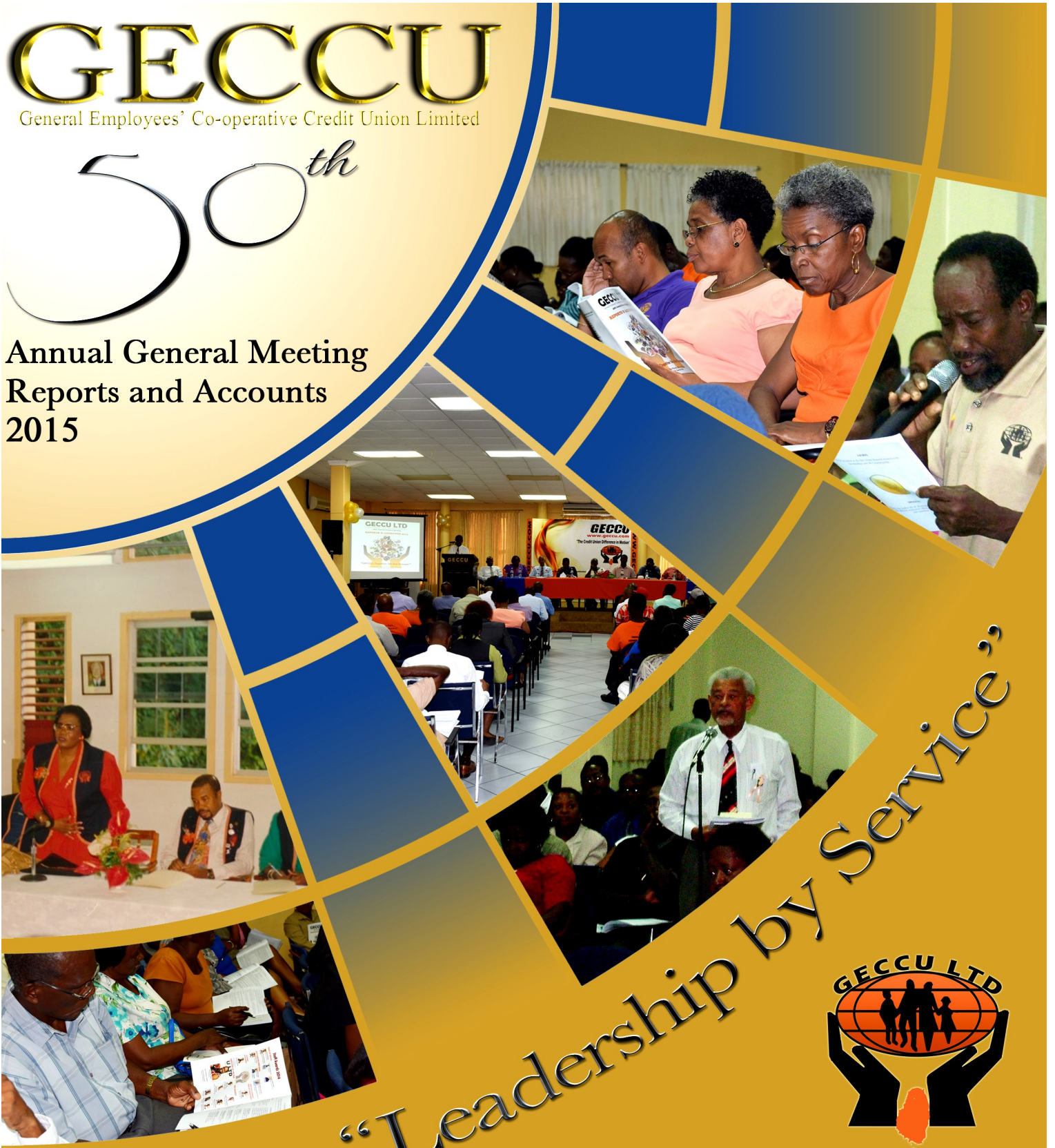


GECCU

General Employees' Co-operative Credit Union Limited

50th

Annual General Meeting
Reports and Accounts
2015



Theme: “Leadership by Service”



Tuesday 31 May, 2016 at 4:30pm
Methodist Church Hall
Kingstown

Credit Union Song

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

Chorus:

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

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

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

Credit Union Prayer

LORD, make me an instrument of Thy peace
Where there is hatred let me sow love.
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light and
Where there is sadness, joy.

O Divine Master, grant that I may not
So much seek to be consoled as to console;
To be understood as to understand,
To be loved as to love;
For it is in giving that we receive;
It is pardoning that we are pardoned
And it is in dying that we are born to eternal
life
Bless, O Lord our deliberations and grant that
whatever
We may say and do will have
Thy blessing and guidance through Jesus

Christ our Lord. Amen

National Anthem of Saint Vincent and the Grenadines

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

Refrain:

What e'er the future brings
Our faith will see us through
May peace reign from shore to shore,
And God bless and keep us true.

Hairoun! Our fair and blessed isle
Your mountains high, so clear and green,
Are home to me, though I may stray,
A haven, calm serene.

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

***Lyrics: Phillis Joyce Mclean Punnet
Music: Joel Bertram Miguel.***

VISION

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



MISSION

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

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NOTICE/AGENDA OF THE 50th ANNUAL GENERAL MEETING

Dear Members,

Notice is hereby given that the 50th Annual General Meeting of the General Employees' Co-operative Credit Union Limited is scheduled to take place on Tuesday 31 May, 2016 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 49th 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. Closing Exercise

Yours co-operatively,



Bro. Harold Lewis
Secretary
Board of Directors

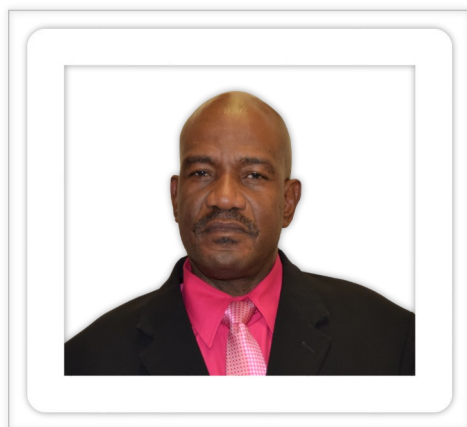
STANDING ORDERS

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

to the 50th Annual General Meeting



Building Capacity, Strengthening Resilience, Leveraging Assets.....embracing 2020

Members of the GECCU Family, other stakeholders and well wishers, I am pleased to report that notwithstanding the volatile economic environment in which we operate, our Credit Union GECCU has achieved commendable performance for the year ending December 31, 2015.

While the finer details of our achievements would be further articulated in the Board of Directors' report, Treasurer's report and other reports, permit me to highlight a few at this juncture.

1. During the year, GECCU wrote off the remaining balance of \$ 4,036,503 that remained as a result of the impaired CLICO investment. This action would significantly improve GECCU's financial performance and ensure GECCU is in full compliance with the requirements of the requisite accounting standards, as well as regulatory bodies.
2. As many of you would be aware, our delinquency rate was close to 10% just about three (3) years ago. I am pleased to report that during 2015 due to our combined efforts, our delinquency rate now stands at 5.5%.
3. Based on our current growth path our Credit Union is on target to achieve two hundred million in assets by the 2nd quarter of 2016.

Brothers and Sisters even while we celebrate the achievements of 2015, we must be cognizant of the fact that we must have a clear and uninterrupted view/vision for and of the future, in order to remain viable. The new and increasingly demanding regulatory environment, a dynamic technological landscape, an ever decreasing gap between the interest rate on which we lend and borrow funds, as well as intensified competition among institutions in the financial sector, have all impacted on and continue to influence the dynamics of our operation and existence.

In my assessment, developing the right mix of strategies to minimise the risks as well as realising the benefits from the opportunities presented by these factors will be key to our survival and growth.

As 2020 beckons, what should be our response to the issues confronting us? Faced with high levels of liquidity, shrinking interest spread and a restricted and limited investment landscape, what should be our strategic orientation to investment and risk taking?

The answer to this and other issues are multifaceted and diverse. However, from my vantage point, some of the key areas requiring targeted actions are as follows:-

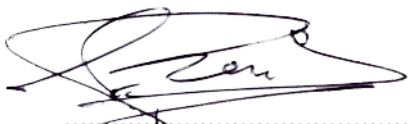
1. We must as a Credit Union review our products and services and their delivery systems as a continuous process. Market research and analysis must be key components of our operations if we are to remain appropriate and relevant to the changing needs and expectations of our members.
2. While embracing new technologies, processes and systems, we must ensure that we remain loyal to our core values and principles. We must be prepared to indoctrinate new members in such a way as to ensure that the co-operative philosophy of "People helping People" is passed on.
3. We must remain committed to the development of young people, since these are the ones who are going to sustain our operations in the future. Every effort should be made to identify their needs and develop products and delivery systems to serve this critical demographic.
4. As we continue to grow and develop as a financial co-operative operating in a small open developing island state, we must be prepared to tackle and address issues affecting the development of our people. This is even more important as it relates to issues concerning the vulnerable members of our society.

As president, I am pleased to inform you that your Credit Union GECCU from all indications is a strong and viable institution. The true test of our strength however, "the litmus test" would be how prepared we are to face the challenges of tomorrow and beyond. We must be inventive and assertive, think progressively, while embracing new ideas and paradigms.

Finally our business model must be flexible, nimble and highly proactive to the ever changing dynamics within our environment. I am confident that together our creative thinking, love for and commitment to our Credit Union, coupled with sustained performance improvement strategies, will enable us to continue to live our core philosophy of "People helping People".

I wish to express heartfelt thanks to the general membership, Board of Directors, Volunteers, Management and Staff for affording me the distinct privilege to serve this noble organization.

May our credit union continue to grow from strength to strength!



.....
Bro. Kelvin Pompey
President

MINUTES OF THE 49TH ANNUAL GENERAL MEETING OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNION LIMITED (GECCU) HELD AT THE KINGSTOWN METHODIST CHURCH HALL ON 31ST MARCH 2015 AT 4:30 PM

OPENING SESSION

PRESENT:	Bro. Kelvin Pompey	-	President
	Bro. Philmore Isaacs	-	Vice President
	Bro. Jerold Jackson	-	Treasurer
	Sis. Gemma Mc Cree-Clarke	-	Secretary
	Sis. Mineva Glasgow	-	Director
	Sis. Cecelia Williams	-	Director
	Bro. Ronnie Daniel	-	Director
	Bro. Cecil Ryan	-	Director
	Bro. Harold Lewis	-	Director
	Bro. Lennox Bowman	-	Chief Executive Officer

1.0 CALL TO ORDER

The President, Bro. Kelvin Pompey, called the meeting to order at 4:47 p.m.

2.0 PRAYER

Bro Ronnie Daniel led the meeting in prayer.

3.0 NATIONAL ANTHEM

An instrumental of the National Anthem was played

4.0 TRIBUTE

Bro Philbert John paid homage to past presidents who served GECCU during its 50 years of existence. He gave a brief historical background of their contributions during their leadership and commended founding members for the stalwart guidance and the legacy left for continuity.

One minute of silence was observed for members who passed away during the year.

5.0 APOLOGIES FOR ABSENCE

Apologies were made on behalf of Hon Frederick Stephenson, Bro. Lyndon George, Sis René Baptiste and Sis. Simone Murray.

6.0 WELCOME

In his welcoming remarks, the Chairman applauded members on their attendance at the 49th Annual General Meeting. He accentuated the theme: *“GECCU...Together we are Stronger!”*

His message was presented on the theme *“Fifty+..... And the journey now starts”*. He asserted that the greatest achievement was GECCU’s ability to become compliant with the regulations to hold the AGM within the required timeframe.

In reflection of the year 2014 he highlighted that -

- The gala 50th anniversary activities provided an opportunity to celebrate, give thanks and reflect on the past.
- A surplus of \$1,366,105 was achieved from operations.
- The greatest achievement for 2014 was the ability (through team work) to bring GECCU into compliance with the requirement of the Co-operative Societies Act No 12 of 2012; thereby, realizing a 15% net institutional capital.
- Two hundred million (EC\$200,000,000) dollars was attained in assets.

7.0 REMARKS- REGISTRAR OF CO-OPERATIVES BRO. CECIL JACKSON

Bro. Cecil Jackson, in his remarks on behalf of the Minister of Co-operatives, Hon Frederick Stephenson, commended GECCU on its achievements, successes and progress during the year 2014. He congratulated GECCU for the significant financial support provided to its members in areas such as education, agriculture, housing, domestic and land purchase loans, which totalled \$36.21million. He emphasized that financial assets, cash resources and investment securities increased. The figures were clearly impressive given the challenging economic times. Also, the membership base increased as new employees joined the labour force and it was significant to note that 62% of the new members were under the age of 30 years.

Bro. Jackson urged the management of GECCU to continue to serve its members by providing new and innovative services and stated that it was important for the credit union to utilize information technology to reach its membership at home and abroad. He further stated that the Ministry of National Mobilization, through the Co-operative Department, will continue to collaborate with GECCU and other credit unions with the schools' co-operatives thrift and agro-processing programmes in 2015.

8.0 GREETINGS- GUEST SOCIETIES

Greetings were received from the following fraternity societies:

- SVG Small Business and Microfinance Co-operative Limited (COMFI)
- Financial Services Authority
- SVG Co-operative League Limited
- St Vincent and the Grenadines Teachers' Co-operative Credit Union Limited
- St Vincent and the Grenadines Police Co-operative Credit Union Limited
- Kingstown Co-operative Credit Union Limited
- St Vincent Automotive Co-operative Society Limited
- Commercial Technical and Allied Workers Union
- Baptiste & Company Chambers

CLOSED SESSION

1.0 ASCERTAINMENT OF QUORUM

There were approximately 232 persons present.

Standing Orders

The Chairman drew attention to the Standing Orders listed on page 4 for the meeting procedure.

Agenda

The agenda was accepted as presented on a motion moved by Bro. Philbert John, seconded by Sis Viola Andrews.

2.0 MINUTES OF THE 48TH ANNUAL GENERAL MEETING - 29TH APRIL 2014

The minutes were taken as read on a motion moved by Bro. Cecil 'Pa' Jack, seconded by Bro. Philbert John.

There were no amendments to the minutes.

The minutes were confirmed on a motion moved by Bro. Cecil 'Pa' Jack, seconded by Bro. Aubrey Burgin.

3.0 MATTERS ARISING

The Chairman informed the meeting that the minutes of the Special General Meeting were included in the report but will not be discussed at the AGM. It will be discussed and confirmed at the next Special General Meeting.

Bro Cecil 'Pa' Jack recommended that, in future, the minutes of the Special General Meeting should be placed in the report as an appendix, given that it would not be discussed at the AGM.

The Chairman acknowledged the recommendation.

With reference to page 16, Bro Cecil 'Pa' Jack sought an update regarding renovations to the office at South Rivers, relevant insurances and security measures at the Georgetown sub-office, youth programmes and plans for the youth to contribute positively to GECCU.

In response, the Chairman reported that:

- The Georgetown sub-office was secured since the break-in: vaults, burglar bars and cameras were installed. The security of the building was significantly enhanced, but there were certain limitations to the structure since it was a leased building. An insurance coverage was in place for cash in transit. He emphasized that security measures were in place at all of the credit union's offices.
- Plans for the construction of the South Rivers office were in the final stages. The drawings were completed. GECCU was awaiting approval from the Planning Department. The ground breaking was expected to be done by June 2015.
- With regard to plans for the youth, the Chairman reported that the youth were being educated through the scholarship and loan programmes. They were also captured on the online facility and social media which were geared towards the youth. Additionally, strategies were ongoing to empower the youth towards entrepreneurship.

4.0 REPORTS AND ELECTIONS

(a) Board of Directors

(i) Board of Directors' Report

The Chairman guided the meeting through the report and highlighted the following:

- Some priority areas were accomplished: *Corporate Governance, Registration of New Members, Dormancy, Enhancement of Recoveries Programme, Human Resource Capacity Building which assisted members in fulfilling their housing needs, Strengthening of the movement nationally and regionally, access to GECCU's services, and financial sustainability and profitability;*
- 62% of new members were under the age of 30 and surpassed the target by 235;
- 1,907 member accounts were reactivated; compared to 1,595 members in 2013, which exceeded the targeted number by 907 members;
- Delinquency rate fell from 9.23% in 2013 to 6.99% in 2014;
- Work commenced on the joint project with NIS to develop 57 acres of lands at Peter's Hope. The first phase was scheduled to be completed on 31st March 2015. All efforts were being made to complete all phases early in 2016;

- Construction of GECCU's new headquarters in Kingstown - The first phase of the relocation of the existing office was a work-in-progress. The plan for the redesign and renovation of the former "*Reliance Pharmacy*" building was completed and work was due to start early in 2015;
- GECCU was the first Credit Union to launch online services. The website was upgraded to provide online access to the range of products and services;
- Members continue to access small business loans, technical assistance, training and other support from COMFI.
- During 2014, Assets grew by 7% and a Net Surplus of \$1,366,105 was realized.
- Loans disbursed grew by 5% during the period under review.
- Total membership stood at 38,953 members.
- Interest paid on members' Shares Savings was 1.5%. The proposed dividend on Equity Shares was 5%.

(ii) Social Development Fund

Bro. Michael Da Silva, Chairman of the Committee presented the report.

He noted that:

- A number of applications were received from members who were affected by the trough system in December 2013. Additionally, applications were received for medical assistance for local and overseas medical care. A total of 45 applications were received with 35 being approved.
- The committee recommended that an actuarial study be conducted on the sustainability of the GECCUMED and the Death Benefit Fund.
- Plans for 2015 included: interacting with organizations that cater to the needs of the aged and elderly; increasing the number of food basket distributions in 2015; and conducting Needs Assessments of applicants.

Corrections

Page 42: 6.1.3 Table with breakdown of the applications received and processed in 2014 will be reviewed as the Flood Line calculations were inaccurate.

(iii) Annual Scholarships to Secondary School

- Eleven (11) scholarships were given to students throughout St Vincent and the Grenadines.
- The Senior Marketing Officer/Youth Co-ordinator will continue work with the Youth Committee to develop ideas and products to assist the credit union in penetrating the youth market in St Vincent and the Grenadines.

The Board of Directors' Report was accepted on a motion moved by Bro. Clarence Harry, seconded by Bro. Philbert John.

Discussion

Bro Earl Bennett commended the Board for the positive performance during 2014. He questioned the flexibility of the shares to members.

The Chairman responded that members can withdraw the dividend paid on permanent/equity shares at the stipulated time. He encouraged members to invest in equity shares.

The suggestion to refer to the building as the former 'Reliance Pharmacy building' and not 'Reliance building' was taken.

Bro. Cecil 'Pa' Jack suggested that, in future, a report from the League and COMFI should be included in the report as an appendix. The suggestion was endorsed by Bro. Daniel Mc Millan. The Chairman acknowledged the suggestion.

With reference to Priority No 6 - page 36, Bro Cecil 'Pa' Jack enquired of the cost per square foot of the lands and the approximate number of houses to be built. Referring to Priority 7, Bro. Jack inquired as to how the amalgamation with the other credit unions will strengthen GECCU.

In his response, the Chairman stated that approximately 160 houses may be available as some of the lands at Peter's Hope were set aside for commercial use and a playing field. He added that the cost per square foot for the land was not yet available.

With regard to the amalgamation, it was noted that the merger with the smaller credit unions was expected to build a stronger credit union sector and also help to improve the administration of credit unions.

In response to Bro. Philbert John's question regarding the playing field, Bro Lennox Bowman, CEO, explained that the playing field was an exchange currently being worked on with the Government of SVG and GECCU. No decision was finalized.

Sis. Verlene Saunders requested an update on the status of GECCUMED, Death Benefit Fund and plans for the funeral home. The Chairman responded that the Death Benefit Fund remained viable as the pay-outs for funeral grants were less than the premiums collected. He noted that an actuarial study will be conducted on the sustainability of GECCUMED and the Death Benefit Fund in future.

The Chairman reminded the meeting that Alexander & Company Squared was engaged to conduct a feasibility study for the funeral home. The study will determine the viability of the project going forward.

Bro Mc Millan referred to the table of training programmes executed during the year and observed that there were no training programmes conducted by the League. He suggested that the League should be utilized more to conduct staff training.

The report of the Board of Directors was adopted on a motion moved by Bro. Philbert John, seconded by Bro. Joel Poyer.

(b) Treasurer's Report & Auditor's Report

The Treasurer's and Auditors' Reports were taken as read on a motion moved by Bro. Clarence Harry and seconded by Sis. Lauramay Pope.

(a) Treasurer's Report

Page 51: 2.5 Income: In the heading, "% change 2012 to 2013" was corrected to "2012 to 2011".

The Treasurer's Report was presented by Bro. Jerold Jackson. He referred to the year 2014 as an environment for competing interest rates from other financial institutions and capital re-structured programmes within some financial institutions, which created uncertainty among the general population. He stated that GECCU had to solidify itself within that environment and re-assured members that the credit union was in a strong financial position.

He drew attention to the following:

- Growth in Assets of 7% or \$12.4million;
- Transfer of equity shares in keeping with the standards outlined in the Co-operative Societies Act which resulted in a change of 276% in Share Capital in 2014;
- GECCU was fully capitalized owing to the requirement of the Act. Institutional capital stood at 17%;
- Loan interest income grew by 2%. In 2014, loan interest income was \$9,095,687 million;
- The net surplus for 2014 was \$1.3 million;
- GECCU intended to position itself to take advantages of the coming economic growth.

(c) **Auditors Report**

Ms Arianne Barnwell, Partner at BDO, presented the Auditors' Report for the year ended 31st December 2014.

She referred to the Auditors' opinion and said that GECCU was given an unmodified or clean audit opinion. The conclusions were drawn from the evidence that were collected during the audit. The financial statements were prepared in accordance with International Financial Reporting Standards.

She highlighted the following:

- Transfer of approximately \$15 million dollars from membership savings to share capital which was in compliance with the requirements of the Co-operative Societies Act with regard to institutional capital. It was noted that owing to the stronger capital base, GECCU had long term financial stability.
- Re-classification of the investment - land at Peter's Hope from investment properties to inventory. Previously the land was classified as investment properties because it was held for capital appreciation purposes but with the development of the land now for resale, it was required on the International Financial Reporting Standards to treat land as stock in trade.

Discussions

Bro. Mc Millan stated that he was not able to trace the revaluation reserve of \$511,000.00 and unrealized gain on investment of \$401,000.00 to any particular account as indicated in the financial report of 2013.

The Auditor referred him to the Balance Sheet, under Note 21 which showed the figure for Accumulated Other Comprehensive Income as \$913,831.00.

Bro. Mc Millan commented on the following:

- Loan interest income increased by \$155,204 and the actual loan portfolio was over by \$5 million. However, the delinquency fell by 2% from 9.23% to 6.99% but yet the yield on the loan portfolio seemed not to be in co-ordination with the reduction in the delinquency.

- He pointed to note 10.2 where loans amounting to \$1,012,200 were actually written off as uncollectible and observed that \$24,000 was recovered after being written off. Bro. Mc Millan urged management to continue to monitor the loan portfolio because he felt that the interest rate reduction caused the uncollectible.

On a motion moved by Bro Philbert John, seconded by Bro Daniel McMillan, the Treasurer's and Auditor's Reports were adopted.

(iii) **Election of the Board of Directors**

Board of Directors

The representatives from the Financial Services Authority (FSA) supervised the elections.

The Nominations Committee comprised: Sis. Verlene Saunders, Sis Gemma Mc Cree-Clarke and Bro. Clarence Harry.

The three (3) retiring directors were Bros. Jerold Jackson, Cecil Ryan and Sis. Gemma Mc Cree-Clarke.

The Nominations Committee nominated Bros. Jerold Jackson, Cecil Ryan and Brian Alexander.

Nominations from the floor:

Bro. Joel Poyer was nominated by Bro. Cecil 'Pa' Jack, seconded by Bro. Philbert John.

Bro. Michael Da Silva was nominated by Bro. Claude Cambridge, seconded by Asberth Williams.

Nominations were closed on a motion moved by Bro. Earl Bennett, seconded by Bro. Clarence Harry.

The results of the election were as follows:

Bro. Joel Poyer	77 votes
Bro. Cecil Ryan	71 votes
Bro. Jerold Jackson	107 votes
Bro. Michael Da Silva	101 votes
Bro. Brian Alexander	94 votes

Bros. Jerold Jackson, Michael Da Silva and Brian Alexander were duly elected to serve on the Board of Directors for the next three (3) years.

(d) **Report of the Credit Committee**

Bro. Colin Sam presented the report.

Having been previously circulated, the Credit Committee's report was taken as read.

Discussion

Referring to the composition of the credit committee of five persons which held seventy-four (74) meetings throughout the year and processed over 7,000 applications, Bro Philbert John questioned how the relatively small committee was able to process all the loans and how many of the applicants were interviewed.

In response, Bro Colin Sam stated that 7,500 applications went through the Loans Department and that the committee processed special loans, mortgages and land loans. He stated that in addition to the five (5) members on the committee, two (2) staff members were present at the meetings of the committee. The committee interviewed mortgagors along with their contractors to ensure that funds being invested by the credit union were well spent. He continued that site visits were carried out during the construction period and that the lands were viable.

(i) Election of the Credit Committee

Sis. Marla Mulraine and Bro. Colin Sam were due to retire at the meeting.

The Nominations Committee nominated Sisters Claudine Simmons and Marla Mulraine.

Nominations from the floor

Bro. Renato Gumbs was nominated by Bro. Colin Sam, seconded by Bro. Kelvin Williams.

Bro. Ricky Haynes was nominated by Bro. Michael Da Silva, seconded by Sis. Mineva Glasgow.

Nominations were closed on a motion moved by Bro. Michael Sayers, seconded by Bro Aubrey Burgin.

The results of the election were as follows:

Bro. Ricky Haynes	62
Bro. Renato Gumbs	76
Sis. Marla Mulraine	63
Sis. Claudine Simmons	35

Bro. Renato Gumbs and Sis. Marla Mulraine were duly elected to serve on the Credit Committee for the next three (3) years.

(e) Report of the Supervisory and Compliance Committee

Sis Lauramay Pope presented the report. She reported that the Supervisory and Compliance Committee was satisfied that GECCU’s operations and controls were in compliance with the Co-operative Societies Act No. 12/2012 and the organization’s bye-laws.

Sis. Pope drew attention to several items of the report.

- The credit union was mandated by the local regulatory body, FSA, to set up a re-capitalization fund in order for the institution to become compliant. This was successfully done. She commended GECCU on its achievement.
- The loans portfolio was examined and a sampling of applications were reviewed to ensure that the Loans policy and procedures were consistently adhered to. Loan Delinquency reports were also reviewed. She reported that the committee was satisfied that the Loans Department liaised with the Recoveries Section to adequately address the loan delinquency that existed. Sis. Pope said that the committee was also satisfied that staff within the Recoveries Section developed strategies to follow up and collect outstanding loan payments. She noted that efforts were being made to manage the level of loan delinquency in the credit union.
- Peter’s Hope Land Development Project – It was noted that the first phase of the project had commenced and that the committee liaised with GECCU’s management and the project-steering committee to ensure that the necessary contracts were finalized. All progress reports and other relevant documents were submitted as scheduled.
- She congratulated GECCU on the appointment of an Assistant Internal Auditor- a position that was pending and finally materialized.

Discussions

A question was raised regarding the frequency of the visits to the sub-offices and the procedure carried out during these visits.

Sis. Pope responded that the committee visited the sub-offices once every quarter (four times per year). However, in 2014, there were only three visits. She added that the visits were supervised by the Internal Auditor and relevant documents such as cash and loans were verified during the visits.

Bro Philbert John commended the Supervisory and Compliance committee for the arduous task, given the changes in the regulatory framework. He referred to the attendance table and said that it was a bit unusual to see certain members attending less than 50% of the meetings. He recommended that this aberration should be corrected in the future.

In her response, Sis Pope explained that two (2) members - Sisters Marva Robinson-Cato and Elsa Wynne were elected to serve in April 2014, hence the reason why their attendance was below 50%.

The report of the Supervisory and Compliance Committee was adopted on a motion moved by Bro Philbert John, seconded by Bro Joel Poyer.

(i) Election of Supervisory and Compliance Committee

Retiring from the Supervisory and Compliance Committee was Sis. Colleen Thomas.

The Nominations Committee nominated Sis. Colleen Thomas.

Nominations from the floor -

Sis Jacintha Payne was nominated by Sis Laurette Kelly, seconded by Bro. Kenneth Boucher.

Bro. Joshua Gibson was nominated by Bro Cecil 'Pa' Jack, seconded by Bro Philbert John.

Nominations were closed on a motion moved by Bro Clarence Harry, seconded by Sis Laurette Kirby.

The results of the election were as follows:

Bro Joshua Gibson:	49
Sis Jacintha Payne:	27
Sis Colleen Thomas:	39

Bro Joshua Gibson was duly elected to serve on the Supervisory and Compliance Committee for the next three (3) years.

(f) Report of the Education Committee

Correction

On page 84 under **Strategic Objectives**, the following was inserted as the 4th bullet:

To strengthen the adherence of the credit union's philosophy and principles more broadly and consistently among the members and the staff.

Bro. Clarence Harry presented the report. Having been previously circulated, the report was taken as read.

The following points on the accomplishment of the committee for the year ending December 2014, were highlighted:

- The Education Committee, selected by the Board of Directors comprised of the following officers: Bro Clarence Harry - Chairperson, Sis. Dionne John – Deputy Chairperson, and Sis. Ena Walters - Secretary.
- The 50th Anniversary Committee, a sub-committee of the Education Committee, comprised of the following persons: Bro. Aubrey Burgin, Bro. Andrew Bramble and Sis Gillian Griffith.
- The Education Committee also worked closely with the Marketing Department.
- The Committee's work plan was guided by the objectives set by the Board of Directors.

Accomplishments

- **To strengthen protection mechanisms and procedures:-** This objective was achieved through a series of workshops and training sessions as reflected in the Board of Directors' report.
- **To increase membership:-** The committee employed various approaches to achieve its objective i.e. targeted persons 25 years and younger; sending mass messages using an e-platform; meeting with returning nationals and other similar types of initiatives which resulted in 2,235 registered members of the credit union.
- **To improve the quality and accessibility of services and products to members:-** The e-platform was used to reach members locally and internationally. Activities such as 50th anniversary celebrations and lectures were streamed live for the first time in 2014.
- **To strengthen GECCU's commitment to the development of the co-operative sector:-** The committee worked with the Registrar of Co-operatives/Co-operative Department to strengthen the Teacher Guide and School Co-operatives Programmes, and also the schools' agriculture business project.
- **To compile activities and implement plans for the 50th Anniversary celebrations:-** The committee was preparing an anniversary magazine that should be ready within the next quarter. The appropriate cost for the magazine was \$24,000.00.

Discussion

Bro. Philbert John commended the Education Committee for its comprehensive work in training and marketing activities during 2014.

He sought an explanation on 'Presidents' Day' as was mentioned in the report and asked if the magazines and lectures would be made available in PDF format or online.

Bro. Harry responded that the lectures were archived but one was copyright and may not be accessible. A PDF version of the magazine was being discussed and will be finalized by the Board of Directors. He added that the 'Presidents' Day was an innovative activity where GECCU recognized and interviewed presidents who were alive and served the organization during its fifty (50) years of existence. It was reported that the interviews were broadcasted live on NBC Radio 705 and streamed live on the internet.

Bro Earl Bennett also commended the committee, Board of Directors and members for a job well done over the year. He also commended the Board of Directors for increasing the number of scholarships awarded, and added that two (2) of the recipients who placed 3rd and 6th respectively were expected to receive awards from the Ministry of Education.

The report of the Education Committee was adopted on a motion moved by Bro Philbert John, seconded by Bro Earl Bennett.

5.0 **Auditors**

A motion to retain BDO as the Auditors for the next financial year was moved by Bro. Philbert John, seconded by Bro. Daniel Mc Millan.

Nominations were closed on a motion moved by Bro. Asberth Williams, seconded by Bro. Philbert John.

The Auditors, BDO were retained unopposed.

FSA representative, Mr. Gary Matthias said that due diligence will be done by the FSA for all elected members at the AGM.

6.0 **NEW BUSINESS**

The Chairman recognised the stability and vibrancy of the Credit Union as a result of the 50th anniversary celebrations. He highlighted the university bursaries which were awarded to three (3) members as part of the celebrations. He also stressed on the continued marketing of GECCU.

The Chairman welcomed the newly elected members to the Board of Directors – Bros. Jerold Jackson, Michael Da Silva and Brian Alexander. He noted that unelected members' skills will be utilized as much as possible to enhance GECCU.

It was recommended and accepted that first time members will be recognized at subsequent AGMs.

Bro. Earl Bennett commented that based on perceptions, the nomination pool becomes narrowed and some members are side-lined. He recommended that more outreach should be done to encourage members to attend AGMs.

The Chairman applauded the suggestion and explained that the Town Hall meetings convened by the credit union were a way of promoting the organization, and members were being encouraged to serve as volunteers on committees so that they can advance the growth and development of their credit union.

Bro Philbert John reminded the meeting that while the Nominations Committee makes its selection, voting was still democratic and therefore one had the right to exercise freedom of choice. He also stated that being a part of any committee was solely dependent on members and their participation.

Sis Patricia John remarked that having all members attend AGM meetings was not practical because there was not enough space to accommodate everyone. She, however, agreed that more members should participate in the business of the credit union as each member may have specific skills that can be utilized

There being no other business, the meeting ended at 8:20 p.m. on a motion moved by Bro Clarence Harry, seconded by Bro Earl Bennett.

Read and signed as a true record this day of 2016

.....
Secretary

.....
President

**BOARD OF DIRECTORS' REPORT
TO THE 50TH ANNUAL GENERAL MEETING**

Board of Directors 2015



Sis. Mineva Glasgow
Vice President



Bro. Jerold Jackson
Treasurer



Bro. Harold Lewis
Secretary



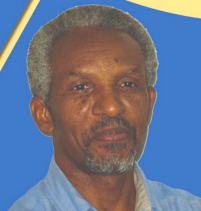
Bro. Ronnie Daniel
Director



Bro. Michael Da Silva
Director



Sis. Cecelia Williams
Director



Bro. Philmore Isaacs
Director



Bro. Brian Alexander
Director



Bro. Lennox Bowman
CEO



Bro. Kelvin Pompey
President



“Leadership by Service”

1.0 Introduction

Fellow Co-operators,

- 1.1 Shareholders, Members of All Committees, Staff, Brothers and Sisters, the Board of Directors is pleased to present the report on the operations of GECCU Ltd for the period January 1st to December 31st, 2015.

Economic Experience

- 1.2 This report examines the operations against the background of development challenges that impacted the Credit Union sector during the period.
- 1.3 Preliminary estimates on the performance of the economy during the period show a real marginal growth of 0.8 percent.
- 1.4 The Board and the Management of GECCU constantly reviewed the strategies, tasks and operation to keep abreast of the changes taking place in the environment. More specifically, the issues of increased regulations, declining income, changing demographics, increased competition from new and existing entities and increasing operating expenses were focused on.
- 1.5 Notwithstanding the above challenges and the many projects undertaken during the year, GECCU was able to hold strong to our Credit Union philosophy and provided service excellence to all our stakeholders.

3.0 Board of Directors

- 3.1 At the 49th Annual General Meeting, three new members, Brothers Michael Da Silva, Brian Alexander and Jerold Jackson were elected to the Board.
- 3.2 At its first meeting, the Board of Directors elected Bro. Kelvin Pompey – President, Sis. Mineva Glasgow-Vice President, Bro. Jerold Jackson – Treasurer, and Bro. Harold Lewis - Secretary.

The full Board of Directors comprises the following:

Bro. Kelvin Pompey	-	President
Sis. Mineva Glasgow	-	Vice President
Bro. Harold Lewis	-	Secretary
Bro. Jerold Jackson	-	Treasurer
Sis. Cecelia Williams	-	Director
Bro. Philmore Isaacs	-	Director
Bro. Ronnie Daniel	-	Director
Bro. Michael Da Silva	-	Director
Bro. Brian Alexander	-	Director

3.3 Meetings and Attendance

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

Table 1: Summary of Attendance of Board of Directors

Names	Regular	Special	GRAND
	TOTAL (11)	TOTAL (5)	TOTAL(16)
Bro. Kelvin Pompey	11	5	16
Sis. Mineva Glasgow	10	4	14
Bro. Harold Lewis	8	5	13
Bro. Jerold Jackson	10	3	13
Sis. Cecelia Williams	8	3	11
Bro. Philmore Isaacs	10	5	15
Bro. Ronnie Daniel	10	4	14
Bro. Michael Da Silva	10	4	14
Bro. Brian Alexander	10	5	15

4.0 PERFORMANCE RELATED TO PRIORITY AREAS

- 4.0.1 The Board of Directors established eight (8) priority issues to be addressed during the year. The management team and staff then developed a detailed implementation 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: CORPORATE GOVERNANCE

- 2.1 The International credit union operating principles founded in the philosophy of co-operation and its central values of equality, equity and mutual self help, continue to be the main focus of GECCU's operations.
- 2.2 During the period under review GECCU endeavoured to ensure that all statutory obligations were observed and the close working relationships with the SVG Co-operative League, the Co-operative Department, the Financial Intelligence Unit and our regulators, the Financial Services Authority were maintained.
- 2.3 GECCU's strong culture of compliance was heavily supported by a robust program established and executed by our Management, Internal Audit Department and the Supervisory and Compliance Committee. The Board of Directors and Management continue to place special emphasis on monitoring and reporting systems, thereby ensuring that communication flow in all directions within the organization was achieved in a timely and effective manner.

The continued review of existing policies and the establishment of new and relevant policies continued throughout the year.

The policies reviewed included: the Loans Policy; the Investment Policy and the Anti-money Laundering and Counter Financing of Terrorism Policy.

New policies established and operationalized included: Disaster Management and Business Continuity Plan; HIV and AIDS workplace Policy; and Workplace Wellness policy.

- 2.4 Even as GECCU is proud of the work done in this important area, the critical issues of external, internal and individual governance will remain strategic priorities for the credit union.

4.2.1 PRIORITY 2: REGISTRATION OF NEW MEMBERS

- 4.2.1.1 During the period under review, **2,267** new members/depositors were registered; the targeted number for this period was 2,000.

While we recognize that such encouraging figures cannot continue indefinitely given the size of our population, 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 continued need for our products and services, as well as the sustained confidence in our Credit Union.

Strategies continued in the pursuit of membership growth include:

- a) Enlisting the help of volunteers/liaison officers.
- b) Increased use of social networks, our website and Mobile app
- c) Intensifying the schools' outreach programme
- d) Greater segmentation of markets

GECCU continues to open many “first accounts” for unbanked Vincentians.

- 4.2.1.2 Our focus on the recruitment of youth continues. We are pleased to report that **63%** of our new members are under the age of 30. The target set for the year was 60%. This clearly demonstrates that marketing to our youth continues to be successful and that we remain an attractive alternative for our young people.
- 4.2.1.3 Total membership/depositors of the credit union now stands at **37,083**.

Table 2: Breakdown of new membership/depositors by age

AGE	Number of Persons	Percentage
Junior Savers	629	28
16-30	801	35
31-40	348	15
41-50	262	12
51-60	192	8
60+	35	2
TOTAL	2,267	100

During the period, three (3) organizations also joined GECCU as depositors.

4.1.3 PRIORITY 3: DORMANCY

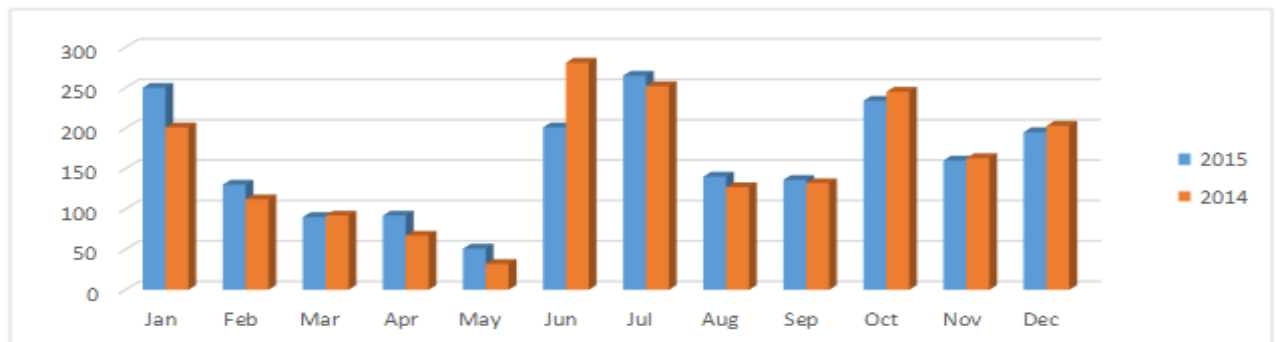
4.1.3.1 The issue of Dormancy again received proactive focus in 2015.

Notwithstanding the depressed economic climate, our focus on rehabilitation of dormant accounts was quite successful.

4.1.3.2 During the year, **1,944** members were re-activated with total receipts of **\$446,100.52**. This compares with **1907** members and receipts of **\$428,664.76** in 2014. The targeted number of reactivated accounts set for the year was 1,000.

4.1.3.3 In this same period GECCU undertook an extensive review of its dormant accounts. Notwithstanding the 1,944 members' accounts which were re-activated there were 3,633 accounts which had to be deleted from our membership. These accounts had minimal balances, did not meet the qualifying share value for membership and lay dormant for in excess of 5 years despite our frequent attempts to contact these members. A record of these accounts has been kept by the Credit Union for future reference, should these individuals contact any of our offices.

Table 3: Comparison of 2015 & 2014 Re-activated Accounts



4.1.4 PRIORITY 4: ENHANCEMENT OF RECOVERIES PROGRAMME

4.1.4.1 During the period under review, GECCU's Board of Directors, Credit Committee, Management and Staff all agreed to pursue certain growth strategies as indicated in our three-year strategic plan and detailed in our annual workplan. It was however clear to all, that growth for the sake of growth is not always in the best interest of the Credit Union and its members. This was certainly more-so in the case of loan underwriting. Throughout the year great emphasis was placed on achieving quality growth.

4.1.4.2 Training in the awareness and understanding of our financial and economic environment was a top priority and steps towards improved data mining were undertaken with enhanced usage of improved technology. As a consequence of the enhanced proactive and responsive approaches to the administration of loans, along with our continued focus on financial counselling, we are pleased to report that our delinquency fell from 6.99% in 2014 to 5.5% as at the end of December 2015.

4.1.5 PRIORITY 5: HUMAN RESOURCE CAPACITY BUILDING

4.1.5.1 GECCU continues to invest in the development of its human resource at all levels of the organization. These initiatives have been impacting positively on our efforts to deliver on our strategic objectives and on our 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. In this regard, succession planning is viewed as a strategic imperative.

4.1.5.2 GECCU will continue to recruit and develop top talent as a priority and will also continue to implement incentives to keep employees and volunteers motivated and productive.

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 4: Staff Training - Workshop and Seminars (In-house)

Seminar Title	Participant	Date	Facilitator
Delinquency Management - Collection Processes - Financial Counselling	Loans Department Staff Recoveries Committee Credit Committee Internal Audit Department Staff	February 16	Lennox Bowman - Chief Executive Officer– GECCU
Anti-Money Laundering/ Counter Financing of Terrorism	Members of Staff Supervisory and Compliance Committee	February 18	Kozel Creese & Latisha Sandy – Legal Officers, FIU
Emortelle V.9 Upgrade	Members of Staff	April 14 – 16	Denecia Edmund, Business Analyst, MSD
Lending Considerations	Loans Department Staff and other members of staff	November 10	Mr. Lennox Bowman – Chief Executive Officer - GECCU

SIMULATION EXERCISES

Simulation Title	Participant	Date	Facilitator
Evacuation Drill	Staff based at Kingstown Office	July 16, 2015	Mr. Stanley Harris – Engineer, VINLEC; Volunteer - GECCU
Use of Fire Extinguisher	Members of Staff	July 16, 18, 22	Mr. Stanley Harris – Engineer, VINLEC; Volunteer – GECCU

EX- HOUSE

Seminar Title	Participant	Location	Date	Resourced by
Legal and Business Aspects of Insurance	Junelto James	St. Vincent & the Grenadines	January 19 - 30	Insurance Institute of the Caribbean
ECCU Credit Bureau Sensitization	Julian Joslyn	St. Vincent and the Grenadines	February 2	Eastern Caribbean Central Bank/ International Finance Corporation
Standard Accountabilities and Reporting Obligations	Damoris Alexander Maxine Johnney Karen Mulraine Rhonda Thompson Anika Stapleton Elsa Wynne	St. Vincent and the Grenadines	February 12	SVG Co-operative League Ltd

Table 5: Staff Training - Workshop and Seminars (Ex-house)

Seminar Title	Participant	Location	Date	Resourced by
Customer Relationship Management for Executive Officers	Danny-lee Francis Elias Francis Karen Mulraine	St. Vincent and the Grenadines	February 26	Eastern Caribbean Central Bank
Fraud Risk Management & Investigative Interviewing	Damoris Alexander Maxine Johnney Karen Mulraine Rhonda Thompson	St. Vincent and the Grenadines	March 2 & 3	Caribbean Institute of Forensic Accounting
Caribbean Development Educator (CaribDE 17)	Melissa Millington	Dominica	March 15 - 21	NCUF/CCCU
Supervisory Management	Leslie Joseph Melissa Millington Charissa Pitt	St. Vincent and the Grenadines	March 18 (13 weeks)	UWI Open Campus
Building Capacity in Trade in Services	Julian Joslyn	St. Vincent and the Grenadines	May 18 & 19	Ministry of Foreign Affairs, Foreign Trade, Commerce and Information Technology
Caribbean Development Educator (CaribDE18)	Karen Mulraine	Barbados	May 24 - 30	NCUF/CCCU
International Credit Union Development Educator	Danny-lee Francis	Denver, Colorado	July 12 - 15	WOCCU
Directors and Supervisors Leadership Development Symposium	Dir. Mineva Glasgow Dir. Harold Lewis Damoris Alexander Maxine Johnney Cornelia Moses Karen Mulraine Rhonda Thompson	St. Vincent and the Grenadines	August 14	SVG Co-operative League Ltd
Supervisory Management	Cheryl Bacchus Sarah Commissiong Adinga Findlay	St. Vincent and the Grenadines	September 14 (13 weeks)	UWI Open Campus
Caribbean Development Educator (CaribDE19)	Sharlene Charles	St. Lucia	September 20 - 26	NCUF/CCCU
Customer Service – “Super Stars in the Workplace”	Ketora Browne Keisha Johnson	St. Vincent & the Grenadines	October 13	Professional Secretarial and Consultancy Services Inc.
“People Helping People: Insurance and the Credit Union Way”	Damoris Alexander Cecile Fraser-Gibson Ryan Hazell Bernadette John Rhonda Thompson	St. Vincent & the Grenadines	October 21	SVG Co-operative League Limited
Fundamentals of Customer Service	Khandé Henry	St. Vincent & the Grenadines	November 16	SVG Chamber of Industry and Commerce Inc. & Business Logistics

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

4.1.6.1 For many years GECCU has been accepting that one of the main requirements of our members is the satisfaction of their housing needs.

During the period under review much attention has been given to such needs in a variety of ways:

1. Assisting with funding and advice regarding house renovations.
2. Assisting members who do not have title to the lands they occupy, to obtain these titles. The staff continues to work closely with Housing and Land Corporation re: Low and Middle Income Housing for members; also with Lawyers re: the issue of the Possessory Title Act.
3. Mortgage products continue to be in high demand and GECCU has outsourced the services of professionals in this area to assist our staff, thereby enhancing the underwriting process for mortgages. Much attention is paid to home ownership advice, and frequent field visits to projects and proposed purchases are undertaken by our hardworking Staff and Credit Committee.
4. Regarding the joint project with NIS to develop 57 acres (GECCU 30 acres and NIS 27 acres) of lands at Peter's Hope, the first phase of this development was completed in April of 2015. The second phase of the project is scheduled to start in July 2016. Notwithstanding the challenges associated with a joint project of this magnitude, GECCU is determined to ensure that this project must conform to all standards of a model housing development. This project is scheduled to be completed by the end of 2017.

4.1.7 PRIORITY 7: STRENGTHENING OF THE MOVEMENT NATIONALLY AND REGIONALLY

4.1.7.1 GECCU recognizes that our credit union sector is founded on the principles of :

- Volunteerism
- Democracy
- Members' economic participation
- Concern for Community
- Co-operation among Co-operatives
- Education training and information

4.1.7.2 As our credit union continues to grow in its critical areas of Assets, Savings, Membership, Liquidity etc, GECCU recognizes the challenges facing the sector to ensure that the credit union's development continues at a pace which is commensurate with its ever increasing growth.

4.1.7.3 In this regard, GECCU continues to demonstrate leadership in this area. Apart from the active support for the activities of the League, the Financial Services Authority, the Co-operative Department and COMFI, GECCU continues to be a willing resource to sister credit unions and non-credit union co-operatives locally, regionally and internationally.

4.1.7.4 Currently, GECCU is actively involved in the process regarding the operationalization of the new credit union regulations for the OECS territories.

4.1.7.5 GECCU has also been working along with the Financial Services Authority in the endeavour to establish and operationalize a stabilisation fund for the credit union sector in St. Vincent and the Grenadines.

4.1.7.6 GECCU continues to play its part in the administration of SVG Small Business and Micro-finance Co-operative Ltd (COMFI). Bro. Clarence Harry and Sis. Cecelia Williams are GECCU's representatives on COMFI's Board . Bro. Lennox Bowman sits on the Credit Committee and Sis. Rhonda Thompson also sits on the Supervisory and Compliance Committee.

4.1.7.7 GECCU was also well represented at the OECS Credit Union Summit in Montserrat and the CCCU Convention in Mexico.

4.1.8 PRIORITY 8: ACCESS TO GECCU SERVICES

- 4.1.8.1 GECCU recognizes that access to financial services is one of the keys to alleviating poverty and achieving sustainable growth.
- 4.1.8.2 In St. Vincent and the Grenadines 60-80% of our population lives in rural areas which are widely dispersed. The main income activities still centre around agriculture, fishing and construction. Making financial services available to these communities not only creates jobs, but also assists with the general standards of housing, education and life in general.
- 4.1.8.3 During the period under review design plans for our new office at South Rivers were approved and construction is expected to start in April 2016. This office will be available to serve South Rivers, Park Hill, Colonaire and surrounding areas.
- 4.1.8.4 After seventeen years of operating in Canouan on a two-day per month basis, the decision was taken to open a permanent full-time office there. This office will offer the full range of our services and is scheduled to be opened in May of 2016.
- 4.1.8.5 In September 2015, GECCU concluded the purchase of the building in Kingstown which formerly housed the CIBC headquarters and later the CENTREX Store. It is the thinking of GECCU Ltd that this building will be transformed into a very attractive head-office for GECCU's operations. The Property Management Committee of GECCU is now in the process of considering the elements of structure, design and cost following which a report will be sent to the Board of Directors for discussion and decision.
- 4.1.8.6 These initiatives clearly indicate GECCU's commitment to providing our members access to safe, sound, inclusive, and comparable services.
- 4.1.8.7 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.
- 4.1.8.9 Additionally, our members continue to access a full spectrum of small business loans, technical assistance, training and other support from COMFI. We hope that this will contribute to the establishment of many sustainable businesses in St. Vincent and the Grenadines.

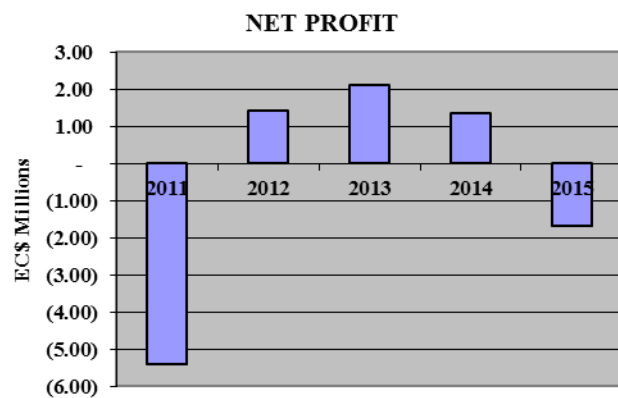
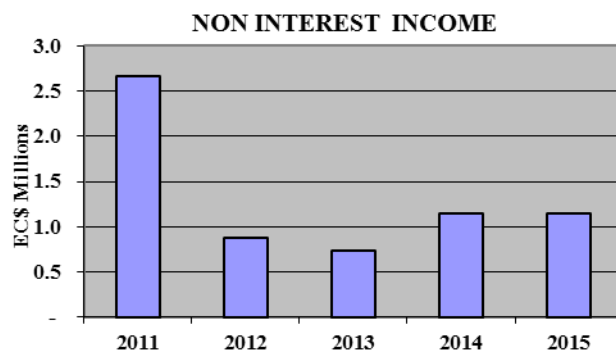
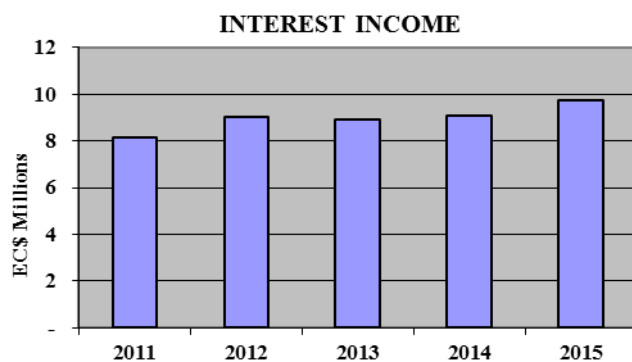
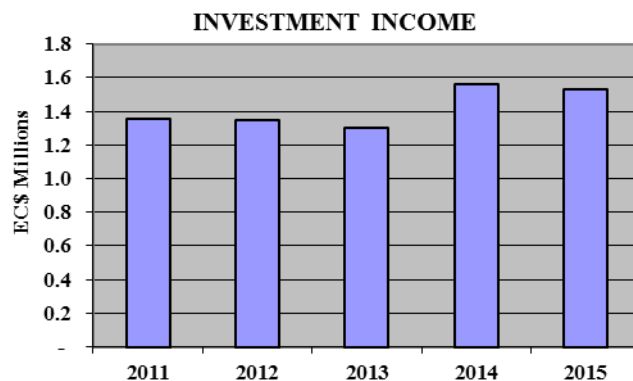
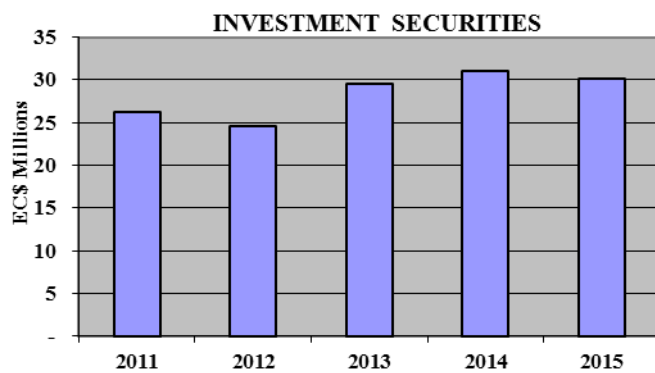
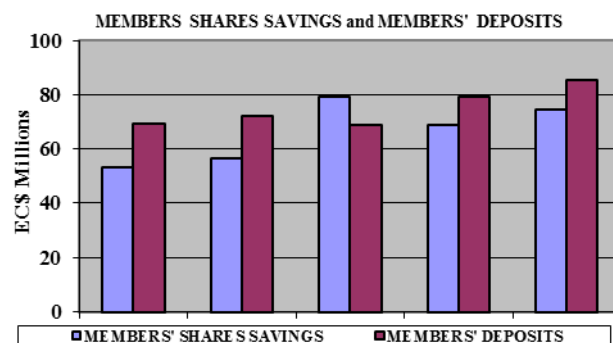
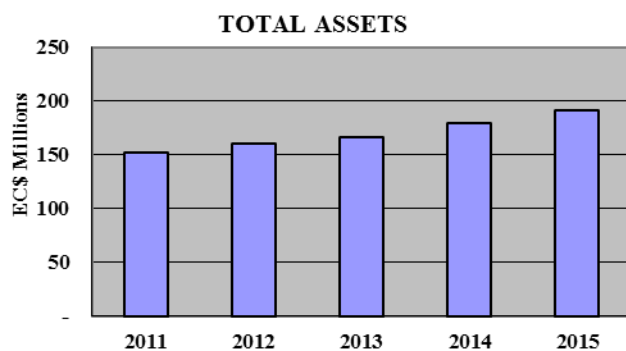
Table 6: Sub– Offices Operations

	New Members		Collections		Disbursement	
	2015	2014	2015	2014	2015	2014
Union Is. & Canouan	98	110	\$2,754,899.53	\$2,412,036.30	\$567,231.17	\$1,134,420.65
Bequia	98	87	\$1,214,126.40	\$1,022,648.49	\$412,566.98	373,429.35
Georgetown Office	398	378	\$ 7,222,851.74	\$5,973,584.49	\$3,074,577.50	\$5,711,227.09
TOTAL	594	575	\$11,191,877.67	\$9,408,269.18	\$4,054,375.65	\$7, 219,077.09

4.1.9 PRIORITY 9: FINANCIAL SUSTAINABILITY AND PROFITABILITY

- 4.1.9.1 Despite the many challenges of the local, regional and international financial markets, GECCU has achieved positive growth in most key areas of activities. GECCU remains confident in the strategic initiatives undertaken and the keen monitoring of all activities, underpinned by prudent and sound management of its resources.
- 4.1.9.2 During the year our assets grew by **6.4%** and a net loss of **\$1,687,377** was realized for 2015. This loss resulted from a full impairment charge made on our CLICO Investment.
- 4.1.9.3 Loans disbursed grew by **7.05%** 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.
- 4.1.9.5 Our expenses increased by \$3,336,503.00 or 36% mainly due to an increased provision for CLICO Investments, which now represents a 100% provision for CLICO.
- 4.1.9.6 The delinquency position moved from **6.99%** to **5.5%** 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.

	GECCU PERFORMANCE HIGHLIGHTS 2011-2014				
	2015 EC\$	2014 EC\$	2013 EC\$	2012 EC\$	2011 EC\$
ASSET GROWTH					
Loans – net	108,827,524	101,662,432	96,624,034	91,339,757	91,363,186
Cash Resources	26,112,130	25,494,776	20,196,191	23,710,667	14,478,967
Inventory	6,573,290	5,904,370	-		
Fixed Assets	8,491,778	4,652,031	4,571,584	4,370,176	4,452,053
Investment Securities	30,090,594	31,053,476	29,457,655	24,614,544	26,268,873
Other Assets	768,721	628,612	631,777	550,895	629,322
Investment Properties	9,991,000	9,925,000	15,358,660	15,358,660	15,358,660
Total Assets	190,855,037	179,320,697	166,839,901	159,944,699	152,551,061
SAVINGS COMPONENTS					
Members' Shares Savings	74,361,984	69,103,981	79,511,378	56,378,839	73,256,372
Members Deposit	85,116,894	78,807,788	72,814,195	72,191,431	69,524,309
Total Savings	159,478,878	147,911,769	152,626,664	128,570,270	142,780,681
INCOME					
Loan Interest	9,752,199	9,095,687	8,904,483	9,039,411	8,126,561
Investment Income	1,528,716	1,560,615	1,298,550	1,348,139	1,354,321
Non Interest Income	1,147,546	1,141,342	735,149	882,531	2,657,660
Total Income	12,428,461	11,797,643	11,173,022	11,270,081	12,138,542
EXPENSES					
General & Admin Expense	10,380,865	6,399,307	5,166,519	5,114,839	12,262,367
Interest Expense	3,555,564	3,816,232	3,679,092	4,500,934	4,518,400
Allowance for Loan Loss	179,409	216,000	222,764	215,174	773,312
Total Expense	14,115,838	10,431,539	9,068,357	9,830,947	17,554,079
PROFITABILITY					
Surplus	(1,687,377)	1,366,105	2,107,661	1,439,134	(5,415,537)
Other Reserves				28,789,799	8,349,157
Equity Shares	21,810,012	20,057,119	5,334,904	4,529,050	3,654,005
MEMBERSHIP	37,083	38,953	38,496	36,011	34,006



4.1.10.2 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 2014	31 st Dec 2015
P – Protection			
Loan Loss Allowances / Delinquency >12mths <i>This measures the adequacy of the provision for loans delinquent over 12 months</i>	100%	123.26%	142.97%
Solvency <i>The degree of protection for members' shares & deposits in the event of liquidation.</i>	Min 100%	103.67%	102.77%
E – Effective Financial Structure			
Net Loans / Total Assets <i>Measures the %-age of total assets invested in Loans.</i>	Between 70 to 80%	56.69%	57.02%
Financial Investments / Total Assets <i>Measures the %-age of long-term Investment in Total Assets</i>	Max 10%	7.28%	6.66%
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%	6.99%	5.5%
Non-Earning Assets / Total Assets <i>This measures the %-age of total assets not producing income.</i>	Less than 5%	5.73%	7.72%
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%	9.14%	9.26%
Operating Expenses / Average Assets <i>Measures the cost associated with the management of the C.U assets.</i>	Less than 5%	3.29%	3.18%
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%	26.19%	28.76%
Non-Earning Liquid Assets / Total Assets <i>Measures the %-age of cash invested in Non earning Assets</i>	Less than 1%	2.79%	2.86%
S – Signs of Growth			
Net Loans <i>Measures the %-age growth in Loan Portfolio</i>	More than 10%	5.21%	7.05%
Total Assets <i>To measure the %-age growth in Total Assets.</i>	More than 10%	7.48%	6.43%
Membership <i>Measures the %-age growth in Membership</i>	Min 5%	1.18%	(4.80%)

4.1.10.3 Interest & Dividend

The interest paid on members' Shares Savings is **1.5%**. The Board of Directors proposes to pay a dividend of **2 %** on Equity Shares.

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

6.1.0 The Social Development Fund was established by resolution passed at the 38th Annual General Meeting of the General Employees Co-operative Credit Union Ltd held on 13th May 2004. Its purpose is to provide assistance to members who lack the financial resources to recover from an emergency such as storm damage, fire, earthquake and serious illness. The fund is managed by a Social Development Fund Committee which was appointed by the Board of Directors in accordance with the resolution.

6.1.1 Terms of Reference (TOR) and Guidelines of the Social Development Fund

The Terms of Reference (TOR) of the Social Development Committee and the Guidelines of the Social Development Fund were reviewed during the year. Several adjustments were made to enhance the operation of the fund.

6.1.2 The year 2015 was not an eventful one for the Social Development Committee as far as housing and property damage were concerned. However, a high percentage of the cases that came to the committee were for medical expenses. There were forty five (45) requests for assistance during 2015. Of these forty-three (43) were approved, one(1) was denied, and one (1) was cancelled.

6.1.3 The table below gives a breakdown of the applications that were received and processed in 2015.

Category	Applications Received	Applications Approved
Medical	41	40
Housing, Flood & Fire	1	1
Financial	3	2
TOTAL	45	43

- 6.1.4 One application was rejected because the purpose of the request was not among those articulated in the committee's guidelines and the resolution.

6.1.5 **Financial Status of the Social Development Fund**

Table 1.2 Financial Statement of the Social Development Fund as at 31st December, 2015.

1st January 2015	Balance Brought Forward	495,228.96
Add	Members Contribution	466,740.00
Less	Assistance to Members	254,922.84
31st December 2015	Closing Balance	707,045.12

6.1.6 **GECCUMED**

During the latter months of 2015 members' claims were not being honoured by CLICO as the company's account was frozen. The Social Development Committee is concerned about this development and its impact on the volume of applications made to the SDF for medical assistance.

It was suggested that the time may have come for GECCU to look elsewhere for the procurement of this service.

7.0 **Annual Scholarships to Secondary School**

- During the period under review, thirteen (13) scholarships were awarded to students who were successful in the 2015 Caribbean Primary Exit Assessment (CPEA). One (1) additional scholarship had to be offered because one primary school inadvertently uploaded the wrong score for Civics for that student.
- The total number of scholarships for the Grenadines increased from one (1) to two (2) scholarships; thus making it one each for the Northern and Southern Grenadines.
- The 2015 scholarship recipients were:-

Girls: Paige Cadogan	- Windsor Primary
Rishona James	- St. Mary's Roman Catholic
Jonoliah John	- Lowmans Leeward Anglican
Najhalia Matthews	- Spring Village Methodist
Nasya Robin	- St. Mary's Roman Catholic

Boys: Danielson Ferguson	- Kingstown Preparatory
Xavique Wyllie	- Kingstown Anglican
Cosem Millington	- Layou Government
Donjé Charles	- St. Mary's Roman Catholic
Alec Best	- Windsor Primary
Kaleb Bartholomew	- Kingstown Preparatory

- Northern Grenadines Scholarship: Jamarck Osborne – Bequia Anglican Primary
- Southern Grenadines Scholarship: Zoeyie Billy – Canouan Government
- The recipients of the scholarships were presented with certificates of academic excellence at a ceremony held on Monday 27, July 2015 at the Methodist Church Hall, Kingstown.
- One hundred and twenty one (121) other successful students received monetary awards valued at \$100.00 each.

- The value of the scholarships increased from \$1,400.00 to \$1,600.00 for students in Forms 1 – 3 and \$1,600.00 to \$1,800.00 for students in Form 4 – Community College.
- Scholarships and bursaries totaled \$140,441.25 as at December 31, 2015.
- The members of the Scholarship Committee convened a meeting with scholarship holders and their parents/guardians on Wednesday 9, April 2015 at the Training Room of the National Insurance Services. The purpose of the meeting was to update scholarship holders and their parents on the revised scholarship guidelines and obtain their feedback.
- In keeping with the Credit Union's corporate philosophy, GECCU awarded three (3) members with bursaries valued at \$3,000.00 each to continue with their studies at the University of the West Indies Open Campus. The successful recipients were Sisters Zel Charles, Jenny Sandy and Nicole Bowman. They were presented with their bursaries at a ceremony held on October 14, 2015 at the Credit Union's office.
- The Board of Directors and the Scholarship Committee extend congratulations to all recipients of scholarships and bursaries and wish them continued success in their academic endeavours.
- Congratulations are also extended to scholars who performed well in the 2015 Caribbean Secondary Education Certificate (CSEC) and Caribbean Advanced Proficiency Examinations (CAPE).

Special congratulations to the following:

- I. Abigail Scott, Scholar of 2010 on her exceptional performance at the Caribbean Secondary Education Certificate (CSEC) examinations.
 - II. Allesandro Peters and Tianna Homer, Scholars of 2008 on their outstanding performance in the Caribbean Advanced Proficiency Examinations (CAPE). Allesandro and Tianna are recipients of the Government of St. Vincent and the Grenadines' Exhibition Scholarships of 2015.
- In keeping with the thrust to support young persons in becoming well rounded individuals, the Scholarship Committee, in collaboration with staff members of the Marketing Department, hosted the third annual youth symposium. The symposium was held on August 19 & 20, 2015 at the Anglican Pastoral Centre, New Montrose. Participants were educated on various topics such as *Career Guidance, Social Media Management, Health and Sexual Education*. They also participated in team building exercises and a financial reality fair, which was aimed at providing them with "hands on" budgeting experience.

GECCU Scholarship Recipients 2015



Fire Extinguisher Training



Evacuation Exercise



Recruitment Drive



GECCU Community Basketball



New Scholarship Holders First School Day



Union Island Town Hall Meeting



University Bursary Recipients



2015 Highlights

Volunteerism Training



STEM Program Closing Ceremony



Tiny Treasures Pre-School Visit



Staff Awards 2015

Years of Service



Bro. Anton Jardine:
10 Years



Sis. Alicia Ashton-Doyle:
15 Years



Bro. Elias Francis:
15 Years



Sis. Lydia Cain:
15 Years



Bro. Baldwin Johnney:
20 Years



Sis. Vestina Hutchinson:
20 Years



Sis. Joan Morgan:
30 Years



Sis. Damoris Alexander:
30 Years

** Missing: Sis. Adinga Findlay (20 Years); Sis. Cecile Fraser-Gibson (25 Years)*

Employee of the Year



Most Outstanding Sr. Employee
Most Outstanding Performer in
Loans Dept.

Outstanding Performers



Sis. Alicia Ashton-Doyle:
Administration Dept.



Bro. Baldwin Johnney:
Sub-Office



Sis. Melissa Millington:
Customer Service Dept.



Sis. Kathryn Parsons:
Accounts Dept.

Academic Achievement



Sis. Sharlene Charles:
BSc Management Studies



Sis. Melissa Millington:
Associate Degree:
Business Studies



Bro. Baldwin Johnney:
BSc Quantity Surveying

**Missing:*
Sis. Adinga Findlay:
BSc Management Studies

CEO Awards



Bro. Ricardo Springer



Sis. Sharlene Charles



Bro. Ryan Hazell



Sis. Bernadette
Culzac-John



Sis. Maxine
Richards-Johnney



Sis. Cornelia Moses



Sis. Danny-Lee Francis

**Missing:*
Sis. Gertrude Jacobs



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
Sis. Cecile Fraser-Gibson- Accounts Clerk
Sis. Kathlyn Parsons- Junior Accounts Clerk
Bro. Ricardo Springer – Junior Clerk/Cashier
Bro. Michael Garraway – Junior Clerk/Cashier
Bro. Utamu Rose- Junior Clerk/Cashier
Bro. Kori Providence- Junior Clerk/Cashier
Sis. Aaliyah Providence – Junior Clerk/Cashier
Bro. Allesandro Peters – Junior Clerk/Cashier

Insurance Section:

Bro. Ryan Hazell - Insurance Clerk

INTERNAL AUDIT DEPARTMENT

Sis. Damoris Alexander - Internal Auditor

Sis. Alana Karen Mulraine- Ass't. 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
Sis. Keisha Johnson- Customer Service Clerk
Sis. Grace Guy- Receptionist
Sis. Lydia Cain - Office Attendant
Sis. Harlee Richards – Data Entry Clerk
Sis. Alrice Simmons – Data Entry Clerk

MARKETING DEPARTMENT

Sis. Danny-lee Francis - Sr 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
Sis. Ketora Browne- Filing Clerk

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- Assistant Data Systems Administrator

NORTHERN GRENADINES OFFICE

Sis. Rekha Gooding- Administrative Clerk
Bro. Danny George- Security Staff

SOUTHERN GRENADINES OFFICE

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

GEORGETOWN OFFICE

Bro. Baldwin Johnney - Administrative Officer
Sis. Charissa Pitt- Junior Clerk
Sis. Tonyah Williams - Junior Clerk
Sis. Khandé Henry- Junior Clerk
Bro. Keldon Walters - Junior Clerk

8.0 Future Directions and Strategies

- 8.1.1 The year 2016 represents the final year of GECCU's three (3) years strategic Plan.. The priority areas indicated in this plan are as follows:
- To maintain and enhance a financially sound and secure institution
 - To increase the awareness of our Credit Union as a value-based business model for development
 - To enhance the capacity of GECCU at all levels
 - To promote the establishment of policies of GECCU conducive to its growth and development
 - To promote GECCU as an agent of socio-economic development for our members and the country as a whole
 - To make GECCU more relevant to young people
- 8.1.2 GECCU acknowledges that these priority areas are being pursued in the face of a financial services market which remains dynamic and extremely competitive. Therefore, continued strategic thinking at all levels of the credit union, under-pinned by sound governance practices, remains the focus to ensure further development of this strong and viable institution.
- 8.1.3 To achieve the foregoing, the Board of Directors, Committees, Management and Staff will continue to keep planning at all levels to focus on the strategic issues. The recruitment and development of top talent will remain a priority and member education will be our trump card while we continue to promote a culture of compliance within GECCU Ltd.
- 8.1.4 Through a process of modernization of its management systems and new branches, GECCU will continue to improve access to our services. While in this challenging environment it is difficult to predict what challenges tomorrow will bring, GECCU is buoyed by the knowledge that its management and volunteers stand ready as a team to face them.

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 Financial Services Authority, the Co-operative Department, the SVG Co-operative League, Sister Credit Unions, the solicitors 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 staging of a successful 50th Anniversary programme.



.....
Bro. Kelvin Pompey
President

Appendix 1

List of members who passed on during the year:

Patricia Peters
Elmine Scrubb
Phibert Wilson
Rofus Williams
Anthony Ferril
Grafton Cordice
Anthony Gonsalves
Reuben Providence
Isola Isles
Arlington Tannis
Ortis Jack
Dawn Williams
Orde Bonadie
Enel Ince
Pearl Herbert
Catherine Toney
Ezekiel Young
Carlisle Pompey
Veronica Caesar
Arculus Finch
Lousha Waldron-Benjamin
Calvert Peters
Mildred Dublin
Jo-Ann Chandler
Winston English
Lavern Diamond
Jennifer Abbott
Ronald Ollivierre
Grenville John
Monica Seaton-Samuel
Heather Peters-Slater
Eric Farrell
Marva Providence
Lena Forbes

Arthur Doyle
Ann-Marie Hull-Sayers
Carlson Jackson(Jr)
Irma John
Rowandale Young
Jeffery Ellis
Glenroy Billingsy
Verril King
Adella Andrews-James
Elmo Jack
Samuel Barnwell
Shardine Johnson
Wilfred Alexander
Joseph Charles
Urcella Mofford
Charles Harry
Joanne King-Bobb
Leon Johnson
Vinola Ollivierre
Indrid Irish-Myers
Cyril Aberdeen
Vibert Williams
Equran Baptiste
Beryl Baptiste
Glamour Collins
Hassan Williams
Clinton Mckie
Parnel Collins
Andrew George
Herbert Phillips
Reford Nedd
Elma Dougan
Cosmos Dowers
Ken Cato

Kriston Lewis
Gloria Bruce-Wyllie
James Samuel
Vilna Bennett
Joseph Quammie
Merlene Samuel
Christopher Harry
Pearlie Lavia
Eleise Bute
Rudolph Ashton
Nicole Sylvester
Moses George
Ephraim Bibby
Yvonne Young
Eletheius Sam
Grant Caroline
Yvonne Harvey
Yvonne Lotmore
Marcia Richards
Lawrence Lavia
Tyrone Spence
Anisia Jessamine
George Howard
Thomas Mason
Kim Phillips
Sharleen Greaves
Constance Williams
Anselma Small-Bobb
John Ashton
Grafton Isaacs
Garvey Lewis
Nicholas Lewis
Grantley Anderson
Owen Roberts

THE TREASURER'S REPORT TO THE 50TH 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, 2015.

- 1.1 The year held several financial challenges, among them being lower competitive lending and deposit rates. The General Employees Co-operative Credit Union Ltd was able to remain sound in the face of these challenges.

2.0 FINANCIAL PERFORMANCE

- 2.1 The following is a synopsis of the financial performance for the financial year ended December 31, 2015 with comparison to the 2014 financial year.

2.2 Assets

	2015 \$	2014 \$	Increase/ (Decrease)	Increase (Decrease) %-age 2015 over 2014	Increase (Decrease) %-age 2014 over 2013
Total Assets	190,855,037	179,320,698	11,534,339	6%	7%
Loans	108,827,524	101,662,433	7,165,091	7%	5%
Investment Securities	30,090,594	31,053,476	(962,882)	(3%)	5%
Cash Resources	26,112,130	25,494,776	617,354	2%	26%

- 2.3 During the year total assets increased by 6% over 2014. The growth in total assets was mainly due to the growth in the following:

1. Loans portfolio

- The portfolio grew by 7% or \$7,165,091.
- Mortgages dominated the growth, increasing by 11% or \$4,770,762.

2. Investment Securities *.(Note 10 in F/S give details of investments)*

- The portfolio decreased by 3% or \$962,882
- Full impairment charge of \$4,036,503 was made on the balance of the investment with CLICO.
- In keeping with accounting standards, the credit union is required to recognize its share of the accumulated loss in COMFI. This reduced the value of our investment in COMFI by 45% or \$347,384 (from \$770,053 to \$422,669).
- No further adjustment was made on the investment with BAICO due to the report given by the judicial manager which indicated that in 2016 there will be some form of resolution for the policyholders.
- We purchased an additional \$1,000,000 of the Government of SVG Bonds.
- Our investments in treasury bills in 2015 increased by 108% or \$2,150,518 relative to 2014.
- The fixed deposit of \$1,114,933 held with CIBC-First Caribbean International Bank was terminated due to the low rate of interest.
- A further fixed deposit investment of \$1,000,000 was placed with First Citizen Investment Services Limited.
- We continued to capitalize interest earned on fixed deposits.

3. Cash resources

- The cash resources increased by 2% or \$617,354
- Net cash of \$13,441,320 was received from members' contribution to regular shares, deposits and equity shares.

- During the year the credit union utilized cash to finance loans granted to members, purchase additional fixed assets, further financial investments, operational expenses, the Peters Hope and other projects.
- The increase in cash resources has added to the maintenance of an adequate liquidity level.

2.4 SHARE CAPITAL & MEMBERS' DEPOSITS

	2015 \$	2014 \$	Increase/ (Decrease) \$	Increase/ (Decrease) 2015 over 2014 (% age)	Increase/ (Decrease) 2014 over 2013 (% age)
Share Capital	21,810,012	20,057,119	1,752,893	9%	18%
Members' Shares Savings	74,361,984	69,103,981	5,258,003	8%	(13%)
Term Deposits	53,007,494	52,061,420	946,074	2%	3%
Ordinary Deposits	28,933,743	24,280,274	4,653,469	19%	22%
Junior Savers	3,121,570	2,847,988	273,582	10%	10%

- The table above shows the movement in the different categories of deposits and shares.
- The Share Capital constitutes equity shares and qualifying shares.

2.5 INCOME

	2015 \$	2014 \$	Increase/ (Decrease)	Increase/ (Decrease) 2015 over 2014 (% age)	Increase/ (Decrease) 2014 over 2013 (% age)
Loan Interest Income	9,752,199	9,095,687	656,512	7%	2%
Investment Income	1,528,716	1,560,614	(31,899)	(2%)	20%
Rental Income	198,840	198,840	-	-	-
Death Benefit Contributions	578,680	559,380	19,300	3%	5%

- The slight decrease in Investment income was due to the reduction in the rate of interest on fixed deposits and the special savings account.

2.6 EXPENSES

	2015 \$	2014 \$	Increase/ (Decrease)	Increase/ (Decrease) 2015 over 2014 (% age)	Increase/ (Decrease) 2014 over 2013 (% age)
Interest Expenses	3,555,564	3,816,232	(260,668)	(7%)	4%
Marketing Expenses	402,424	205,123	197,301	96%	(2%)
Personnel Costs	2,432,656	2,290,731	141,925	6%	13%
CUNA Insurance	750,525	704,024	46,501	7%	1%
Loan Loss Allowance	179,409	216,000	(36,591)	(17%)	(3%)
General & Administrative Expenses	1,983,109	2,089,302	(106,193)	(5%)	15%
Death Benefit Payments	425,500	410,127	15,373	4%	40%
Impairment Charges	4,036,503	700,000	3,336,503	477%	

Total expenses increased by 36% or \$3,336,503. This was primarily due to expenses relating to the following;

- The full impairment charge of \$4,036,503 that was made on the balance of the investment with CLICO.
- The share of loss of \$347,384 from COMFI was absorbed in accordance with accounting standards.
- Increase in promotional activities.

2.7 NET LOSS

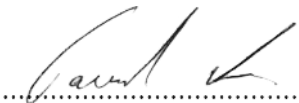
- 2.7.1 The net loss of \$1,687,377.00 realized in 2015 was mainly due to the full impairment charge made on the balance of investments in CLICO and the share of the loss in COMFI. Fortunately the credit union had built enough financial strength over the years to withstand such shocks. In this regard and with the approval of the Financial Services Authority, we were able to transfer \$6Million from the statutory reserves to offset these losses.

3.0 CONCLUSION

With such impairments behind us and with our decreased delinquency, strong liquidity, good capital adequacy and significant growth in most areas of our operations, GECCU is now much better positioned to continue to provide maximum benefits to our membership and the community as a whole.

The confidence and support of members are fundamental to the success and continuity of the credit union, therefore, it is our intention to ensure that the members receive the best possible service and return on the investment they have made with the organization.

I would like to thank the general membership, the Board of Directors, Committees, Management and Staff for their support during 2015 and to encourage us all to continue working together as we enhance the quality of lives for our members and the community as a whole.



Bro. Jerold Jackson
Treasurer

**General Employees'
Co-operative Credit Union
Limited**

Financial Statements
Year Ended December 31, 2015

Contents

Page 1	Independent Auditors' Report
Page 2	Statement of Financial Position
Page 3	Statement of Changes in Members' Equity
Page 4	Statement of Profit or Loss and Other Comprehensive Income
Page 5	Statement of Cash Flows
Pages 6—24	Notes to the Financial Statements



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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, 2014, 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 presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 unqualified audit opinion.

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, 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

May 3, 2016

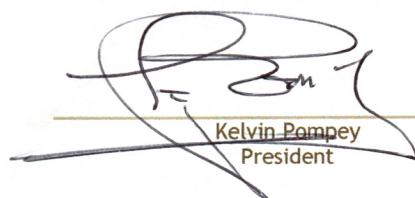
General Employees' Co-operative Credit Union Limited
Statement of Financial Position
As of December 31, 2015
(in Eastern Caribbean Dollars)

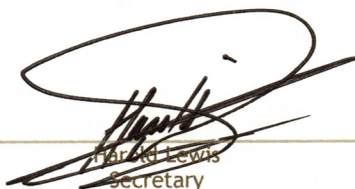
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	Notes	2015 \$	2014 \$
ASSETS			
Cash resources	8	26,112,130	25,494,776
Inventories	9	6,573,290	5,904,370
Investment securities	10	30,090,594	31,053,476
Loans to members	11	108,827,524	101,662,432
Other assets	12	768,721	628,612
Investment properties	13	9,991,000	9,925,000
Property, plant and equipment	14	8,491,778	4,652,031
		<u>190,855,037</u>	<u>179,320,697</u>
LIABILITIES AND MEMBERS' EQUITY			
Liabilities			
Other payables	15	3,435,033	3,482,134
Staff pension fund deposit	16	535,744	414,426
Members' deposits	17	85,116,894	78,807,788
Members' ordinary savings	18	74,361,984	69,103,981
		<u>163,449,655</u>	<u>151,808,329</u>
Members' Equity			
Share capital	19	21,810,012	20,057,119
Statutory reserve	20	3,155,689	9,153,976
Social development fund	21	707,045	495,228
Statutory development fund	22	30,000	30,000
Accumulated other comprehensive income	23	810,483	913,831
Retained earnings (accumulated deficit)		892,153	(3,137,786)
		<u>27,405,382</u>	<u>27,512,368</u>
		<u>190,855,037</u>	<u>179,320,697</u>

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

APPROVED ON BEHALF OF THE BOARD: -


 Kelvin Pompey
 President


 Harold Lewis
 Secretary


 Jerold Jackson
 Treasurer

General Employees' Co-operative Credit Union Limited

Statement of Changes in Members' Equity

For the Year Ended December 31, 2015

(in Eastern Caribbean dollars)

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	Share Capital \$	Statutory Reserve \$	Social Development Fund \$	Statutory Development Fund \$	Accumulated Other Comprehensive Income \$	Retained Earnings \$	Total \$
Balance as of December 31, 2013	5,334,904	8,817,877	201,431	30,000	913,831	(4,162,365)	11,135,678
Net profit for the year	0	0	0	0	0	1,366,105	1,366,105
Net increase in qualifying shares	2,896,500	0	0	0	0	0	2,896,500
Net increase in equity shares	11,825,715	0	0	0	0	0	11,825,715
Social development fund net	0	0	293,797	0	0	0	293,797
Entrance fees	0	1,625	0	0	0	0	1,625
Appropriations	0	341,526	0	0	0	(341,526)	0
Adjustments for the year	0	(7,052)	0	0	0	0	(7,052)
Balance as of December 31, 2014	20,057,119	9,153,976	495,228	30,000	913,831	(3,137,786)	27,512,368
Net profit for the year	0	0	0	0	0	(1,687,377)	(1,687,377)
Net increase in qualifying shares	1,541,493	0	0	0	0	0	1,541,493
Net increase in equity shares	211,400	0	0	0	0	0	211,400
Other comprehensive loss	0	0	0	0	(103,348)	0	(103,348)
Social development fund net	0	0	211,817	0	0	0	211,817
Entrance fees	0	1,713	0	0	0	0	1,713
Release of reserve	0	(6,000,000)	0	0	0	6,000,000	0
Dividend paid	0	0	0	0	0	(282,684)	(282,684)
Balance as of December 31, 2015	21,810,012	3,155,689	707,045	30,000	810,483	892,153	27,405,382

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
As of December 31, 2015
(in Eastern Caribbean Dollars)

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	Notes	2015 \$	2014 \$
Income			
Loan interest		9,752,199	9,095,687
Investment - net	24	1,528,716	1,560,615
		<u>11,280,915</u>	<u>10,656,302</u>
Interest Expense		(3,555,564)	(3,816,232)
Net Interest Income		<u>7,725,351</u>	<u>6,840,070</u>
Increase in allowance for loan loss, less recoveries	11.3	(179,409)	(216,000)
		<u>7,545,942</u>	<u>6,624,070</u>
Selling Expenses	25	(402,424)	(205,123)
General and Administrative Expenses	26	(2,733,634)	(2,793,328)
Staff Cost	27	(2,432,656)	(2,290,729)
		<u>1,977,228</u>	<u>1,334,890</u>
Other Income (Expenses)			
Commission income		46,160	59,714
Income on death benefit plan - net	28	153,180	149,253
Miscellaneous income		47,242	71,674
Income from investment properties	13	198,840	198,840
Loan processing fee		276,624	251,734
Loss on disposal of property, plant and equipment		(2,765)	0
		<u>719,281</u>	<u>731,215</u>
Operating Profit		<u>2,696,509</u>	<u>2,066,105</u>
Impairment of held-to-maturity financial assets	10	(4,036,503)	(700,000)
Share of loss in associated company		(347,383)	0
		<u>(4,383,886)</u>	<u>(700,000)</u>
(Loss) Profit for Year		<u>(1,687,377)</u>	<u>1,366,105</u>
Other Comprehensive Income:			
Items that will or may be Reclassified through Profit or Loss			
Impairment in available-for-sale financial assets		(103,348)	0
Other Comprehensive Loss		<u>(103,348)</u>	<u>0</u>
Comprehensive (Loss) Income for Year		<u>(1,790,725)</u>	<u>1,366,105</u>
(Loss) Profit for the Year Attributed to Shareholders		(1,687,377)	1,366,105
Total Comprehensive (Loss) Income Attributed to Shareholders		<u>(1,790,725)</u>	<u>1,366,105</u>
The following expense is included in the foregoing:-			
Depreciation	14	226,742	236,847

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

General Employees' Co-operative Credit Union Limited

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Statement of Cash Flows

As of December 31, 2015

(in Eastern Caribbean Dollars)

	Notes	2015 \$	2014 \$
Cash Flows from Operating Activities			
Net (loss) profit for the year		(1,687,377)	1,366,105
Adjustments for			
Depreciation		226,742	236,847
Share of loss in associated company		347,383	0
Loss on disposal of equipment		2,765	0
Allowance for impairment loss in investment securities		4,036,503	700,000
Operating Profit before Changes in Operating Assets and Liabilities		2,926,016	2,302,952
Increase in loans to members		(7,165,092)	(5,038,398)
(Increase) decrease in other assets		(140,109)	3,165
Increase in members' deposits		6,309,106	5,993,593
Increase in staff pension fund deposit		121,318	113,335
Increase in inventories		(668,920)	(470,710)
(Decrease) increase in other payables		(47,101)	404,575
Increase (decrease) in members' ordinary savings		5,258,003	(10,407,397)
Net Cash Generated from (Used in) Operating Activities		6,593,221	(7,098,885)
Cash Flows from Financing Activities			
Net increase in social development fund		211,817	293,797
Increase in share capital		1,752,893	14,722,215
Entrance fees		1,713	1,625
Decrease in statutory reserve from credit union takeovers		0	(7,052)
Dividend paid		(282,684)	0
Net Cash Generated from Financing Activities		1,683,739	15,010,585
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(4,069,254)	(317,294)
Net movement in investment securities		(3,524,352)	(2,295,821)
Addition to investment properties		(66,000)	0
Net Cash Used in Investing Activities		(7,659,606)	(2,613,115)
Increase in Cash and Cash Equivalents		617,354	5,298,585
Cash and Cash Equivalents - Beginning of Year		25,494,776	20,196,191
Cash and Cash Equivalents - End of Year	8	26,112,130	25,494,776

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

General Employees' Co-operative Credit Union Limited

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General Employees' Co-operative Credit Union Limited

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Notes to the Financial Statements

For the year ended December 31, 2015

(in Eastern Caribbean Dollars)

1. Incorporation

The General Employees' Co-operative Credit Union Limited is domicile in St. Vincent and the Grenadines, 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. Also, the Credit Union is a member of the Credit Union League of St. Vincent and the Grenadines.

2. Principal Objectives 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 May 3, 2016.

4. Basis of Preparation

The principal accounting policies adopted in the preparation of these financial statements are set out in note 5. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS), International Accounting Standards, and Interpretations (collectively) IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Credit Union's accounting policies. The areas where significant judgment and estimates have been made in preparing the financial statements and their effect are disclosed in note 7.

Basis of Measurement

The financial statements have been prepared on a historical cost basis; except for the following items (refer to individual accounting policies for details):

- Financial instruments - fair value through profit or loss
- Financial instruments - available for sale
- Contingent consideration
- Investment property
- Revalued property, plant and equipment
- Net defined liability
- Cash settled share-based payment liabilities

Change in Accounting Policies

(a) New Standards, Interpretations and Amendments Effective from January 1, 2015

The Credit Union has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2015:

- Annual Improvements to IFRS - 2010 - 2012 Cycle and 2011 - 2013 Cycle
- IAS 19 - Employee Benefits - In November 2013 IAS 19 was amended by *Defined Benefit Plans: Employee Contributions* (Amendments to IAS 19). The amendments simplified the requirements for contributions from employees or third parties to a defined benefit plan, when those contributions are applied to a simple contributory plan that is linked to service.

Other Standards have made minor consequential amendments to IAS 19, including *Annual Improvements to IFRSs 2012-2014 Cycle* (issued September 2014).

The adoption of these amendments did not have any impact on any prior period and is not likely to affect future periods.

(b) New Standards, Amendments and Interpretations not yet Effective and have not been Early Adopted

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Credit Union's future financial statements which will be effective for the accounting periods beginning on or after 1 January 2016.

4. Basic of Preparation (Cont'd)

Change in Accounting Policies (Cont'd)

(b) New Standards, Amendments and Interpretations not yet Effective and have not been Early Adopted (Cont'd)

IFRS 9 - Financial Instruments

IFRS 9 *Financial Instruments*, which becomes effective for annual periods beginning on or after 1 January 2018, sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items; and replaces IAS 39 *Financial Instruments: Recognition and Measurement*.

The Credit Union plans to implement IFRS 9 in reporting period beginning January 1, 2018, and anticipates that its application in future will not have a significant impact in the amounts reported in respect of assets and liabilities.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers*, which become effective for annual reporting periods beginning on or after 1 January 2017, was issued in May 2014. It establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. The core principle in that framework is that an entity should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Standard sets out five steps to follow: identify the contract(s) with a customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contract; and recognise revenue when (or as) the entity satisfies a performance obligation. IFRS 15 replaces IAS 11 *Construction Contracts* and IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreement for the Construction of Real Estate* and IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue—Barter Transactions Involving Advertising Services*.

The Credit Union plans to implement IFRS 15 in the reporting period beginning January 1, 2017 and anticipates that in future will not have a significant impact in the amounts reported in respect of assets and liabilities.

IFRS 11 - Accounting for Acquisitions of Interest in Joint Operations

Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*, which becomes effective for period beginning on or after 1 January 2016; was originally issued in May 2014 and addresses the accounting for interests in joint ventures and joint operations. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. Earlier application is permitted.

The Credit Union anticipates that the amendments to IFRS 11 in future will not have a significant impact in the amounts reported in respect of assets and liabilities.

IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to IAS 16 and IAS 38, which becomes effective for reporting periods beginning on or after 1 January 2016, and the *Clarification of Acceptable Methods of Depreciation and Amortisation*, was issued in May 2014. IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. Earlier application is permitted.

The Credit Union plans to implement the amendments to IAS 16 and 38 in the reporting period beginning January 1, 2016, and anticipates that the application of these amendments in future will not have a significant impact in the amounts reported in respect of assets and liabilities.

IAS 27 - Equity Method in Separate Financial Statements

Amendments to IAS 27 *Equity Method in Separate Financial Statements*, which become effective for reporting periods beginning on or after 1 January 2016, was issued in August 2014. The amendments to IAS 27, *Separate Financial Statements*, will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments are required to be applied retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Earlier application is permitted.

The Credit Union anticipates that the application of the amendments IAS 27 in future will not have a significant impact in the amounts reported in respect of assets and liabilities.

4. Basis of Preparation (Cont'd)

Change in Accounting Policy (Cont'd)

(b) New Standards, Amendments and Interpretations not yet Effective and have not been Early Adopted (Cont'd)

IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, which is effective for annual reporting periods beginning on or after 1 January 2016, was issued in September 2014. The amendments address the conflict between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, when accounting for the sale or contribution of a subsidiary to a joint venture or associate (resulting in the loss of control of the subsidiary). Earlier application is permitted.

The Credit Union anticipates that the application of the amendments IFRS 10 and IAS 28 in future will not have a significant impact in the amounts reported in respect of assets and liabilities.

IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception

Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*, which is effective for annual reporting periods beginning on or after 1 January 2016, was issued in December 2014. The amendments clarify which subsidiaries of an investment entity should be consolidated instead of being measured at fair value through profit or loss. The amendments also clarify that the exemption from presenting consolidated financial statements continues to apply to subsidiaries of an investment entity that are themselves parent entities. This is so even if that subsidiary is measured at fair value through profit or loss by the higher level investment entity parent. In addition, the amendments provide relief whereby a non-investment entity investor can, when applying the equity method, choose to retain the fair value through profit or loss measurement that is applied by its investment entity associates and joint ventures to their subsidiaries. Earlier application is permitted.

The Credit Union anticipates that the application of the amendments IFRS 10, 12 and IAS 28 in future will not have a significant impact in the amounts reported in respect of assets and liabilities.

IAS 1 - Disclosure Initiative

Disclosure Initiative (Amendments to IAS 1) was issued in December 2014. The amendments address concerns expressed about some of the existing presentation and disclosure requirements in IAS 1 *Presentation of Financial Statements* and ensure that entities are able to use judgement when applying those requirements. As a result, it introduces five, narrow-focus improvements to the disclosure requirements that relate to materiality, order of the notes, subtotals, accounting policies and disaggregation. The amendments also clarify the requirements in paragraph 82A of IAS 1 for presenting an entity's share of items of other comprehensive income of associates and joint ventures accounted for using the equity method. These amendments are required to be applied for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Annual improvements to IFRS's which will be effective for accounting periods beginning on or after 1 January 2016 as follows: -

- IFRS 5 - Changes in methods of disposal
- IFRS 7 - Servicing contracts
- IFRS 7 - Applicability of the amendments to IFRS 7 to condensed interim financial statements
- IAS 19 - Discount rate: Regional market issue
- IAS 34 - Disclosure of information "elsewhere in the interim financial report"

5. Significant Accounting Policies

(a) 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.

(b) Inventories

Inventories represents property held for sale and is stated at the lower of cost and net realisable value. The Credit Union's inventories arise when there is a change in the use of investment properties evidenced by the commencement of development with a view to sell, and the properties are reclassified as inventories at their deemed cost, which is the fair value at the date of reclassification. They are subsequently carried at the lower of cost and net realizable value. Cost, includes design cost, materials, direct labour, other direct costs and related construction overheads and borrowing costs for the development of all those qualifying assets, which is allocated to individual lots on an average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

5. Significant Accounting Policies (Cont'd)

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 a straight line method, at rates which are expected to write-off the cost or valuation of the assets over their estimated useful lives at the following annual rates:-

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

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

Gains or 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 or loss account when the expenditure is incurred.

d. Investment Properties

Investment properties are properties, land or buildings or part thereof or both owned by the Credit Union or held under finance leases, to earn rentals or for capital appreciation or both. Any property interest held under an operating lease, which is used to earn rental income, and the Credit Union assumes substantially all the risk and rewards incidental to ownership is recognized as an investment property.

Investment properties are accounted for under the fair value model. The fair value of investment properties are determined by reference to independent notional open market valuations. Changes in fair market valuation of investment properties are reflected in current operating results.

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 reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

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 or loss.

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.

5. Significant Accounting Policies (Cont'd)

g. Financial Assets

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

- I. Financial assets at fair value through profit or loss;
- II. Loans and receivables;
- III. Held-to-maturity investments; and
- IV. Available-for-sale financial assets.

Management determines the classification of its investments at initial recognition.

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

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

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

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

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

(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 or loss are initially recognised at fair value, and transactions costs are expensed in the statement of profit or loss. 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.

5. Significant Accounting Policies (Cont'd)

g. Financial Assets (Cont'd)

(iv) Available-for-Sale Financial Assets (Cont'd)

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 or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of profit or loss in the period in which they arise. Gains or losses arising from changes in the fair value of available-for-sale financial assets are recognised through other comprehensive income, until the financial asset is derecognised or impaired. At the time of derecognition, the cumulative gain or loss previously recognised in equity is transferred directly to retained earnings. 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 statement of profit or loss. Dividends on available-for-sale equity instruments are recognised in the statement of profit or loss 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 reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

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

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

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

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. 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.

5. Significant Accounting Policies (Cont'd)

h. Impairment of Financial Assets (Cont'd)

Assets Carried at Amortised Cost (Cont'd)

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

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

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

When a loan is uncollectible, it is written off against the related allowance 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 statement of profit or loss in impairment charge for credit losses.

The Credit Union assesses at each reporting 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 statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. 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 statement of profit or loss.

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 the basis of the renegotiated terms and conditions.

i. Interest Income and Expense

Interest income and expense are recognised in the statement of profit or loss for all interest bearing instruments on an 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.

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 allowance 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 allowance is made where appropriate.

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5. Significant Accounting Policies (Cont'd)

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

l. 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.

6 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.

The following summarises the maximum credit risk:

	2015 \$	2014 \$
Deposits with commercial banks	24,988,958	24,377,199
Investment securities	30,090,594	31,053,476
Loans to members	108,827,524	101,662,432
Other assets	768,721	628,612
	<u>164,675,797</u>	<u>157,721,719</u>

ii) Liquidity Risk

Liquidity risk is the risk that the Credit Union will be unable to meet its payment obligations when they fall due under normal circumstances. The Credit Union monitors its liquidity risk by considering the maturity of both its financial assets and projected cash flows from operations. Where possible, the Credit Union utilises available credit facilities and other financing options.

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.

The table below analyses the Credit Union's financial assets and liabilities into relevant contractual maturity groupings, as of reporting date.

As of 2015	0 - 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Assets					
Cash in hand	1,123,171	0	0	0	1,123,171
Deposits with other commercial bank	24,988,959	0	0	0	24,988,959
Investment security	3,684,192	17,306,485	5,195,845	6,768,048	30,090,594
Loans to members	79,591	589,999	36,479,648	71,678,286	108,827,524
Other assets	768,721	0	0	0	768,721
	<u>30,644,634</u>	<u>17,896,484</u>	<u>41,675,493</u>	<u>78,446,334</u>	<u>165,798,969</u>

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6. Financial Risk Management (Cont'd)

a. Financial Risk Factors (Cont'd)

ii) Liquidity Risk (Cont'd)

As of 2015	0 - 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Liabilities					
Other liabilities	3,435,033	0	0	0	3,435,033
Staff pension fund deposit	535,744	0	0	0	535,744
Members deposits	49,847,508	35,269,386	0	0	85,116,894
Members ordinary savings	74,361,984	0	0	0	74,361,984
	128,180,269	35,269,386	0	0	163,449,655
As of 2014	0 - 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Assets					
Cash in hand	1,117,577	0	0	0	1,117,577
Deposits with other commercial bank	24,377,199	0	0	0	24,377,199
Investment security	23,383,834	2,000,000	4,669,642	1,000,000	31,053,476
Loans to members	8,589	846,248	34,996,240	65,730,355	101,662,432
Other assets	628,612	0	0	0	628,612
	49,515,811	2,846,248	39,665,882	66,730,355	158,839,296
Liabilities					
Other liabilities	3,482,134	0	0	0	3,482,134
Staff pension fund deposit	414,426	0	0	0	414,426
Members deposits	42,107,588	36,700,200	0	0	78,807,788
Members ordinary savings	69,103,981	0	0	0	69,103,981
	115,108,129	36,700,200	0	0	151,808,329

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.

7 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.

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.

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8. Cash Resources

	2015 \$	2014 \$
Cash on hand	1,123,171	1,117,577
Current account	4,343,594	3,884,320
Special savings	20,645,365	20,492,879
	<u>26,112,130</u>	<u>25,494,776</u>

The effective interest rate on special savings is 2.01% (2014: 3.04%)

All cash resources are denominated in Eastern Caribbean Currency.

9. Inventories

	2015 \$	2014 \$
Land held for sale (note 13)	5,904,370	5,433,660
Development costs	668,920	470,710
	<u>6,573,290</u>	<u>5,904,370</u>

In 2014, the Credit Union commenced the development of the 30.187 acres of land held at Peter's Hope, with a view to sell in the near future. In accordance with IAS 40, the land was derecognised as investment properties and reclassified, at fair value, as inventories.

10 Investment Securities

	2015 \$	2014 \$
SECURITIES HELD-FOR-TRADING		
2.49% Government of St. Lucia treasury bills, maturity January 23, 2016	989,021	0
5.5% Government of Grenada treasury bills, maturity August 29, 2016	1,060,000	0
6% Government of Grenada treasury bills, maturity August 30, 2015	0	1,000,000
5% Government of St. Lucia treasury bills, maturity May 13, 2015	0	1,000,000
4.5% Government of St. Lucia treasury bills, maturity April 20, 2016	1,101,497	0
4.5% Government of St. Lucia treasury bills, maturity May 7, 2016	1,000,000	0
Total Securities Held-for-Trading	<u>4,150,518</u>	<u>2,000,000</u>
SECURITIES AVAILABLE-FOR-SALE		
Bank of St. Vincent and the Grenadines Limited shares - at FMV	99,965	99,965
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	182,684	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 FMV	276,195	276,195
Eastern Caribbean Co-operative Central Limited- at cost	15,000	15,000
SVG Small Business and MicroFinance Co-operative Society Ltd. (COMFI)	422,669	770,053
Kingstown Co-operative Credit Union - at cost	171,000	171,000
Total Securities Available-for-Sale	<u>1,331,868</u>	<u>1,782,600</u>

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10. Investment Securities (Cont'd)

	2015 \$	2014 \$
SECURITIES HELD-TO-MATURITY		
Government of St. Vincent and the Grenadines		
5.25% 3 years fixed rate bond, maturity July 24, 2017	2,000,000	2,000,000
6.5% 3 years fixed rate bond, maturity November 6, 2018	1,000,000	0
6% 5 years fixed rate bond, maturity September 9, 2019	2,000,000	2,000,000
7% 7 years fixed rate bond, maturity August 21, 2021	1,000,000	1,000,000
8% 7 years fixed rate bond, maturity March 17, 2016	107,143	321,429
7.5% 10 years fixed rate bond, repayable in semi-annual instalments of \$10,000, maturity September 3, 2016	20,000	40,000
7.5% 10 years fixed rate bond, repayable in semi-annual instalments of \$15,000, maturity September 26, 2017	60,000	90,000
7.5% 10 years fixed rate bond, maturity September 11, 2018	135,845	218,213
	<u>6,322,988</u>	<u>5,669,642</u>
Colonial Life Insurance Company Limited		
7% flexible premium annuity, maturity August 8, 2009	1	735,965
8% flexible premium annuity, maturity April 12, 2010	1	2,544,467
8% flexible premium annuity, maturity May 13, 2011	1	347,852
8.5% flexible premium annuity, maturity October 16, 2011	1	408,223
	<u>4</u>	<u>4,036,507</u>
British American Insurance Company Limited		
8.25% flexible premium annuity, maturity March 9, 2009	58,590	58,590
8.25% flexible premium annuity, maturity March 10, 2009	58,590	58,590
8.25% flexible premium annuity, maturity June 8, 2009	85,282	85,282
8.25% flexible premium annuity, maturity October 13, 2009	58,590	58,590
8% flexible premium annuity, maturity January 27, 2010	37,095	37,095
8.25% flexible premium annuity, maturity March 14, 2010	75,046	75,046
8.5% flexible premium annuity, maturity December 6, 2010	136,679	136,679
8% flexible premium annuity, maturity January 27, 2011	37,791	37,791
8% flexible premium annuity, maturity May 5, 2011	18,895	18,895
8% flexible premium annuity, maturity May 11, 2011	18,895	18,895
8% flexible premium annuity, maturity May 13, 2011	18,895	18,895
8% flexible premium annuity, maturity May 16, 2011	30,000	30,000
8.75% flexible premium annuity, maturity November 10, 2011	59,133	59,133
8.25% flexible premium annuity, maturity December 13, 2011	63,424	63,424
9% flexible premium annuity, maturity March 31, 2012	141,158	141,158
9% flexible premium annuity, maturity May 30, 2012	151,040	151,040
9% flexible premium annuity, maturity June 5, 2012	163,879	163,879
9% flexible premium annuity, maturity June 8, 2012	109,478	109,478
9.5% flexible premium annuity, maturity August 7, 2013	102,500	102,500
8.5% flexible premium annuity, maturity January 29, 2012	147,263	147,263
	<u>1,572,223</u>	<u>1,572,223</u>

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10. Investment Securities (Cont'd)

	2015 \$	2014 \$
SECURITIES HELD-TO-MATURITY (Cont'd)		
Credit Union Central Finance Facility		
4% Certificate of deposit, maturity December 31, 2016	1,226,670	1,179,491
5% Certificate of deposit, maturity December 31, 2016	50,733	48,782
	<u>1,277,403</u>	<u>1,228,273</u>
Bank of St. Vincent and the Grenadines Limited		
3.75% fixed deposit, maturity April 2, 2016	5,081,159	4,874,014
4.5% fixed deposit, maturity February 3, 2016	2,588,004	2,476,559
	<u>7,669,163</u>	<u>7,350,573</u>
St. Vincent Building and Loan Association		
5% Certificate of deposit	13,828	20,008
	<u>13,828</u>	<u>20,008</u>
St. Vincent Co-operative Credit Union League		
4% deposit, maturity September 3, 2018	280,000	0
	<u>280,000</u>	<u>0</u>
St. Vincent Co-operative Bank Limited		
3% Certificate of deposit, maturity December 31, 2016	89,868	87,075
4% Certificate of deposit, maturity August 13, 2016	1,130,036	1,099,667
	<u>1,219,904</u>	<u>1,186,742</u>
CIBC-FirstCaribbean International Bank Limited		
0.5% Certificate of Deposit, maturity October 1, 2015	0	1,114,933
	<u>0</u>	<u>1,114,933</u>
SVG Small Business and MicroFinance Co-operative Society Ltd. (COMFI)		
4.5% deposit, maturity November 15, 2016	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
First Citizens Investment Services Limited		
2.50% Certificate of deposit, maturity December 29, 2016	1,340,856	1,295,513
2.50% Certificate of deposit, maturity October 13, 2016	2,147,625	2,075,000
2.50% Certificate of deposit, maturity December 29, 2016	1,264,213	1,221,462
2.50% Certificate of deposit, maturity October 14, 2016	1,000,000	0
	<u>5,752,694</u>	<u>4,591,975</u>
Total Securities Held-to-Maturity	<u>24,608,027</u>	<u>27,270,876</u>
	<u>30,090,594</u>	<u>31,053,476</u>
	2015 %	2014 %
SVG Small Business and MicroFinance Co-operative Society Ltd. (COMFI)	4.50	4.50
Government of St. Vincent & the Grenadines 10 years fixed rate bonds	7.55	8.29
Government of St. Vincent & the Grenadines 7 years fixed rate bond	7.00	7.37
Government of St. Vincent & the Grenadines 5 years fixed rate bonds	6.09	6.09
Government of St. Vincent & the Grenadines 3 years fixed rate bond	5.67	5.32
St. Vincent Co-operative Credit Union League	4.03	4.04
St. Vincent Co-operative Bank Limited	3.93	4.43
CIBC-FirstCaribbean International Bank Limited	0.00	0.50
Bank of St. Vincent & the Grenadines Limited	5.06	5.11
St. Vincent Building and Loan Association	5.00	5.00
First Citizens Investment Services Limited	3.73	4.57

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

	2015 \$	2014 \$
One year	18,412,182	21,601,234
From 1 - 5 years	5,195,845	4,669,642
Over 5 years	1,000,000	1,000,000
	<u>24,608,027</u>	<u>27,270,876</u>

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10. Investment Securities (Cont'd)

Investment securities are denominated in the following currencies:-

	2015	2014
	\$	\$
ECD	29,772,065	30,549,231
BDS	182,684	286,032
USD	135,845	218,213
	30,090,594	31,053,476

During the year, the fair value of securities available for sale decreased by \$103,348. Also, the Credit Union recognised \$347,383 as its share of losses in COMFI.

British American Insurance Company Limited and Colonial Life Insurance Company International Limited (CLICO) have defaulted on their Flexible Annuity Policies. Further, both companies are under Judicial Management. During the year, the Credit Union recognised a further impairment charge of \$4,036,503 on its CLICO holdings. The Credit Union's investments nominal values in BAICO and CLICO are \$15,722,232 and \$7,014,910 respectively.

11. Loans to Members

	2015	2014
	\$	\$
Consumer loans	60,610,042	57,990,199
Computer loans	62,864	45,679
Mortgage loans	46,890,535	42,119,773
Student loans	3,482,209	3,434,579
Interest receivable thereon, net	635,591	705,919
	111,681,241	104,296,149
Allowance for loan losses	(2,853,717)	(2,633,717)
	108,827,524	101,662,432

The effective interest yield during the year on loans to members was 9.94% (2014: 8.98%).

11.1 Loans to Members Impairment Analysis

Loans and advances are summarised as follows: -

	2015	2014
	\$	\$
Neither past due nor impaired	105,570,759	97,051,991
Past due but not impaired	3,114,177	3,318,871
Impaired	2,996,305	3,925,287
Gross	111,681,241	104,296,149
Less: allowance for impairment	(2,853,717)	(2,633,717)
Net	108,827,524	101,662,432

11.2 Allowance for Loan Losses

	2015	2014
	\$	\$
Balance - Beginning of Year	2,633,717	3,405,917
Allowance for loan impairment (Note 10.3)	220,000	240,000
Loans written off during the year as uncollectible	0	(1,012,200)
Balance - End of Year	2,853,717	2,633,717

11.3 Allowance for Impairment on Loans

	2015	2014
	\$	\$
Increase in allowance for losses (Note 10.2)	220,000	240,000
Recoveries	(40,191)	(24,000)
	179,809	216,000

As of reporting date, interest of \$191,715 (2014: \$202,809) was suspended on loans amounting to \$6,019,339 (2014: \$3,873,372).

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12. Other Assets

	2015 \$	2014 \$
ATM receivables	196,665	76,251
Interest receivable on investment securities, net	411,195	435,217
Rent receivable	25,754	12,753
Prepaid expenses	45,377	45,466
Staff receivables - Net	5,627	7,978
Western Union receivables	27,343	28,374
Other	144,192	100,818
	856,153	706,857
Allowance for impairment of other receivables	(87,432)	(78,245)
	768,721	628,612

All other assets are denominated in Eastern Caribbean Currency.

13 Investment Properties

	2015 \$	2014 \$
Carrying value at beginning of year	9,925,000	15,358,660
Additions	66,000	0
Derecognition of properties for sale (note 8)	0	(5,433,660)
Carrying value at end of year	9,991,000	9,925,000

Investment properties comprise:

	2015 \$	2014 \$
Properties held for rental	9,991,000	9,925,000
Properties held for appreciation	0	0
	9,991,000	9,925,000

As disclosed in note 9, the Credit Union transferred 30.187 acres of land held at Peter's Hope to inventories, which are sub-divided and under development for sales.

Income from investment properties amounted to \$198,840 (2014: \$198,840) and direct operating expenses amounted to \$7,137 (2014: \$2,249).

14. Property, Plant and Equipment

	Land \$	Building \$	Furniture & Equipment \$	Motor Vehicle \$	Total \$
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
Year Ended December 31, 2014					
Opening net book amount	1,373,635	2,874,102	323,845	2	4,571,584
Additions	550	8,830	307,914	0	317,294
Depreciation charge	0	(61,304)	(175,543)	0	(236,847)
Closing net book amount	1,374,185	2,821,628	456,216	2	4,652,031
At December 31, 2014					
Cost or valuation	1,374,185	3,065,186	1,849,605	130,110	6,419,086
Accumulated depreciation	0	(243,558)	(1,393,389)	(130,108)	(1,767,055)
Net book amount	1,374,185	2,821,628	456,216	2	4,652,031

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

	Land \$	Building \$	Furniture & Equipment \$	Motor Vehicle \$	Total \$
Year Ended December 31, 2015					
Opening net book amount	1,374,185	2,821,628	456,216	2	4,652,031
Additions	0	3,970,438	98,816	0	4,069,254
Disposals	0	0	(2,765)	0	(2,765)
Depreciation charge	0	(61,617)	(165,125)	0	(226,742)
Closing net book amount	1,374,185	6,730,449	387,142	2	8,491,778
At December 31, 2015					
Cost or valuation	1,374,185	7,035,624	1,895,068	130,110	10,434,987
Accumulated depreciation	0	(305,175)	(1,507,926)	(130,108)	(1,943,209)
Net book amount	1,374,185	6,730,449	387,142	2	8,491,778

Depreciation expense of \$226,741 (2014: \$236,847) has been charged to general and administrative expenses.

The following summarises the components of property, plant and equipment had they been accounted for on a historical cost basis:

	Land \$	Building \$	Furniture & Equipment \$	Motor Vehicle \$	Total \$
Cost	1,374,185	7,035,624	1,895,068	130,110	10,434,987
Accumulated depreciation	0	(305,175)	(1,507,826)	(130,108)	(1,943,209)
Net Book Value	1,374,185	6,730,449	387,142	2	8,491,778

15. Other Payables

	2015 \$	2014 \$
Accounts payable and accrued liabilities	1,271,788	1,218,056
Interest payable on fixed deposits	1,110,423	1,106,630
Interest payable on member share savings	1,052,822	1,157,448
	3,435,033	3,482,134

Other payables are denominated in Eastern Caribbean currency.

16. 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 Company (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. As of reporting date, Colonial Life Insurance Company (Trinidad) Limited is under juridical management and is insolvent. The Credit Union retains the pension contributions in a deposit account, which at reporting date amounted to \$535,744 (2014: \$414,426). The deposit earns interest at the rate of 2% per annum.

17. Members' Deposits

	2015 \$	2014 \$
Term deposits	53,007,494	52,061,420
Saving deposits	32,109,400	26,746,368
	85,116,894	78,807,788

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

	2015 %	2014 %
Term deposits	3.67	3.85
Saving deposits	2.16	3.15

All members' deposits are denominated in Eastern Caribbean Currency.

General Employees' Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2015

(in Eastern Caribbean dollars)

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18. Members' Ordinary Savings

Members' ordinary savings bear interest at rates not exceeding the rate of interest stipulated by the East Caribbean Central Bank.

19. Share Capital

	2015 \$	2014 \$
No. of Shares Unlimited	No. of Shares Unlimited	
Qualifying shares	3,107,900	2,896,500
Equity shares	18,702,112	17,160,619
	21,810,012	20,057,119

Holders of qualifying and equity shares are entitled to vote at the Credit Union's general meetings and any dividend duly declared. Each shareholder is entitled to one vote.

20. Statutory Reserve

Pursuant to the provisions of Article XIX (1) of the By-Laws and Part VII section 124 of the Co-operative Societies Act 2012, the Credit Union shall credit all entrance fees and fines collected from members to the statutory reserve. If at the end of each financial year the amount standing to statutory reserves and other institutional capital, before any declaration of dividend, is less than ten percent of total assets, the Credit Union shall transfer to statutory reserve for that year not less than twenty percent (20%) of its surplus or such lesser sum as may be required to increase the statutory reserves to ten percent of total assets.

	2015 \$	2014 \$
Balance - Beginning of Year	9,153,976	8,817,877
Entrance fees received in current year	1,713	1,625
Appropriation for the year	0	341,526
Release to retained earnings to absorb impairment loss	(6,000,000)	0
Adjustments for the year	0	(7,052)
Balance - End of Year	3,155,689	9,153,976

The Financial Services Authority approved the release of \$6 million of the statutory reserve, in accordance with section 124 of the Co-operative Societies Act, to absorb the impairment of the BICO and CLICO securities.

21. 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.

	2015 \$	2014 \$
Balance - beginning of year	495,228	201,431
Contribution received	466,740	450,260
Benefits paid	(254,923)	(156,463)
Balance - end of year	707,045	495,228

22. Statutory Development Fund

	2015 \$	2014 \$
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.

23 Accumulated Other Comprehensive Income

	2015 \$	2014 \$
Revaluation reserve	511,915	511,915
Unrealised gain on investment	298,268	401,916
	810,183	913,831

General Employees' Co-operative Credit Union Limited
Notes to the Financial Statements
For the Year Ended December 31, 2015
(in Eastern Caribbean dollars)

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24. Investment Income - Net

	2015 \$	2014 \$
Dividend	8,251	16,732
Interest earned	1,520,465	1,543,883
	<u>1,528,716</u>	<u>1,560,615</u>

25. Selling Expenses

The following summarise the Credit Union's selling expenses by their nature.

	2015 \$	2014 \$
Advertising	186,496	41,686
Donations	63,306	48,262
Heritage month expenses	4,851	220
Scholarships	140,441	112,081
School co-operative expense	1,435	100
Social assistance expense	5,895	2,774
	<u>402,424</u>	<u>205,123</u>

26. General and Administrative Expenses

The following summarise the Credit Union's administrative expenses by their nature.

	2015 \$	2014 \$
50 th Anniversary celebration	0	223,869
ATM card embossing cost	2,848	2,813
Audit fee	66,022	63,342
Bad debts - rent and other	9,187	8,315
Bank charges	10,461	25,514
Board and committee expenses	91,430	122,045
Credit Union week	13,503	3,907
Cleaning expenses	15,555	18,095
Debit card project	10,503	0
Depreciation	226,742	236,847
Education and promotion	50,321	37,101
Electricity	96,517	91,725
General insurance	61,304	58,609
Georgetown branch expenses	100,774	100,541
Grenadines expenses	174,705	175,603
Honorarium	9,600	9,600
Insurance on members' shares and loans	750,525	704,024
League dues	121,058	128,790
Licensing fees	61,283	55,044
Meeting expenses	68,397	65,694
Miscellaneous expenses	18,978	10,210
Motor vehicle expense	23,868	33,569
Office expenses	80,128	65,506
Professional fees	12,972	11,285
Property tax	7,380	7,370
Repairs and maintenance	102,399	97,447
Security	126,377	125,132
Social events	43,266	4,391
Stationery, postage and office supplies	86,116	92,048
Subscriptions and membership dues	6,733	6,588
Telephone and Internet	136,414	105,359
Water and sewerage	22,113	20,260
Convention and summit	126,155	82,685
	<u>2,733,634</u>	<u>2,793,328</u>

General Employees' Co-operative Credit Union Limited
Notes to the Financial Statements
For the Year Ended December 31, 2015
(in Eastern Caribbean dollars)

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27. Staff Cost

The following summarises staff cost by their nature.

	2015 \$	2014 \$
Education assistance	1,215	3,240
Group medical insurance	108,215	74,104
Holiday grant	6,000	11,000
Housing allowance	4,800	4,800
Pension	81,840	79,801
National Insurance contributions	86,185	82,075
Salaries, wages and bonus	1,949,703	1,880,938
Staff training	65,905	69,027
Travel and entertainment allowances	78,328	68,311
Uniforms	50,465	17,433
	<u>2,432,656</u>	<u>2,290,729</u>
Number of employees as of reporting date	51	47

28. Income on Death Benefit Plan - Net

	2015 \$	2014 \$
Members' death benefit contributions during the year	578,680	559,380
Death benefit claims paid during the year	(425,500)	(410,127)
	<u>153,180</u>	<u>149,253</u>

29. Income Tax

The Credit Union, in accordance with Section 241 of the Co-operative Societies Act 12 of 2012, is exempt from income tax.

30. 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

	2015 \$	2014 \$
Loans		
Directors and volunteers	3,229,623	3,588,257
Staff	4,075,398	3,847,489
	<u>7,305,021</u>	<u>7,435,746</u>
Deposits		
Directors and volunteers	1,129,428	1,195,050
Staff	928,634	679,233
	<u>2,058,062</u>	<u>1,874,283</u>

General Employees' Co-operative Credit Union Limited
Notes to the Financial Statements
For the Year Ended December 31, 2015
(in Eastern Caribbean dollars)

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30. Related Party Transactions (Cont'd)

b. Key Management Compensation

	2015 \$	2014 \$
Salaries	643,731	640,317
National Insurance Services	17,159	17,159
	660,890	654,476

c. Other

	2015 \$	2014 \$
Board honorarium	9,600	9,600

31. Commitments

a. As of reporting date, the Credit Union has no further capital commitments.

b. The Credit Union is committed to monthly rentals of \$5,196, \$4,225 and \$1,500 under operating leases which expire on December 31, 2018, October 31, 2016, and April 1, 2016 respectively. Total of future minimum lease payment under non-cancellable operating leases: -

	2015 \$	2014 \$
Not later than one year	109,102	74,700
Later than one year and not greater than five years	62,352	46,750
	171,454	121,450

THE CREDIT COMMITTEES' REPORT TO THE 50TH ANNUAL GENERAL MEETING

1.0 Introduction

1.1 The under-mentioned persons continue to serve on the Credit Committee for the year 2015:

Bro. Linus Goodluck	- Chairman
Bro. Michael Sayers	- Vice Chairman
Sis. Marla Mulraine	- Secretary
Sis. Janice King	- Member
Bro. Renato Gumbs	- Member

1.2 At the 49th Annual General Meeting, Bro. Renato Gumbs was elected to serve on the Credit Committee and replaced outgoing Chairman Bro. Colin Sam, who completed his second three-year term. Sis. Marla Mulraine was elected to serve for a second three year term.

2.0 Meetings and Attendance

2.1 For the calendar year 2015, a total of fifty-eight (58) regular meetings were convened and thirty (30) site visits were made to a total of one hundred and ninety-seven (197) projects and properties.

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

2015

Bro. Linus Goodluck	57
Bro. Michael Sayers	49
Sis. Marla Mulraine	51
Sis. Janice King	54
Bro. Renato Gumbs	36
Bro. Colin Sam	17

3.0 Work Programme

- Processed loans in accordance with GECCU's loan policy.
- Submitted monthly report to Board of Directors.
- Provided financial counselling to members when necessary.
- Participated in the relevant training sessions.
- Conducted site visits.
- Conducted interviews where necessary.
- Worked closely with the Loans Department and Recoveries Section.
- Reviewed loan policy
- Collaborated with technical personnel

3.1 The Credit Committee noted that due to the impact of the economic and financial challenges members were facing, the following issues stood out:

- Members sought financial advice from the Credit Union on a more regular basis.
- The committee restructured loans to members to ensure that the members can afford payments.

4.0 Loan Review and Disbursement

4.1 The interest rate on residential mortgages and land loans were reduced from 7.75% and 8.75% respectively to 6.99%.

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

Table 1: Loan Activities for the financial year 2015

	2015		2014		
Particulars	No	Value	No	Value	Percentage
Total loans applications processed	7286	\$44,408,820.00	7521	\$42,034,506.00	5.64%
Total loan applications approved	7253	\$39,804,139.00	7479	\$37,984,965.00	4.78%
Total loan applications deferred	13	\$1,387,684.00	15	\$1,925,854.00	-27.94%
Total loan applications not approved	20	\$3,216,997.00	27	\$3,898,782.00	-17.48%
Total loans disbursed	7236	\$37,214,217.00	7465	\$36,209,870.00	2.77%
Total loans approved but not yet disbursed	17	\$2,589,922.00	14	\$1,775,095.00	45.90%

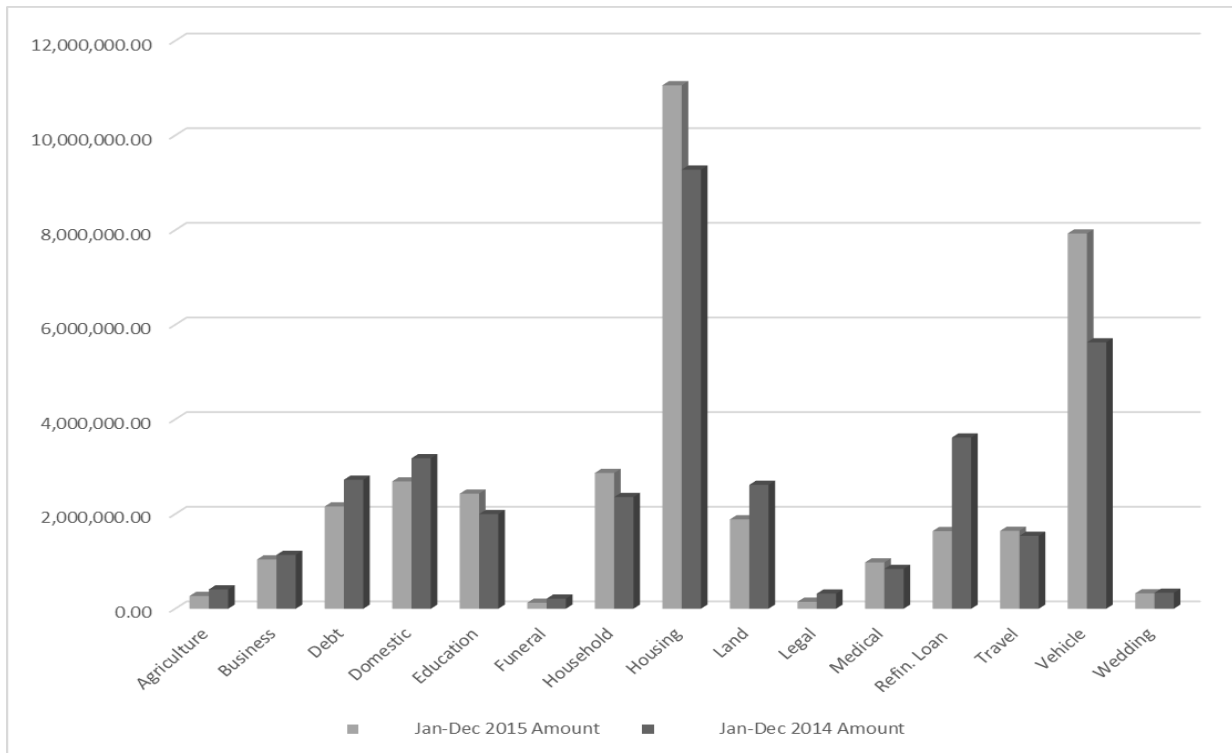
4.2.1 Table 1 above reveals a 5.6% increase in the value of loans processed, even though the numbers decreased by 3.1%. The sub-categories comprising this heading include: total loans approved, which increased in value but decreased in number; total loans deferred, which also registered decreases in value and number. The loans not approved, showed a decrease in both value and number respectively.

4.3 Table 2: Loans disbursed by category

	<u>Jan-Dec 2015</u>			<u>Jan-Dec 2014</u>			
	<u>No of</u>	<u>Amount</u>	<u>% of Total</u>	<u>No of</u>	<u>Amount</u>	<u>% of Total</u>	<u>% change</u>
<u>Type</u>	<u>Loans</u>	<u>(\$)</u>	<u>Loan Value</u>	<u>Loans</u>	<u>(\$)</u>	<u>Loan Value</u>	
Agriculture	126	270,212.00	0.7	129	408,496.00	0.8	-33.8%
Business	224	1,042,730.00	2.8	226	1,137,874.00	2.9	-8.36%
Debt	727	2,162,814.00	5.8	932	2,726,057.00	9.1	-20.66%
Domestic	1592	2,690,695.00	7.2	1626	3,180,625.00	4.5	-15.40%
Education	705	2,432,333.00	6.5	692	1,999,102.00	5.7	21.67%
Funeral	37	126,349.00	0.3	50	213,816.00	0.2	-40.90%
Household	1047	2,869,527.00	7.7	941	2,359,833.00	5.5	21.59%
Housing	723	11,061,201.00	29.7	757	9,278,619.00	26.1	19.21%
Land	51	1,889,153.00	5.1	44	2,617,794.00	10.3	-27.83%
Legal	52	147,394.00	0.4	83	320,057.00	0.7	-53.94%
Medical	484	978,281.00	2.6	531	841,283.00	2.2	16.28%
Refin. Loan	139	1,640,341.00	4.4	163	3,618,655.00	12.6	-54.66%
Travel	434	1,646,534.00	4.4	448	1,540,403.00	5.1	6.88%
Vehicle	823	7,930,323.00	21.3	774	5,629,786.00	13.5	40.86%
Wedding	72	326,330.00	0.9	69	337,470.00	0.8	-3.30%
Total	7,236	37,214,217.00	100	7,465	36,209,870.00	100	

4.3.1 During the period under review, the value of loans disbursed increased from \$36 million to \$37 million, representing an increase of 2.77%. This figure exceeded the budgeted amount of \$30 million for the year by \$7 million. The category that reflected the highest increase was 'Vehicle', which reflected 21.3% of the total disbursement, up from 13.5% in the previous year. This was followed by 'Housing' with a value of 29.7% of the total disbursement from 26.1% in 2014. Note-worthy is the reduction of debt servicing loans which decreased from 9.1% of the total disbursement in 2014 to 5.8% in 2015. With the reduction of the interest rate to 6.99%, it is anticipated that an even greater increase would be realized in the coming year.

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



5.0. Mortgage Financing Program (MFP)

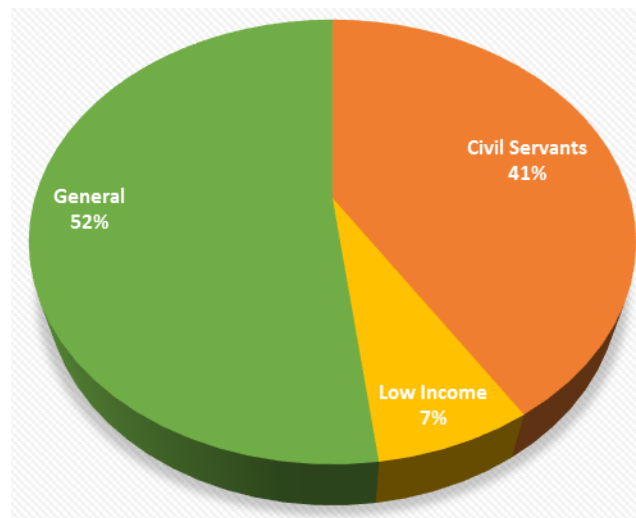
- 5.1 The total value of the mortgage (housing) portfolio stood at \$46 million as at December 2015, representing 42.2% of the total loan portfolio, which amounted to \$111 million.
- 5.2 For the period under review, the number of mortgages approved totaled 42, which amounted to \$8 million, representing approximately 21.76% of the total loans approved. This performance outstripped that of the corresponding period, which showed the number of mortgages approved totaling 35, amounting to \$6.45 million, representing approximately 17% of the total loans approved.
- 5.3 The committee continues to place emphasis on the monitoring of all loans with the aim of ensuring compliance and providing counselling to applicants.
- 5.4 The table below shows the number and the value of the mortgage portfolio for the year 2015 in comparison to the year 2014.

Table 3: Mortgage portfolio by category

	2015			2014		
Category	No of loans	Value(\$)	Percentage	No of loans	Value(\$)	Percentage
Civil Servants	126	19,254,507.00	41	119	\$17,638,880.00	40.7
Low Income	36	3,216,511.00	7	38	\$3,255,258.00	7.8
General	177	24,420,031.00	52	158	\$21,226,475.00	51.5
TOTAL	339	46,891,049.00	100	315	\$42,120,613.00	100

5.4.1 The distribution of the mortgage portfolio for the fiscal year 2015 is presented in the pie chart below.

Chart 2: Mortgage portfolio by category



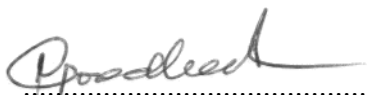
6.0 Delinquency Status

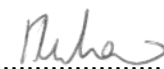
6.1 The Credit Committee is cognizant of its mandate to monitor the delinquency status of the loan portfolio as set out in Section (62) of the Co-operative Societies Act No. 12 of 2012 and further articulated by the Financial Services Authority (FSA). The Recoveries Section has implemented new strategies for reducing the level of delinquency and has successfully reduced the rate from 6.99% to 5.5%, coming ever closer to the Industry Standard of 5%.

7.0 Conclusion

Despite the challenges faced as a result of the global economic crisis, the committee continues to exceed its performance targets.

The committee takes this opportunity to express its sincere thanks and gratitude to the Board of Directors, other committees, management and staff of GECCU and the general membership for the continuous support extended. The committee looks forward to serving its members and reiterates its commitment to this noble credit union.


.....
Bro. Linus Goodluck
Chairperson


.....
Sis. Marla Mulraine
Secretary

THE SUPERVISORY & COMPLIANCE COMMITTEES' REPORT TO THE 50TH ANNUAL GENERAL MEETING

1.0 INTRODUCTION

- 1.2 The main responsibility of the Supervisory and Compliance Committee is to oversee the operations of the credit union with a view to mitigating risk and safe-guarding members' savings.
- 1.3 During the year, the committee reviewed and tested the credit union's general operations, accounting system and internal controls and is satisfied that the General Employees Co-operative Credit Union is in compliance with the Co-operative Societies Act 12 of 2012, the organization's Bye-Laws, internal policies and procedures and other statutory and regulatory requirements. In addition, the physical and technical safeguards in place have been effective in protecting assets and securing the information system.

2.0 MEMBERSHIP & ATTENDANCE

- 2.1 At the 49th Annual General Meeting, Bro. Joshua Gibson was elected to serve for a period of three (3) years.
- 2.2 The other members of the Committee are:
- | | |
|-------------------------|-------------|
| Sis. Anika Stapleton | Chairperson |
| Sis Marva Cato-Robinson | Secretary |
| Sis Elsa K. Wynne | Member |
| Sis. Colleen Thomas | Member |
- 2.3 Sis. Anika Stapleton and Sis. Marva Cato-Robinson were elected unopposed as Chairperson and Secretary respectively. Regular meetings were scheduled for the second and fourth Tuesday of each month.
- 2.4 Twenty (20) meetings were held with attendance as follows:
- | | |
|-----------------------------|-------------|
| Sis. Anika Stapleton | 20 meetings |
| Sis Marva Cato-Robinson | 15 meetings |
| Sis Elsa K. Wynne | 18 meetings |
| Bro Joshua Gibson | 13 meetings |
| Sis Colleen Thomas | 14 meetings |
| Sis. Lauramay Pope-Williams | 8 meetings |

- 2.5 During the year, Sis Lauramay Pope-Williams resigned and the vacancy was filled by Sis Colleen Thomas.
- 2.6 The Internal Auditor, Sis Damoris Alexander and her assistant Sis Karen Mulraine, aided the Committee in the implementation of its work programme.

3.0 SCOPE OF WORK

3.1 WORKPLAN

- 3.2 The committee developed a work plan during the year and liaised with the Board of Directors, management and staff in its execution. The main areas of concentration during the year were as follows:

3.1.1 LOAN DELINQUENCY

The loans portfolio poses one of the greatest risks to the credit union. For that reason, the committee spent considerable time examining and sampling records of new and existing loans to ascertain the level of compliance with the loans policy.

From our observation, the loans reviewed were properly administered and were in adherence with the loans policy except for a few instances of incomplete documentation which were reported to management for follow up action.

Delinquency was also reviewed and the committee noted that while the delinquency ratio fluctuated during the year and peaked at 8%, by year-end it had reduced to 5.5%, which was close to the benchmark of 5%.

The committee is of the view, that this reduction was as a result of the combined efforts of the Recoveries Committee, the Loans Department and Recoveries Section in developing strategies to manage delinquency.

3.1.2 SOCIAL DEVELOPMENT FUND

A review of applications for assistance from the Social Development Fund (SDF) and the related disbursement process were conducted during the year. There were no irregularities found and suggestions made for strengthening the disbursement process were acted on. Hence, the Supervisory and Compliance Committee is satisfied that the fund is being administered in accordance with the stipulated SDF guidelines.

3.1.3 REPORTING REQUIREMENTS

The Credit Union is mandated by the Financial Services Authority (FSA) to prepare monthly and quarterly financial reports complete with PEARLS ratio. In addition, various minutes and reports are also to be prepared for internal and external purposes.

The committee perused all financial reports, minutes and reports of the Board of Directors, Committees and departments to ensure that all parties met their reporting obligation. Any discrepancies identified during examinations were adequately addressed.

The Supervisory and Compliance Committee is therefore pleased to report that the credit union has successfully met its statutory and regulatory reporting requirement as mandated by the Co-operative Societies Act and By-laws, primarily the presentation of the audited financial report for 2015.

3.1.4 GECCU LINK-24 ONLINE

One year after its launch, the portal that gives members online access to their account, anywhere in the world, was underutilized. The Supervisory and Compliance Committee therefore suggests that a promotional/ educational campaign be considered to address the situation. In so doing, more members would sign up to use the service and benefit from the speed, ease and convenience of online access.

3.1.5 SUB-OFFICE OPERATIONS

Visits to sub-offices in Georgetown, Bequia and Union Island were made to test compliance with cash handling procedures and other internal controls.

The committee is satisfied that the sub-office operations are consistent with the credit union's overall policies and procedures.

3.1.6 DEVELOPMENT PROJECTS

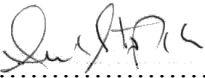
In light of the construction of sub offices proposed for South Rivers and Troumaca, along with the other development projects in Kingstown and Peters Hope, the committee suggests that a project officer be recruited to support the Accountant with the related administrative duties.

4.0 COMMENDATION

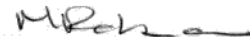
- 4.1** The committee wishes to commend the Board of Directors and Management on the successful implementation of the Disaster Management Policy and the 6.99% interest rate on mortgages offered to members. Moreover, commendations are extended for the proposed sub-office developments and the acquisition of the Centrex building; all evidence of GECCU's commitment to serving members better.

5.0 ACKNOWLEDGEMENT

- 5.1** The Supervisory and Compliance Committee is grateful to the general membership for electing us and giving us the opportunity to serve the credit union. Sincerest appreciation is also extended to GECCU's management and staff for their invaluable assistance and support during the year. Let us all maintain the co-operative spirit of working together and growing together.



.....
Sis. Anika Stapleton
Chairperson



.....
Sis. Marva Cato Robinson
Secretary

EDUCATION COMMITTEE'S REPORT TO THE 50TH ANNUAL GENERAL MEETING

1.0 Introduction

1.1 The Education Committee as selected by the Board of Directors to serve for the period under review comprised following Volunteers and Staff –

- Bro. Clarence Harry - Chairperson
- Bro. Ronnie Daniel - Deputy Chairperson
- Sis. Ena Walters - Secretary
- Sis. Velda Gumbs - Assistant Secretary
- Sis. Mineva Glasgow
- Sis. Gemma Mc Cree
- Bro. Claude Cambridge
- Bro. Joel Poyer
- Sis. Diana Browne
- Bro. Ricky Haynes
- Sis. Colleen Thomas
- Sis. Thelsea John
- Sis. Charlene Douglas
- Sis. Danny Lee Francis – Staff
- Bro. Anton Jardine – Staff
- Bro. Osbert Cunningham Jr. - Staff

1.3 The Committee held its first meeting on 11th May 2015 and elected Bro. Clarence Harry, Bro. Ronnie Daniel and Sis. Ena Walters as Chairperson, Deputy Chairperson and Secretary, respectively.

1.4 Four new persons - Bro. Ricky Haynes, Sis. Colleen Thomas, Sis. Thelsea John and Sis. Charlene Douglas - were appointed to serve on the Education Committee for the year 2015/16.

1.5 Sis. Velda Gumbs was appointed Assistant Secretary in September 2015.

2.0 Meetings

2.1 The Committee met every second Monday in each month or otherwise as needed.

3.0 Strategic Objectives

The Committee's work and work plan for the period under review were informed by the following seven (7) broad strategic objectives as set by the Board of Directors to include –

- To strengthen protection mechanisms and procedures
- To increase membership
- To improve the quality and accessibility of products and services to members
- To enhance product performance
- To strengthen adherence to the Credit Union principles and philosophy more broadly and consistently among members and staff
- To strengthen GECCU's commitment to the development of the Co-operative sector.
- To develop standards to measure current and desired member service

4.0 ACCOMPLISHMENTS

4.1 To strengthen protection mechanisms and procedures

- Training sessions geared at strengthening protection mechanisms and procedures were conducted for volunteers and staff at different levels at all business centers.

- A workshop for twenty (20) young Volunteers was held on Thursday 25th June 2015. The workshop, among other things, highlighted the benefits of being a volunteer and the role that young people currently play and can play in the development of the Credit Union movement.

4.2 To increase membership

- Specific outreach programmes were employed targeting the 35 years and under age group of the population. These included: sending mass messages to targeted groups; greater utilization of the Liaison Officers and Teacher Guides; a redesigned and enhanced website; launch of new and smart products and promotions; greater utilization of the social media; visit to the School's Agri-business Project and visit to the Schools' Co-operative program.
- Completed the *“face of GECCU Mobile App competition – win an ipad contest”* on 30th September 2015. Miss Elizabeth Rickards was the winner of the competition. Additionally, four (4) consolation prizes of gift cards valued at EC\$150.00 each were awarded.
- Conducted a presentation at the UWI open campus orientation session on 13th July 2015 for the September 2015 Undergraduates. Numerous enquiries were made about the “Learn While You Earn” loan product as well as the University bursaries offered by GECCU.
- Dabriel's Gap, Georgetown, was the first of thirteen (13) sites approved by the Surveys Department for the erection of GECCU billboards throughout St. Vincent and the Grenadines. Work on the remaining sites, as well as the final designs for the face of the billboards are ongoing.
- There was a greater utilization of the Liaison Officers as Agents to market GECCU's products and services at their respective workplaces. This was evident by the number of times a Liaison Officer's name was noted on the **“Recommended by”** section of the Application for Membership form.
- Visited the British Virgin Islands in January 2015 to meet and engage with the GECCU Vincentian Diaspora.
- Conducted a promotional drive in Bequia on 27th March 2015 under the Almond Tree to give a boost to GECCU's new location in the Bay Shore Mall.
- Conducted a membership drive with the staff of the Sports Department on 22nd April 2015.
- The membership, inclusive of depositors increased by 2,267 as a result of the aforementioned activities and many other interventions.

4.3 To improve the quality and accessibility of services and products to members

- The upgraded website and corresponding suite of online services have revolutionized the way GECCU does business, but more importantly, they have significantly improved the members' accessibility to the range of products and services.
- Our social media presence continues to play an impactful role on the organization's online marketing efforts; our Facebook page (GECCU Ltd.) connects with an average of 470 online users daily. Additionally, the website www.geccu.com receives an average of 3,000 visits per month and about 980 Google searches per month. The Mobile App receives about 134 new users and 1,654 page views per month.
- Two (2) of GECCU's loan products – the Christmas Loan and the Computer loan were rebranded. The Christmas loan is now called “Endless Christmas” while the Computer Loan was redefined to include Smart TV, Tablets, Ipads, smart phones and laptops.

- Collaborated with “The Network” and “Country Meets Town” carnival bands to promote GECCU and encourage persons to save and borrow loans for the carnival season.
- Sponsored the Calliaqua Under-17 and Senior football teams for the Calliaqua Football Tournament.
- Work on the establishment of a GECCU branch in the Grenadine island of Canouan to facilitate business is far advanced.

4.4 To strengthen adherence to the Credit Union principles and philosophy more broadly and consistently among members and staff

- Conducted a series of training workshops throughout 2015 for staff, volunteers and liaison officers. The objectives of these workshops included, but were not limited to, building new capacities and strengthening existing capacities relative to the credit union principles and philosophy, and preparing and empowering a new cadre of co-operators. In this regard, the following were done :
 - ⇒ Convened a workshop for the Liaison Officers on Tuesday, 16th June 2015. The Liaison Officers were apprised of the latest products and services being offered by GECCU, but more importantly, the workshop highlighted their role in effectively marketing GECCU and its products and services.
 - ⇒ Convened a workshop on “The importance and benefits of Volunteerism” on Thursday, June 25th 2015 for twenty five (25) Volunteers. This workshop examined the benefits of being a volunteer and the role that young people play and could play in the continued success and development of GECCU and the Credit Union movement in general.
- Collaborated with the Forestry Department in the Ministry of Agriculture in the hosting of productivity sessions at the Colonarie and Barrouallie Learning Resource Centers (LRCs) from 2nd to 4th February, 2015 and a summer programme for fifty (50) children from 3rd to 13th August, 2015. A tree planting exercise along the route to Sandy Bay was a feature of the summer programme.
- Partnered with Imperial Optical Inc. to co-host a trunk fair at which over 1,600 frames from optical manufacturers across the globe were displayed. This initiative was mainly to encourage persons to obtain loans from GECCU to facilitate their eyewear purchases.
- Sponsored the 2015 Science, Technology, Engineering, Mathematics (STEM) Summer Program. This five week summer program targeted primary and secondary school children and was held from July 13th - to August 14th 2015.
- Sponsored the GECCU Grassroot Basketball tournament in South Rivers from March 26th – 28th 2015 at the South Rivers Methodist School Hard Court as part of the credit union’s continued active presence in that community.

4.5 To strengthen GECCU’s commitment to the development of the co-operative sector

- Conducted various sensitization sessions with the staff of Statutory Corporations on equity shares, qualifying shares and the range of products and services offered by GECCU. On 19th May, 2015 a meeting was held with the staff of the Central Water and Sewerage Authority (CWSA) to explain the equity shares and update them on the different projects that are being undertaken by the Credit Union.

- Hosted the Annual Youth Symposium from August 19th – 20th 2015 at the Anglican Pastoral Center, New Montrose.
- Hosted three (3) Town Hall meetings – one (1) in Bequia on 15th January 2015, one (1) in Union Island on 12th March and one (1) in Georgetown on 21st March, 2015, respectively.
- Worked with the Co-operative Department to develop new and better ways to strengthen the School's Co-operatives and provide support to the Teacher Guide Programme.
- Visited the School Co-operatives in Bequia on 14th January 2015, Union Island and Mayreau on the 11th and 12th March, 2015, respectively.
- Partnered with the Eastern Caribbean Central Bank (ECCB) for Financial Information Month (October 2015) under the theme – “***Learn, Empower, Achieve, and Develop (LEAD).***”

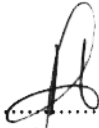
4.6 To compile activities and implement plans for the 50th Anniversary celebrations

- Completed and distributed 3,000 copies of the 50th Anniversary Commemorative Magazine (Limited Edition) from November 2015 onwards.

5.0 CONCLUSION

The Education Committee would like to thank the Board of Directors for affording us the opportunity to serve this noble organization, the staff for their support, but more importantly, the Marketing Department for making its job rich and rewarding.

The Committee performed well and worked diligently in the execution of its work and work plan to achieve the strategic objectives. In this regard, about 95 % of the planned activities were accomplished for the period under review.



.....
Bro. Clarence Harry
Chairperson



.....
Sis. Ena Walters
Secretary

REPORT OF THE LEAGUE REPRESENTATIVES OF THE GENERAL EMPLOYEES' CO-OPERATIVE CREDIT UNOIN TO THE 50TH ANNUAL GENERAL MEETING

1.0 MEETING

- 1.1 At its first meeting, following the 49th Annual General Meeting on March 31, 2015, the Board of Directors elected the following persons to serve as GECCU's League Representatives:

Delegates

Bro. Lennox Bowman
Bro. Kelvin Pompey
Sis. Cecelia Williams
Bro. Harold Lewis

Alternate Delegates:

Bro. Ronnie Daniel
Bro. Brian Alexander

- 1.2 At the first meeting of the St. Vincent and the Grenadines Co-operative League's Board, following its 35th Annual General Meeting, Bro. Kelvin Pompey was re-elected to serve on the Board as President and Bro. Harold Lewis was elected to serve as Director.
- 1.3 Sis. Cecelia Williams was also elected to serve on the Supervisory and Compliance Committee as Chairperson.
- 1.4 During the period, GECCU's League Representatives attended meetings and activities of the Co-operative League and represented GECCU well.

2.0 HIGHLIGHTS

- 2.1 Some of the main highlights of the League's activities for 2015 were:

1. Leadership and Development Symposium 2015

The St. Vincent and the Grenadines Co-operative League convened its annual Leadership Development Symposium in August 2015. The symposium, which was held in conjunction with the Grenada Authority for the Regulation of Financial Institutions (GARFIN), the SVG Financial Services Authority, and the SVG Financial Intelligence Unit, assisted industry practitioners to better understand the scope of their responsibilities in ensuring that the credit unions in their charge continually pursue standards that assure safety, soundness, business success and continuity as they meet the requirements of a stricter regulatory framework.

The symposium examined key revisions to the co-operatives societies' legislation, including provisions that address new Fitness and Probity, Governance and Prudential, and Risk and Audit requirements. Against the background of the world economic challenges, the global threat of terrorism financing, money laundering, market manipulation, insider dealings, and high-risk investments, the symposium also heightened awareness of the compliance requirements for credit unions in relation to the Financial Services Authority Act, and Anti-Money Laundering/Combating Financing of Terrorism laws.

2. Financial Assistance to Dominica

Co-operatives live out their philosophy of 'People Helping People' every day and more so in times of disasters. The St. Vincent and the Grenadines Co-operative League initiated an appeal amongst local credit unions to raise funds in support of relief and restoration efforts in the Commonwealth of Dominica in the wake of the devastation brought on by the passage of Tropical Storm Erika in August 2015.

In this regard, a financial contribution of thirty thousand dollars (EC\$30,000) was made available to the Dominica Co-operative Societies League as a tangible expression of support for the people of Dominica as they worked to rebuild their communities and livelihoods in the aftermath of the tragedy.

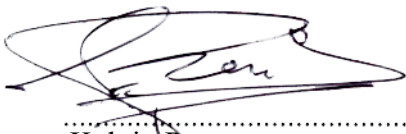
3. Co-operative March and Ecumenical Service

A Co-operative March and Ecumenical Service was held in October to commemorate Co-operative Month. Co-operative members and well-wishers, including students from secondary and primary schools throughout the parish of St. George, joined in the procession through the streets of capital Kingstown. The ensuing ecumenical service at the Kingstown Methodist Church, which helped to engender greater fellowship and renewed co-operative commitment and affiliation, heard addresses from Superintendent Minister, Rev. Adolph Davis; Hon. Frederick Stephenson, Minister of National Mobilization and Social Development; President of the SVG Co-operative League, Bro. Kelvin Pompey, and youth representatives.

3.0 CONCLUSION

GECCU continues to play its part in the overall growth and development of the League, through its active participation in and support for activities of the League.

The Co-operative League remains grateful to GECCU for the continued support given to the co-operative sector.



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Kelvin Pompey
President

Serving Officers 2015/2016

Board of Directors

* Bro. Kelvin Pompey	- President
Sis. Mineva Glasgow	- Vice President
Bro. Jerold Jackson	- Treasurer
Bro. Harold Lewis	- Secretary
* Bro. Ronnie Daniel	- Director
Bro. Philmore Isaacs	- Director
* Sis. Cecelia Williams	- Director
Bro. Michael Da Silva	- Director
Bro. Brian Alexander	- Director

Credit Committee

*Bro. Linus Goodluck	- Chairperson
*Bro. Michael Sayers	- Deputy Chairperson
Sis. Marla Mulraine	- Secretary
Sis. Janice King	- Member
Bro. Renato Gumbs	- Member

Supervisory and Compliance Committee

*Sis. Anika Stapleton	- Chairperson
Sis. Marva Cato-Robinson	- Secretary
Sis. Elsa Wynne	- Member
*Sis. Colleen Thomas	- Member
Bro. Joshua Gibson	- Member

*Indicates members due to retire at this meeting.

NOTES



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