18,993
Electricity	144,429	143,610
General insurance	52,118	46,815
Georgetown branch expenses	102,983	85,045
Grenadines expenses	113,995	84,793
Honorarium	9,600	9,600
Insurance on members' shares and loans	700,229	678,862
International year of co-operatives 2012	650	49,046
League dues	127,065	119,584
Licensing fees	49,209	35,264
Meeting expenses	55,000	42,397
Miscellaneous expenses	14,569	41,437
Motor vehicle expense	27,418	36,424
Professional fees	43,726	81,744
Property tax	8,164	4,775
Repairs and maintenance	102,291	149,671
Security	114,652	113,105
Social events	42,820	31,896
Stationery and office supplies	156,074	158,646
Subscriptions and membership dues	3,302	6,024
Telephone	104,616	108,209
Travel and subsistence	125,698	85,505
Water and sewerage	24,128	20,680
Convention and summit	106,768	60,150
	<u>2,633,547</u>	<u>2,632,742</u>

23. Staff Cost

	2013 \$	2012 \$
Education assistance	2,835	3,240
Group medical insurance	69,025	65,701
Holiday grant	0	2,500
Housing allowance	4,800	4,800
Pension	78,054	72,960
National Insurance contributions	61,693	57,397
Salaries, wages and bonus	1,666,409	1,560,148
Staff training	67,168	62,136
Travel and entertainment allowances	56,128	50,850
Uniforms	22,925	35,143
	<u>2,029,037</u>	<u>1,914,875</u>
Number of employees as of reporting date	45	40

24. Income on Death Benefit Plan – Net

	2013	2012
	\$	\$
Members' death benefit contributions during the year	532,340	508,880
Death benefit claims paid during the year	292,000	348,000
	<u>240,340</u>	<u>160,880</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

The Credit Union has a defined contribution retirement plan for eligible full-time employees which is administered by Colonial Life Insurance Credit Union (Trinidad) Limited, CLICO. Pursuant to the provisions of the plan, the Credit Union is required to contribute four per cent (4%) of each qualifying employee's salary to the plan.

27. Transfer of Assets of Georgetown Mount Coke Methodist Circuit Co-operative Credit Union Ltd.

Effective December 31, 2013, the Board of Directors by resolution dated May 14, 2013, agreed to the transfer of assets, liabilities and equity of the Georgetown Mount Coke Methodist Circuit Co-operative Credit Union Ltd., 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 of \$568,709 and \$81,038 respectively, as at December 31, 2013.

28. Transfer of Assets of Unity Labour Party Co-operative Credit Union Ltd.

Effective December 31, 2013, the Board of Directors by resolution dated May 14, 2013, agreed to the transfer of assets, liabilities and equity of the Unity Labour Party Co-operative Credit Union Ltd., to the General Employees Co-operative Credit Union Limited. This has resulted in an increase in the assets and decrease in the equity of the General Employees Co-operative Credit Union Limited of \$32,661 and (\$108,318) respectively, as at December 31, 2013.

29. Related Party Transactions

A party is related to the Credit Union if the party has control over the Credit Union or the party has significant influence over the Credit Union or is a member of the key management personnel.

The Board of Directors, committees and staff of the General Employees Co-operative Credit Union Limited are considered as related parties.

a. Loans and Deposits

	2013	2012
	\$	\$
Loans		
Directors and volunteers	3,804,536	3,008,858
Staff	3,701,678	3,935,675
	<u>7,506,214</u>	<u>6,944,533</u>

29. Related Party Transactions

a. Loans and Deposits (Cont'd)

	2013 \$	2012 \$
Deposits		
Directors and volunteers	914,584	667,489
Staff	520,430	466,294
	<u>1,435,014</u>	<u>1,133,783</u>

b. Key Management Compensation

	2013 \$	2012 \$
Salaries	570,660	553,864
National Insurance Services	14,039	14,021
	<u>584,699</u>	<u>567,885</u>

THE CREDIT COMMITTEE'S REPORT TO THE 48TH ANNUAL GENERAL MEETING

1.0 Introduction

1.1 The under-mentioned persons continue to serve on the Credit Committee for the year 2013:

- * Sis. Elsa Wynne
- * Bro. Harold Lewis
- * Sis. Marla Mulraine
- * Bro. Colin Sam

1.2 Bro. Linus Goodluck and Bro. Michael Sayers were duly elected at the 47th Annual General Meeting to serve on the Credit Committee.

1.3 Sis. Elsa K. Wynne retired from the Committee in 2013.

1.4 Bro. Harold Lewis was elected as Chairman; Bro. Colin Sam as Deputy Chairman and Sis. Marla Mulraine, as Secretary.

2.0 Meetings and Attendance

2.1 For the calendar year 2013, a total of seventy one (71) regular meetings were convened and thirty nine (39) site visits were made.

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

	2013
Sis. Elsa Wynne	23
Bro. Harold Lewis	69
Bro. Colin Sam	66
Sis. Marla Mulraine	62
Bro. Linus Goodluck	44
Bro. Michael Sayers	42

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.
- Review the performance of the mortgage portfolio
- 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.
- Discuss the concerns raised at the meeting with the FSA
- Discuss the recommendations arising from the meeting with the FSA.
- Attend workshops facilitated by the FSA.
- Monitor the economic development in the local, regional and international markets.
- Work along with technical personnel.

3.1 The Credit Committee continues to be mindful of the financial challenges being faced by members from the spill-over effects of the lingering global financial crisis. These challenges have been compounded by recent natural disasters and employment difficulties that have threatened the financial sustainability of some of our members. To this end, the committee continues to oversee the loan portfolio with due diligence and financial prudence. This is reflected in the committee's continued emphasis on evaluating loans based on the five (5Cs) or canons of credit.

3.2 In light of the foregoing, the Credit Committee has also bolstered its governance responsibility by undertaking more in-depth analysis, monitoring and reporting on the performance of the entire loan portfolio as set out in **section (62)** of the Co-operative Societies Act of 2012.

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 2013

	2013		2012	
Particulars	No	Value	No	Value
Total loan applications processed	7637	\$46,434,338.00	7321	\$38,738,391.00
Total loan applications approved	7580	\$40,162,285.00	7261	\$32,991,770.00
Total loan applications deferred	25	\$2,787,854.00	13	\$1,111,249.00
Total loan applications not approved	32	\$3,484,199.00	47	\$4,635,372.00
Total loans approved	7580	\$40,162,285.00	7261	\$32,991,770.00
Total loans disbursed	7563	\$38,049,143.00	7251	\$31,415,798.00
Total loans undisbursed	17	\$2,113,902.00	10	\$1,575,972.00

4.1.1 Table 1 above reveals a 19.9% increase in the value of loans processed, as well as a 4.3% increase in the number of loans processed. The sub-categories comprising this heading include: total loans approved, which increased in both value and number; total loans deferred, which also registered in creases in both value and number. The loans not approved, showed a decrease in both value and number respectively.

4.2 The table below shows loans disbursed by type.

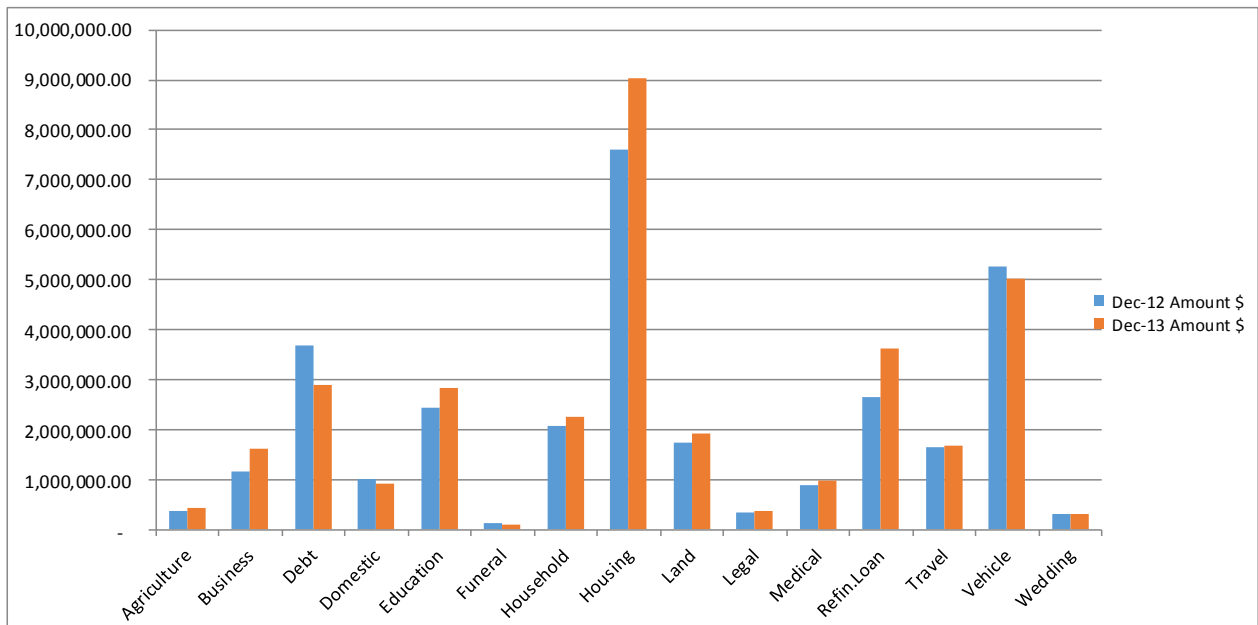
Table 2: Loans Disbursed by type

	Jan-Dec 2013			Jan-Dec 2012		
	No of	Amount	% of Total	No of	Amount	% of Total
	Loans	(\$)	Loan Value	Loans	(\$)	Loan Value
Agriculture	119	316,758.00	0.8	138	372,890.00	1.2
Business	250	1,122,782.00	2.9	255	1,177,620.00	3.7
Debt	1350	3,454,519.00	9.1	1619	3,676,687.00	11.7
Domestic	1241	1,697,335.000	4.5	911	1,020,196.00	3.2
Education	693	2,181,304.00	5.7	692	2,428,729.00	7.7
Funeral	44	89,022.00	0.2	46	143,543.00	0.5
Household	835	2,079,413.00	5.5	780	2,091,849.00	6.7
Housing	847	9,926,919.00	26.1	769	7,609,106.00	24.2
Land	79	3,918,058.00	10.3	48	1,754,709.00	5.6
Legal	88	263,567.00	0.7	85	360,219.00	1.1
Medical	473	860,792.00	2.2	486	905,267.00	2.9
Refin. Loan	277	4,798,475.00	12.6	111	2,653,429.00	8.4
Travel	470	1,906,520.00	5.1	507	1,654,330.00	5.3
Vehicle	728	5,128,969.00	13.5	730	5,265,254.00	16.8
Wedding	69	303,950.00	0.8	74	301,970.00	1.0
Total	7,563	38,048,383.00	100	7,251	31,415,798.00	100

4.2.1 During the period under review, the number of loans disbursed by sector type increased from \$31.42 million to \$38.05 million, representing an increase of 21.1 %. This figure exceeded the budgeted amount of \$25 million for the year by \$13.05 million. The sector that reflected the highest increase in percentage terms (an increase of 83.9%) was the purchase of lands. This was primarily driven by the reduction in the interest rate on lands from 12% to 8.75% per annum.

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

Chart 1: Loans disbursed by type for the period 2012-2013



5.0. Mortgage Financing Program (MFP)

5.1 The total value of the mortgage (housing) portfolio stood at \$37.62 million as at December 2013, representing 38.0% of the total loan portfolio, which amounted to \$99.01 million.

5.2 For the period under review, the number of mortgages approved totaled 61, which amounted to \$8.24 million, representing approximately 20.5% of the total loans approved. This performance outstripped that of the corresponding period, which showed the number of mortgages approved totaling 31, amounting to \$4.72 million, representing approximately 15% of the total loans approved. This was driven partly by a reduction in the interest rate on mortgages from 8.75% to 7.75%.

5.3 The committee continues to place emphasis on the monitoring of the mortgage portfolio with the aim of ensuring compliance and providing guidance to applicants. These efforts are primarily geared toward minimizing delinquency and curtailing cost overruns during the construction phase of projects.

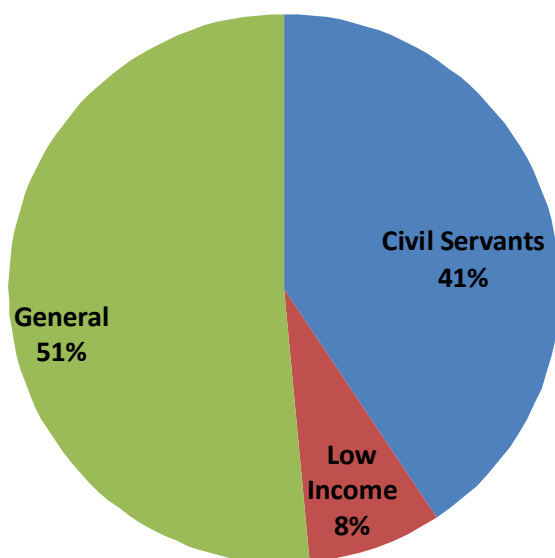
5.4 The table below shows the number and the value of the mortgage portfolio for the year 2013 in comparison to the year 2012.

Table 3: Mortgage portfolio by category

Category	No of loans	Value(\$)	Percentage	No of loans	Value(\$)	Percentage
Civil Servants	103	\$15,312,570.00	40.7	90	\$13,201,648.00	38
Low Income	39	\$2,935,636.00	7.8	34	\$2,836,203.00	8
General	146	\$19,373,242.00	51.5	144	\$18,526,324.00	54
TOTAL	288	\$37, 621,448.00	100	268	\$34,564,175.00	100

5.3.1 The distribution of mortgage portfolio for the fiscal year 20123is presented in the pie chart below.

Chart 2: Mortgage portfolio by category

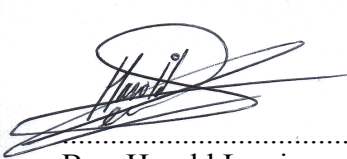


6.0 Delinquency Status

6.1 The Credit Committee is cognizant of its mandate to monitor the delinquency status of the loan portfolio as set out in section (62) of the Co-operative Societies Act of 2012 and further articulated by the Financial Services Authority (FSA). As such, an additional member of the Credit Committee is now part of the Recoveries Committee and the in-house Recoveries Department has been strengthened with additional human resource capacity. During the period under review, the Recoveries Department has aggressively undertaken a series of actions to address GECCU's delinquency status. All reports indicate that these interventions have been operationalized and are having an impact on reducing the delinquency position of GECCU.

7.0 Conclusion

- 7.1 The Committee is pleased that GECCU has continued to make meaningful and positive changes in the lives of its members throughout the year. This is evident by GECCU being able to exceed its loan disbursement budget by \$13.05 million. In light of this success, the committee has adopted measures that have strengthened its reporting, monitoring and evaluation techniques in accordance with section (62) of the Co-operative Societies Act of 2012 and upon recommendations made by the FSA.
- 7.2 Notwithstanding the foregoing, it is imperative that this committee continues to attract volunteers who will meaningfully add value to its function. We also recognize that the Credit Union, because of its philosophy and members it attracts, must continue to be compassionate and flexible. However, GECCU should always continue to be seen by its members and other stakeholders as a stable and well-managed financial institution.
- 7.3 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.



Bro. Harold Lewis
Chairperson



Sis. Marla Mulraine
Secretary

THE SUPERVISORY AND COMPLIANCE COMMITTEE'S REPORT TO THE 48TH ANNUAL GENERAL MEETING

1.0 INTRODUCTION

- 1.2 The Supervisory and Compliance Committee is satisfied that the General Employees' Co-operative Credit Union's operations and controls are in accordance with the Co-operative Societies Act and the organization's Bye-Laws.
- 1.3 At the 47th Annual General Meeting, Sis. Anika Stapleton and Sis. Lauramay Pope-Williams were elected to serve for a period of three (3) years.
- 1.4 The other members of the Committee are:
- Sis. Arlene Lewis
Sis. Colleen Thomas
Bro. Joel Poyer
- 1.5 The Internal Auditor, Sis Damoris Alexander, assisted the Committee in the implementation of its' work programme.
- 1.6 Sis. Arlene Lewis and Sis. Colleen Thomas 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 Fifteen (15) meetings were held with attendance as follows:

Sis. Arlene Lewis	14 meeting
Sis. Colleen Thomas	12 meetings
Sis. Anika Stapleton	14 meetings
Sis. Lauramay Pope-Williams	14 meetings
Bro. Joel Poyer	15 meetings

3.0 SCOPE OF WORK

- 3.1 The Supervisory and Compliance Committee's duties and responsibilities are detailed in the Cooperative Societies Act and GECCU's Bye-laws—inter alia: an examination of the books and documents pertaining to its functions and operations. This was complemented by random onsite visits to the head Ooffice and sub-offices.
- 3.2 In accordance with the relevant act and bye-laws, the Committee wishes to report its findings as follows:

4.0 HUMAN RESOURCES

- 4.1 The Committee wishes to commend the Board of Directors for including in the strategic plan 2014-2016, the intention to appoint a Deputy CEO to support the efforts of the CEO.

5.0 GENERAL SECURITY

- 5.1 A review of the general security measures was undertaken at GECCU's offices and the committee is satisfied that there were improvements in all aspects of security.

6.0 SUB OFFICES

- 6.1 The Committee visited sub-offices to review the operation and internal controls and they were found to be in compliance with the co-operative societies regulations and GECCU's bye-laws. In addition, most records were found to be in good order.

7.0 SOCIAL DEVELOPMENT FUND

- 7.1 A meeting between the Social Development Fund Committee and the Supervisory and Compliance Committee resulted in the revision of the guidelines regarding granting of funds. The Committee noted that grants were disbursed in accordance with stated guidelines.

8.0 LOANS & RECOVERIES

- 8.1 The loans portfolio was examined to ensure that the loans policy was consistently adhered to. The Loans Department liaised with the Recoveries Section in adequately addressing the delinquencies that existed. The Committee is satisfied that the staff at the Recoveries Section is making every effort to manage the level of delinquency.

9.0 MANAGEMENT LETTER

- 9.1 The Committee reviewed the 2012 Management Letter from the Auditors and is satisfied that corrective measures were taken and are ongoing, to address the issues raised by the Auditors and that GECCU is working assiduously to implement the recommendations made.

10.0 ACKNOWLEDGEMENT

- 10.1 The Supervisory and Compliance Committee extends sincerest appreciation to members, management, staff and all elected members for the opportunity given to them to serve GECCU through their involvement in the Supervisory and Compliance Committee.


.....
Sis. Arlene Lewis
Chairperson


.....
Sis. Colleen Thomas
Secretary

THE EDUCATION COMMITTEE'S REPORT TO THE 48TH ANNUAL GENERAL MEETING

1.0 Introduction

- 1.1** The Education Committee in collaboration with the Marketing Department during the period under review continued in their thrust to aid in achieving the overall strategic goals and objectives in the advancement of our beloved Credit Union. The Committee worked assiduously to achieve the below-listed objectives during 2013.

1.1.1 STRATEGIC OBJECTIVES

The following are the objectives that were developed in the year 2013,

- I. To achieve memberships' deposit (shares, ordinary deposit and fixed deposits) growth of 10%.
- II. To reactivate 1500 members
- III. To register a minimum of 2000 new members with 60% below the age of thirty (30) and from select employee groups.
- IV. To enhance our programmes of corporate responsibility and members' well being.
- V. To expand the range of services and to offer new ones including on-line transactions, point of sale and centralized services with the League.
- VI. To offer specially crafted range of services to the Grenadines.
- VII. To improve the quality of service to members through institutional restructuring, enhanced training and educational programmes for staff, committees and general membership
- VIII. To enhance youth participation in the programmes of the Credit Union by identifying and addressing their needs.
- IX. To improve the School Co-operatives Programme
- X. To advance plans and activities for the 50th anniversary.

- 1.2** The Committee comprised the following persons for the year 2013:

- Sis. Dionne John - Chairperson
- Sis. Ena Walters - Secretary
- Sis. Velda Gumbs
- Sis. Diana Browne
- Bro. Sylvester King
- Sis. Janice King
- Sis. Gemma Mc Cree-Clarke
- Bro. Claude Cambridge
- Bro. Richard Cumberbatch
- Bro. Kenneth Douglas
- Sis. Camilla Mandeville
- Bro. Andrew Bramble
- Sis. Mineva Glasgow
- Bro. Ronnie Daniel
- Sis Andra McMillan
- Sis. Cheryl Bacchus – Staff
- Bro. Anton Jardine – Staff
- Bro. Ryan Hazell – Staff
- Sis. Kathlyn Parsons - Staff
- Sis. Danny Lee Francis- Staff

1.3 In addition to the aforementioned, the following persons were added to the Education Committee to form the 50th Anniversary Committee;

- Bro. Joel Poyer
- Sis. Gillian Griffith -Recording Secretary
- Sis. Sandra Augustus
- Bro. Julian Joslyn -Staff
- Bro. Aubrey Burgin

1.4 Sis. Cheryl Bacchus, Senior Marketing Officer of GECCU, assisted with the execution of the assigned objectives of the Education Committee for the year until her transfer to the Loans Department in October 2013. Sis. Danny-Lee Francis was appointed as Senior Marketing Officer and assisted the Education Committee with the other activities scheduled for the duration of the year which included the launch of the 50th Anniversary Celebrations. The Education Committee takes this time to salute the contribution made by Sis. Cheryl Bacchus to the Marketing Department and by extension the Education Committee. She has been an integral part of the many activities that were successfully completed by the committee over the years. Additionally, the Committee will like to congratulate and welcome Sis. Danny Lee Francis.

2.0 Meetings

2.1 The Committee met every second Monday of each month; several other ad- hoc/ sub- committee meetings were also convened over the period to address specific issues and or concerns within the work plan and more specifically to plan the activities of GECCU's 50th Anniversary Celebrations in 2014. The sub-committees charged with the responsibility of planning activities for the 50th Anniversary are History and Legacy, New Services, Awareness and Education, Youth, New Services, Social Events and Corporate and Social Responsibility.

3.0 Activities

The planned activities set by the committee for the year included the following:

Promotional Drives

- 3.1 Members of the Committee facilitated a presentation at the closing ceremony of the AGANAR Programme graduation ceremony for persons of the age of group 15 – 35. In the presentation, these young persons were introduced to the many services that the Credit Union offers.
- 3.2 The Committee also successfully held a Town Hall meeting at Colonarie. The meeting was not only used as a membership drive, but it was also used to inform members and potential members of the plan that GECCU has for the development of the community and surrounding areas. The Chief Executive Officer also updated those present on the progress of the new branch to be opened at South Rivers.
- 3.3 In an effort to enhance the presentations at the various symposium and other public awareness drives, the Committee created an animated booklet that will strengthen the delivery and advance the message of GECCU to its prospective members.
- 3.4 GECCU's Exercise Programme, which was launched on February 6th, 2012 continued apace. The programme facilitated by the Sports Department is held twice weekly at GECCU's office and caters to all staff, volunteers and general membership.
- 3.5 As part of GECCU's Health and Wellness Programme, a Fun Walk was introduced in 2013. Staff, volunteers, members and well- wishers converged on Heritage Square on March 14th for the walk which travelled through Kingstown, to Fort Charlotte via 9 Steps and back via Cox Heath, Montrose. The walk was very well attended with breakfast being served after. The walk is expected to become an annual event on GECCU's Calendar.

- 3.6 A symposium was held in September for tertiary level students at the SVG Community College. The Committee's team to the College included two new staff members who were recent graduates of the Institution. The Committee also continued its awareness programme in all of its sponsored schools; other schools will be added to this list to coincide with the 50th Anniversary in 2014.

4.0 50th Anniversary Celebrations

Activities for the 50th Anniversary commence during the month of October 2013 with a successful formal launching and the theme, **“Proud of the past...Prepared for the Future.”** A calendar of activities has been planned and will unfold throughout the celebratory period which will culminate in December 2014. Some of the activities planned include:

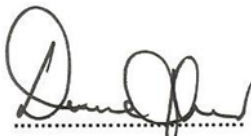
- Pioneer Lecture Series
- Exhibitions
- Youth Symposium
- Health and Fitness Walk
- Cultural Night “Sit & Sip”
- Inter Credit Union Sports
- Heritage Parade Float
- President’s Day
- Launch of New Products and Services

5.0 External Activities:

- The Committee participated in Financial Literacy Month activities.
- The Committee participated in the ECCB Mentorship Programme for Grade 4 pupils of the CW Prescod Primary School.
- The Committee participated in Workshop on Trade Unionism for 4th Form students at the Girls High School.
- Members of the Committee did a presentation on the products and services offered by the Credit Union to the Pentecostal Church at New Grounds and the Revival Centre Church at Murray’s Village.
- Bro Andrew Bramble attended the OECS Credit Union Summit in St. Kitts & Nevis on behalf of the Committee.
- Committee members represented GECCU at the annual Girls' High School Sports meet
- The Committee had a booth displaying its products and services at an exhibition hosted by the Ministry of Tourism and the Tourism Authority.

6.0 CONCLUSION

The Education Committee sincerely thanks the Board of Directors for their continued support and guidance. With this in mind we wish to reaffirm our commitment to the Committee and by extension the organization. In tandem with the Marketing Department, we will continue to work and seek out opportunities to make GECCU the first choice for its members and the public. The Education committee prides itself on achieving and giving 100% at all times. However, we were only able to achieve 90 % of our objectives outlined in the 2013 strategic work plan. A significant portion of our time and effort was devoted to the preparation and planning of the activities for the 50th Anniversary celebrations in 2014 as the 50th Anniversary in any organization is a significant milestone. We pray that everyone will work together to make the celebrations relevant and successful. Our thanks to the staff and other committee members for their assistance as we look forward to another successful year in 2014.



Sis. Dionne John
Chairperson



Sis. Ena Walters
Secretary

Serving Officers 2013/2014

Board of Directors

* Bro. Clarence Harry	- President
Bro. Kelvin Pompey	- Vice President
* Bro. Aubrey Burgin	- Treasurer
* Sis. Mineva Glasgow	- Secretary
Bro. Cecil Ryan	- Director
Sis. Gemma Mc Cree-Clarke	- Director
Bro. Jerold Jackson	- Director
Sis. Cecelia Williams	- Director
Bro. Ronnie Daniel	- Director

Credit Committee

*Bro. Harold Lewis	- Chairperson
Sis. Marla Mulraine	- Secretary
Bro. Colin Sam	- Member
Bro. Linus Goodluck	- Member
Bro. Michael Sayers	- Member

Supervisory Committee

*Sis. Arlene Lewis	- Chairperson
Sis. Colleen Thomas	- Secretary
*Bro. Joel Poyer	- Member
Sis. Lauramay Pope	- Member
Sis. Anika Stapleton	- Member

*Indicates members due to retire at this meeting.

NOTES



NOW AVAILABLE!!

Head Office:

Halifax House, Halifax Street

Tel: (784) 456-1963

Fax: (784) 456-1660

Email: info@geccu.com

Northern Grenadines:

Port Elizabeth, Bequia

Tel: (784) 458-3535

Fax: (784) 458-3673

Email: bequiaoffice@geccu.com

Southern Grenadines:

Clifton, Union Island

Tel: (784) 485-8214

Fax: (784) 485-8217

Email: unionoffice@geccu.com

Georgetown Branch:

Commercial Road, Georgetown

Tel: (784) 458-6476

Fax: (784) 458-6951

Email: gtownoffice@geccu.com

WWW.GECCU.COM

“Proud of the Past... Prepared for the Future”