



LABORIE CO-OPERATIVE CREDIT UNION LTD.

36th Annual General Meeting

Sunday 30th May 2021

LCCU A VERY PRESENT HELP
IN TIMES OF TROUBLE.

Credit Union Prayer

Lord, make me an instrument of Your 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;
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 in pardoning that we are pardoned;
and it is in dying that we are born to eternal life.

Core Values

We believe our members come first
We believe in being human centered
We believe in unequivocal excellence in all aspects of our operations
We believe in being community focused
We believe in the co-operative philosophy

Core Purpose

To enhance the standard of living and quality of life of our members.

Vision

To become the financial institution most known for enhancing the lives of our members and their communities.

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Notice is hereby given that the 36th Annual General Meeting of the Laborie Co-operative Credit Union Ltd. will be held on Sunday 30th May 2021 at the Laborie Boys' Primary School at 1:30 p.m.

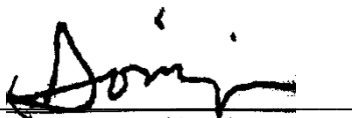
A G E N D A

Part One

- ✓ Call to Order
- ✓ Prayers & National Anthem
- ✓ Welcome Remarks
- ✓ Apologies
- ✓ Introduction of Guests and Greetings from Fraternal Organizations

Part Two

- ✓ Ascertainment of quorum
- ✓ Reading and Confirmation of Minutes of the 35th Annual General Meeting
- ✓ Reports
 - × Board of Directors
 - × Treasurer
 - × Auditor
 - × Credit Committee
 - × Supervisory Committee
- ✓ Election of Officers
- ✓ Appointment of Auditor
- ✓ Any Other Business
- ✓ Adjournment



Augustine Dominique
Secretary

S T A N D I N G O R D E R S

1. A member shall:
 - a. Stand when addressing the Chairperson.
 - b. Identify himself / herself by name before proceeding to make speeches.
2. Speeches should be clear and relevant to the subject before the meeting.
3. A member shall only address the meeting when recognized or called to do so by the Chairperson after which he/she shall immediately take his / her seat.
4. No member shall address the meeting except through the Chairperson.
5. A member shall not speak twice on the same subject except:
 - a. He/she is the mover of the motion and has the right to reply.
 - b. He/she rises to object or explain (with the permission of the Chairperson).
6. No speeches shall be allowed after the question has been put, carried or negated.
7. A member rising on a 'Point of Order' must state the point clearly and concisely. (A Point of Order must have relevance to the Standing Orders).
8. The mover of a 'procedural motion' (adjournment, postponement) shall have no right of reply.
9. A member shall:
 - a. Not 'Call' another member 'To Order' but may draw the attention of the Chairperson to a 'Breach of Order'.
 - b. At no time 'Call' the Chairperson 'To Order'.
10. A question should not be put to the vote if a member desires to speak on it or move an amendment to it.
11. Only one motion / amendment should be before the meeting at one and the same time.
12. When a motion is withdrawn any amendment to it fails.
13. The Chairperson shall have the right to a 'Casting Vote' in addition to his/her ordinary vote in the event of an equality of votes.
14. If there is an equality of votes on a motion / amendment, and if the Chairperson does not exercise his/her casting vote the motion / amendment is lost.
15. The Chairperson shall make provisions for the protection of members from vilification or personal abuse at all times.
16. No member shall impute improper motives against the Chairperson, Board of Directors, Officers or any other member.

Minutes of the 35th Annual General Meeting held at the Desmond Collymore Playing Field on Sunday 9th August 2020

PART ONE

Call to order

The meeting was called to order at 2:00 p.m. by the Chairperson, Director Steven Auguste.

Invocation and National Anthem

All joined in the recital of the Prayer of Francis of Assisi and Laborie Co-operative Credit Union's Core Values, following which an instrumental version of the National Anthem was played.

Attendance

Board of Directors Committee

Paul Sammy

Steven Auguste

Denver Chiquot

Johnson Auguste

Francillia Browne

Eyan St. Helen

Lana Alexander

Phils Louis

Credit Committee

Celia John-Chicot

Nataki James-George

Jenny Chicot-Louisy

Dale Louis

Carina Snagg

Supervisory & Compliance

Irma Francis

John Lawrence

Kediana Charlery

Caron Serieux

Excused were Officer Keth Thompson of the Supervisory & Compliance Committee and Director Sienna London. Apologies were received for the absence of the Auditor, Mr. Matthew Sargusingh.

Notice

Notice was hereby given of the 35th Annual General Meeting on Sunday 09th, 2020 at 2:00 p.m. at the Desmond Collymore Playing Field.

Welcome Remarks

Mr. Steven Auguste, Vice-President of the Board of Directors (BOD) and Chairman of the proceedings, welcomed all members to the 35th Annual General Meeting (AGM) and also thanked them for their unwavering support and commitment to LCCU. He noted that this year was an unusual one due to the COVID-19 pandemic which in part, contributed to a postponement of the AGM. Acknowledging that this event presented members with the opportunity to discuss pertinent issues relating to their Credit Union, he urged them to participate fully, and was hopeful for a very productive AGM.

In his reflections on LCCU's operations during the initial stages of the pandemic, General Manager (GM), Mr. Lucius Ellevic, echoed the sentiments expressed by the Chairman. He lamented that we are indeed living in unusual times as nothing in the history of economics can be compared to the effects of this COVID-19 pandemic. He stated that amid this economic malaise, LCCU has had to assess its role and two strategies were proposed. Firstly, to be a 'buffer' that would help its members absorb some of the economic shock, and secondly, to be one of the important mechanisms in the social support of members. This, he shared, was operationalized through (a) allocation of funds from LCCU's reserves for the provision of social comforts (such as hot meals and hampers) for the most vulnerable, and computer devices for students to facilitate access to online classrooms; (b) provision of waivers, moratoria and restructuring of loans for the nearly 900 members who lost their jobs during the crisis; (c) activation of Promotions such as 'R³' (Repair, Rebuild, Rejuvenate), '35 for Life' and 'Comfort for Life' designed as stress releases from such conditions brought on by the pandemic.

PART TWO**Ascertainment of Quorum**

The Chairperson informed the Meeting that a quorum had been ascertained with 170 members being registered. The required number for a quorum is 100 members.

Minutes

The Minutes of the 34th Annual General Meeting held on Sunday March 31, 2019 at the Laborie Boys' Primary School were taken as read on a motion moved and seconded by Tresa Jn. Jules and Lana Aimable respectively. The motion was unanimously carried.

Errors & Omissions

Page 13 Re: Nominations & Election of Officers – (first row, second column of table), the name of the seconder should be spelt '**Anette** Donatien'.

Confirmation of Minutes

The Minutes of the 34th Annual General Meeting of Sunday 31st March 2019, were confirmed on a motion moved and seconded by Olivia Felicien-Clery and Isla Sammy respectively. The Motion was unanimously carried.

Matters Arising

Page 12 **Re: Rationale for going National**

Several strategies put in place to facilitate LCCU's move to go national had, like everything else, been affected by the pandemic. Nevertheless, there was a marked increase in membership as well as a strong and growing interest by the citizenry to join the LCCU. Moving forward, the new strategies will be operationalized with features like 'Pop-up Shops'.

Page 14 **Re: Any Other Business –**

Since the introduction of the benefits to be derived, the new CUNA Family Indemnity Plan (FIP) had been very well received and utilized by members.

In response to the query on the possibility of more than one applicant staking a claim for a beneficiary, members were informed that CUNA conducts checks to ascertain that no individual is covered twice. However, if per chance it did occur, the first claimant to enroll the individual would be entitled to the payment.

The matter of the outstanding debt to LCCU regarding the arrangement with the St. Lucia Fish Marketing Corporation is still unresolved.

Hamper Raffle Draw #1

The first raffle of the afternoon was won by Fabian Laurent, holder of ticket #121.

Board of Directors Report

This report for the period under review was presented by the President, Director Paul Sammy, highlights of which are as follows:

- The financial services sector experienced tremendous competition among service providers, which in turn perpetuated a liquidity trap.
- Total Assets' projected growth of \$208 million (M) grew to \$209.1M.
- Members' Savings stood at \$168.31M instead of the forecasted \$169.4M.
- Total Loans reached \$153.8M, falling short of the \$166.4M projected.
- Total Income had not met its anticipated \$15.5M target and stood at \$15.11M.
- Total Expenses slightly exceeded its \$9.68M estimation and reached \$9.914M.
- Surplus figure was \$5.16M instead of \$5.82M which had been forecasted.
- LCCU once again had a successful year and the Board of Directors recommended payments of 6% on dividends and 10% patronage refund.

The President informed that the 10% patronage refund had already been paid out to members prior to the AGM in order to bring much needed relief to some of the economic stresses as a result of COVID-19. However, the payment of the 6% on dividends required the approval of the general membership.

The following discussions were generated on this report:

- The projected economic growth of 3.8% during the year 2020 had been dramatically impacted by the onset of the pandemic and the extent of said impact would be better recognized in the subsequent year's report.
- Regarding the likely impact of the reduction of interest rates to 4.5% on next year's dividend and patronage refund payments, it was noted that this reduction was part of LCCU's loan promotions in response to economic effects of COVID-19, and not the standard interest rate.
- Structures such as the Automated Teller Machine (ATM) and Online Member Services were installed to provide relief as well as speed up the services rendered to members.

- It was LCCU's intention to use beneficiaries of sponsorship, namely, the reigning Carnival Queen and the Laborie Pride Cricket Team, for promotional activities. However, those activities were suspended in keeping with the protocols imposed due to the pandemic.

The Board of Director's Report was adopted on a motion moved and seconded by Emma Glasgow and Girdisha Donatien respectively. The motion was unanimously carried.

Hamper Raffle Draw #2

The second raffle was won by Albert Alphonse, holder of ticket #20.

Treasurer's Report

In her Report for year ending December 31, 2019, Director Brown highlighted the following:

- Delinquency had declined to a more acceptable level of 6.83%.
- Large amounts of money are being offered as deposits with no corresponding requests for loans. Members were encouraged to take advantage of new loan products.
- LCCU's capital base far surpassed the statutory requirement, and stands at 16.4% of liabilities, and 13.27% of assets. This is a significant achievement in an environment of stiff competition and continuous challenges.
- The amount of \$103, 644 was received from British American Insurance, being an interim payment for the 2011 failed investment in that Company.
- ATM was installed at the Vieux-Fort Branch.
- The largest patronage refund to date of 10% was paid out in May of 2020.
- Membership grew by 629 with most new accounts opened at the Vieux-Fort Branch.
- Total Assets increased by \$24.4M and stood at \$209.1M at year end.
- Members Equity increased from \$34.85M in 2018 to \$39.87M in 2019.
- Members' Savings increased from \$148.73M in 2018 to \$168.31M in 2019.

In conclusion, Director Brown appealed for members to make maximum use of the loan products and services offered by LCCU. Announcing that her tenure on the Board had ended, she expressed her gratitude for the opportunity to serve as the organization's Treasurer.

In the ensuing discussions, the following was noted:

LCCU: A Very Present Help in Times of Trouble | 8

In the table on page 24, the variance figure of 29.17% for Education & Training should reflect a negative, as it represented a decrease.

The Treasurer's report was adopted on a motion moved and seconded by Martina Alexander and Judith Charlery respectively. The motion was unanimously carried.

Independent Auditor's Report

This report was read by the GM on behalf of Matthew Sargusingh of TRI-FINITY Associates. The report stated that the financial statements present fairly, in all material respects, the financial position of LCCU as at December 31, 2019, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

In the ensuing discussions the following was explained;

In order facilitate the SABLE project, LCCU accepted a dual faceted package that consisted of a Technical Assistance Grant and a loan from the Inter-American Development Bank (IDB). The grant could not have been accessed without the acceptance of the loan.

The Independent Auditor's report was adopted on a motion moved and seconded by Dave Jn. Pierre and Berny Chiquot-Malcolm respectively. The motion was unanimously carried.

Credit Committee Report

Chairperson of the Committee, Celia John-Chicot, delivered this report and highlighted the following:

- The Committee met 49 times during the period under review and processed 4135 loans, 183 less than 2018.
- The total of 4130 loans approved amounted to a total of \$39.32M.
- Of the 4135 loans processed, 5 were not approved because they had not met the necessary requirements.
- Members were reminded of the requirements necessary for the prompt processing of their loan applications.

The Credit Committee's Report was adopted on a motion moved by Isla Sammy and seconded by Emma Glasgow. The motion was unanimously approved.

Supervisory & Compliance Committee Report

Officer John Lawrence delivered this report on behalf of the Committee and disclosed that the following had been conducted during the year in review:

- Security audit (Cash & Building)
- Cash counts
- 'Meet the members' survey
- Investment audits
- Staff & Officers' loans audit
- Delinquent Loans Audit (delinquent over 90 days and without savings)
- Scholarships and Bursaries audit.
- Investments audit.
- Education Committee meeting.

He noted that the appointment of an Internal Audit and Compliance Officer had provided opportunities for greater synergies in conducting the various audits and reviews. Activities were carried out with minimal distractions to the work environment, and recommendations regarding health and safety issues for staff and members were presented to the BOD by way of monthly reports. The BOD was also in receipt of quarterly reports from the Internal Audit & Compliance Officer.

The Supervisory & Compliance Committee Report was adopted on a motion moved and seconded by Marylene Marquis and Isla Sammy respectively.

Hamper Raffle Draw # 3

The third hamper was won by Mary Jameson, holder of ticket #10.

Hamper Raffle Draw # 4

Tresa Jn. Jules, holder of ticket #113, won the fourth hamper.

Nominations & Election of Officers

Details of the Nominations & Elections of Officers, presided over by the Chairperson, are outlined in the table below.

COMMITTEE	RECOMMENDATIONS		ELECTED OFFICERS
	Nominations Committee	The Floor	
<i>BOARD OF DIRECTORS</i>	<ul style="list-style-type: none"> • Jenny Gaillard • Vincent Edward • Xanna Octave <p>(A motion that nominations be closed was moved and seconded by Elias Hunte and Olivia Felicien-Clery respectively. The motion was carried)</p>	<p>Dave Jn.Pierre (nominated by Elias Jean and seconded by Francilia Brown)</p> <p>Augustin Dominique (nominated by Tresa Jn. Jules and seconded by Dale Louis)</p>	<p>Augustin Dominique (95 votes)</p> <p>Vincent Edward (86 votes)</p> <p>Dave Jn Pierre (80 votes)</p>
SUPERVISORY & COMPLIANCE COMMITTEE	<ul style="list-style-type: none"> • John Lawrence • Kediana Charlery • Caron Serieux <p>(A motion that nominations be closed was moved and seconded by Marylene Marquis and Tresa Jn. Jules respectively. The motion was carried)</p>		<p>John Lawrence Kediana Charlery Caron Serieux</p> <p>(The Officers were elected unopposed)</p>

There were no existing vacancies on the Credit Committee.

Appointment of Auditor

A motion authorizing the Board of Directors to appoint an Auditor for the financial year ending December 31, 2020 was moved and seconded by Vincent Edward and Lana Aimable respectively. The motion was unanimously carried.

Any Other Business

In light of LCCU having gone national, Officers and Management were cautioned not to lose focus of the reason for the formation of the Credit Union, and urged to continue to remember the poor people as well as remain steadfast in their endeavors.

Members were assured that the updating of passbooks which had been suspended during the initial enforcement of COVID-19 protocols, has been reinstated.

LCCU tellers were commended for the level of customer service exhibited.

The on-going work on the building housing the Vieux-Fort Branch has deemed it unsafe for vehicles to be parked on the compound.

Transactions involving the changing and/or deposit of coins will be given attention.

The lack of attendance by the youth of the community at this event was cause for concern.

Hamper Raffle Draw #5

The winner of the fifth hamper was Martina Alexander, holder of ticket #60.

Hamper Raffle Draw #6

Lyberna Charlery, holder of ticket # 11, was the lucky winner of the final hamper draw.

Adjournment

The Chairperson thanked all attendees for their presence and participation in the proceedings, and expressed best wishes for a safe journey to their respective homes. The meeting was adjourned at 05:35 p.m., on a motion moved and seconded by Tresa Jn.Jules and Yannick Thomas respectively.



Denver Chiquot
Secretary

Board of Directors' Report

For the year ended December 31, 2020

LCCU.... a very present help in time of trouble

Introduction

We are gathered here to receive the performance report on the stewardship of your Directors during the year ended December 31, 2020. While this report will also give details of how Laborie Co-operative Credit Union (LCCU) was managed, it is important for you, members, to remember that you own the Credit Union; we govern and manage it for you.

Directors for the past year were as follows:

Mr. Paul Sammy	President
Mr. Steven Auguste	Vice President
Mr. Augustine Dominique	Secretary
Mr. Eyan St Helen	Assistant Secretary
Mr. Dave Jn Pierre	Treasurer
Ms. Lana Alexander	Director
Mr. Phils Louis	Director
Mr. Devner Chiquot	Director
Mr. Vincent Edward	Director

Overview

This year had been unlike any other in our lifetime. It was a year of challenges; it was a year of change. At the end of 2020, our Credit Union emerged more resilient and more resolute to the cause of being meaningful in the lives of our members. As the ravages of the COVID 19 pandemic loomed down, the tenets of our Core Values and Core Purpose propelled us into action.

By the end of June 2020, the Credit Union had served 1025 hot meals and distributed 150 grocery hampers to the more vulnerable in our communities. Four of our members who own restaurants were given the task of preparing those meals. The groceries were purchased from

the shops of our members. During that time, 29 students also received laptops to facilitate virtual learning sessions.

The impact of the pandemic was evident as many of our members were made redundant at their workplaces while others had to settle for reduced income. In anticipation of the needs of those members whose income was impacted, LCCU offered them relief packages even before other financial institutions considered any debt relief. Eight hundred and sixty-four (864) members received relief in the form of waivers, moratoriums (moratoria) or loan restructuring.

The gloom brought on by the pandemic necessitated a counter cyclical response. In this regard a campaign dubbed the 'R³ Initiative' was implemented as LCCU's contribution to repairing, rebuilding and resuscitating our local economy. The campaign took the form of two main loan products, '35 for Life' and 'Comfort for Life', at an unprecedented 4.5% to 5.5% interest rate. Both products were designed to provide our members, particularly the youth, an opportunity to set a secure foundation for the future. The response was overwhelming: 242 members built their homes, purchased land or pursued studying degree courses.

The LCCU COVID 19 response and related initiatives resulted in lower revenue and lower surplus for 2020. Other financial institutions have and continue to lament the impact of this pandemic. This however, was not the case with LCCU, recognizing that it was established to maximize the quality and value of services offered to members, and not for profit maximization. We are happy that over the years we have been able to grow our capital reserves beyond what is required by law. This now puts us in a position to respond to the needs of members without the fearful concern of loss of revenue or inadequacy of capital. It is also obvious that during these trying times, LCCU has proven to be a major support system for our communities, setting us apart from other financial institutions. Indeed, we are not a bank; we are better; here for you just when you need us most.

Financial Review

The onset of the lockdown in March and the consequent effect on the economy forced LCCU to review its financial targets for 2020. Our achievements are as follows:

Key Performance Indicator (KPI)	Achieved 2019	Original Projection 2020	Adjusted Projection 2020	Achieved 2020
Total Assets	\$209.10m	\$238m	\$228m	\$236.5m
Gross Loans	\$153.80m	\$177m	\$166m	\$183m
Total Savings	\$168.31m	\$190m	\$182m	\$190.2m
Total Income	\$15.10m	\$16.72m	\$16m	\$15.36m

This financial growth achieved amidst the pandemic is remarkable as well as indicative of the success realized by the 'R³ Initiative'. Total income declined mainly as the direct result of relief offered to members who suffered reduced household income.

Strategy Review

The pandemic called for new modalities in the delivery of services to members to mitigate the risk level of the pandemic. The core strategy was based on sanitization, social distancing, wearing of masks and minimizing contact between members and staff. The implementation, in part, meant limiting the number in the LCCU member-service area to six, resulting in long lines cueing up outside the Credit Union. In addition, loans and new member application requests had to be made via email or telephone. Those requests were facilitated by assigned staff, thereby minimizing face-to-face interaction with the member for relevant information. The ATM and the LCCU mobile-app also provided members with service access during the throes of the pandemic and limited the need for personal contact with the office.

The notion of establishing LCCU as a national Credit Union continued during 2020. A one-day LCCU pop up shop implemented at the Blue Coral Mall reaped great success. Permission was sought and obtained from the Financial Regulatory Authority to set a branch in Castries.

The island and the world are reeling from the effects of the COVID 19 pandemic. Vaccines have been developed, offering a sobering hope that this malaise will be under control and economies can get back to buoyancy. It is important then that the LCCU Castries Branch be in a state of readiness to provide timely support to the economic recovery efforts. A value and mission-driven organization, coupled with its institutional strength, LCCU is well poised to enhance the quality of life and standard of living of many more St. Lucians.


Acknowledgement

LCCU continues to make significant strides thanks to the skills, effort and commitment of its Officers and Staff. Director Phils Louis has reached the end of his tenure and is therefore retiring. My tenure has also come to an end, and so I thank you the members for electing me to the Board. I am grateful to my fellow Directors for their unwavering support and commitment to our organization. Thanks also to management and staff for their contribution in making us a great Credit Union.

Conclusion

On behalf of the Board of Directors, I express sincere gratitude to you members, for your continued patronage and involvement in the business of LCCU throughout 2020, notwithstanding the difficult times. Indeed, we can categorically state that 2020 was one of our better years. Although the realized surplus was reduced, the Board recommends a payment of 6% dividends and 10% patronage refund for the year ending December 31, 2020.

I thank, and may the Almighty God bless us all abundantly in 2021 and beyond.



Paul Sammy
President

Treasurer's Report

For the year ended December 31, 2020

Fellow Members:

2020 was one of the most anticipated years and will continue to be one of the most memorable years for different reasons. It goes without saying that COVID 19 had its impact on the world and by extension, the local economy of St Lucia. We all now have first-hand experience of how the different sectors of the economy are related and how tourism is so integral to the successful operation of our local economy.

The Laborie Co-operative Credit Union (LCCU), as did most other sectors of the economy, operated on a revised budget in 2020 with targets set below the performance levels of 2019. Suffice it to say, LCCU exceeded its revised budget targets and, in some instances, even exceeded performance markers of 2019. Whilst unemployment levels increased and businesses closed or reduced the size of their operations, LCCU continued to do well.

We applaud the management and staff for their efforts at monitoring the economic environment and making innovative use of available resources to stay ahead of negative trends. In 2020, strategic initiatives aimed at improving the loan product offered to members included "Comfort for Life" and "35 for Life". These and other marketing efforts helped the member loan portfolio grow by an impressive 19% over the figure of the previous year.

The following is a review of the key performance indicators:

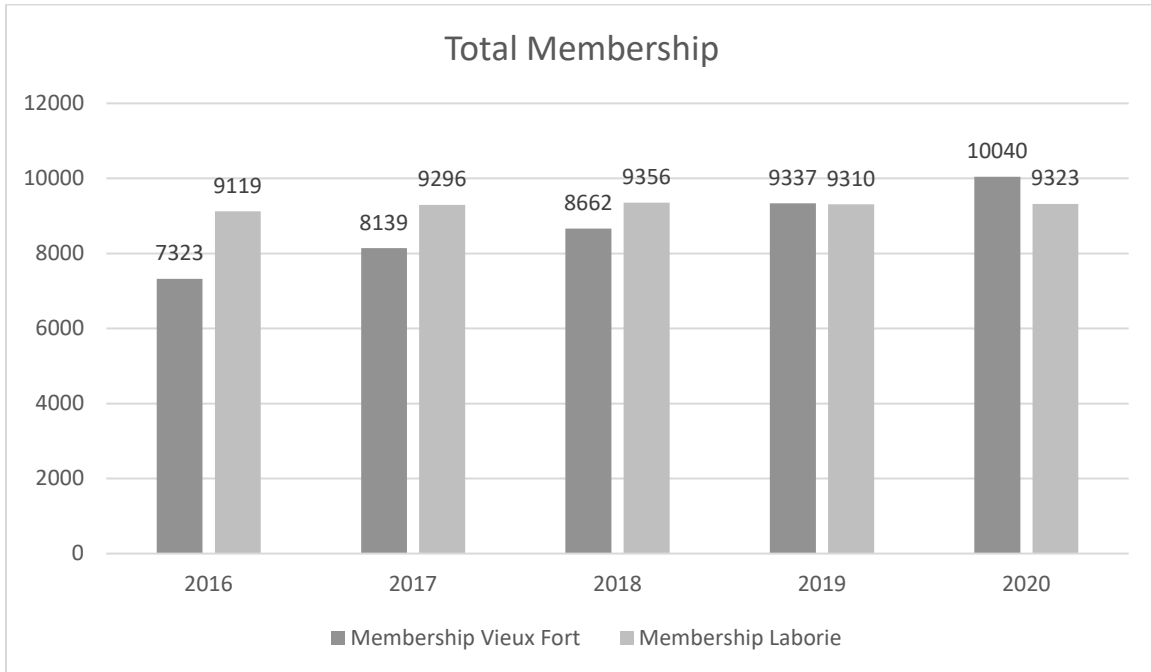
Delinquency

Despite the economic climate, the 'Allowance for Impairment' increased by 3% only, or from \$405,221 in 2019 to \$416,611 in 2020. Impressive as this may seem, we must be mindful of the risk of delinquency which is likely to remain high if unemployment levels continue to rise. Members are urged to make their loan payments a priority as nonpayment will negatively impact LCCU's ability to operate effectively.

Members are also encouraged to consult the Loan Officers if their ability to service their loans become compromised through unemployment. We understand that these are hard times.

Membership and Account Holders

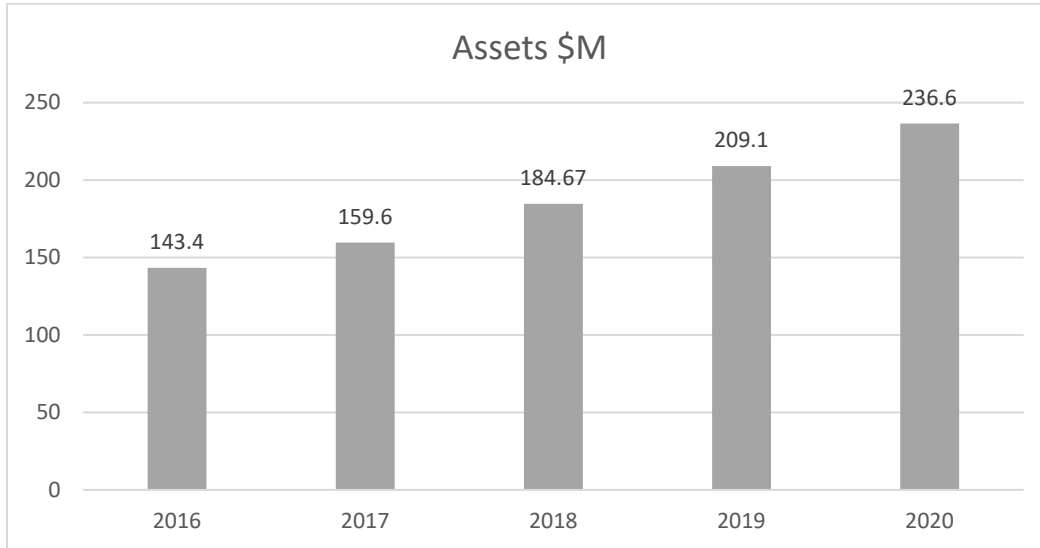
Membership and account holders grew by 3.8% bringing the total to 19,363. New Accounts for the year totaled 716 comprising 703 and 13 for Vieux Fort and Laborie Branches respectively. Total accounts held at the Laborie Branch was 9,323 while at Vieux Fort, 10,040.



Performance Review- Statement of Financial Position

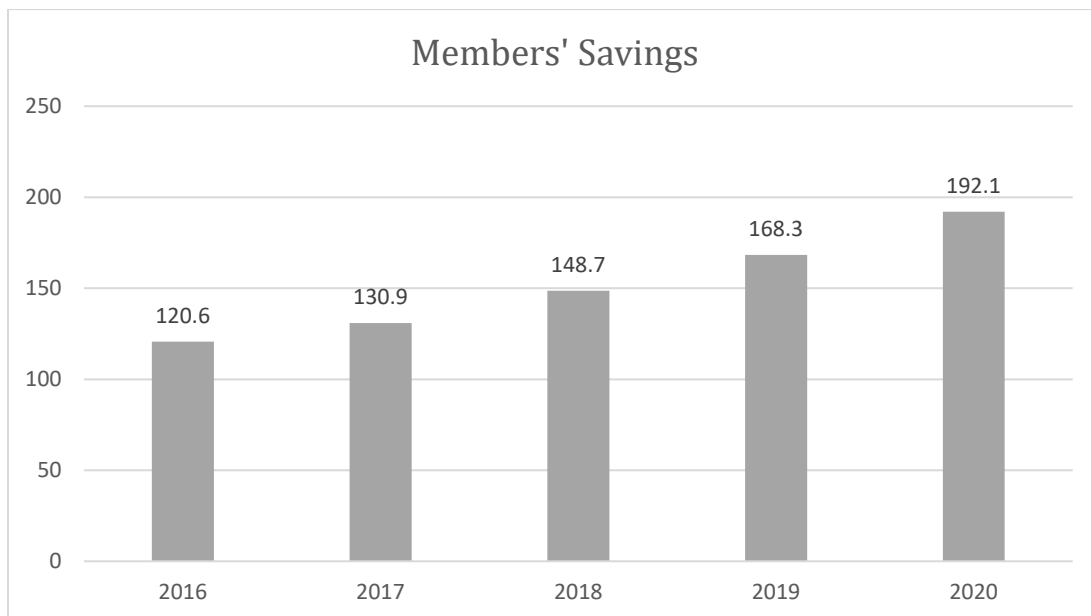
Assets

Total Assets increased by 13% over 2019 to \$236.54 million dollars. Most of this increase was driven by a 19% increase in member loans.



Liabilities

The 14% increase in liabilities represents amounts due to third parties, member savings and fixed deposits. Member fixed deposits and regular deposits increased by \$20.1 million.



Members' Equity

Members' Equity increased by \$3.9 million or 10%, that is, from \$39.8 million to \$43.68 million.

Share capital increased by \$1.2 million

Reserves and funds increased by \$2.3 million

Retained earnings increased by \$ 0.3 million

Performance Review- Statement of Comprehensive Income

Income

The total income generated by the core business activities in 2020 was \$14.8 million compared to \$14.5 million in 2019, an increase of 2%.

Interest Expense

Interest paid to members increased from \$5.37 million in 2019 to \$5.94 million in 2020, an increase of 10%. This increase was the result of a growth of 14% in members' savings. LCCU values the confidence that members have in the institution, and is therefore committed to provide members with the best possible interest rate on savings, notwithstanding the current offers by other financial institutions.

Administrative Expenses

Total administrative expenses increased by 2.6%.

Surplus

The Credit Union recorded a decline in surplus. This is as a result of the debt relief offered to our members who were battling the economic effects of COVID 19 pandemic.

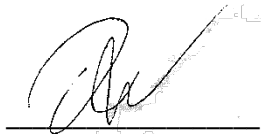
Conclusion

LCCU continues its mission of “enhancing the standard of living and quality of life of its members” whilst remaining true to its Core Values. Members are encouraged to continue to stay informed and take advantage of the many products and services being offered as follows:

Land Loans
Mortgage Loans
Student Loans
Personal Loans
Smartclime
Kwedie Alez
Vehicle Loans
Line of Credit
And more....

Business Loans
Mix & Match Loans
Vision Plus Loans
Family Indemnity Plan
Fixed Deposit
Western Union Services
Surepay Services
ATM

I thank you, members, for the opportunity to serve.



Dave Jn Pierre
Treasurer

Credit Committee's Report

For the year ended December 31, 2020

On behalf of the Credit Committee, it is indeed a privilege to present the report for the year 2020. This Committee seeks to assure members of the provision of fair access to members' deposits in the form of loans based on lending policies determined by the Board of Directors. While the criteria by which members qualify for credit are outlined in the Loan Policy, it is the responsibility of the Credit Committee to implement that Policy.

During the year in review, the composition of the Credit Committee remained unchanged. The Committee is as follows:

Mrs. Nazaria Celia John-Chicot	Chairperson
Mr. Dale Louis	Deputy Chairperson
Ms. Carina Snagg	Secretary
Mrs. Nataki George-James	Member
Ms. Jenny Chicot Louisy	Member

The Committee met 43 times and reviewed **3,033** loan applications. This figure represents 27% or 1102 less loans than those processed in 2019. The large decrease in loan applications may be attributed to the challenges encountered with the Covid-19 pandemic. Table 1 below illustrates loan applications and their respective categories for the years 2019 and 2020.

TABLE 1: LOAN APPLICATION BY CATEGORY

CATEGORY	No. of Loans	
	2019	2020
Business	46	82
Education	151	143
Agriculture	14	21
Personal	3767	2512
Mortgage	80	142
Medical	77	133
TOTAL	4135	3,033

The Table reveals that personal, education, mortgage and medical loans made up the largest number requested loans. It further indicates a marked decline in personal loan applications for the year 2020 when compared to 2019.

During the year in review, 3,028 loans totaling **\$57,846,114.70** were approved, an increase of \$18,523,974.46 over last year. It must be noted that although fewer loans were processed, the amount disbursed reflected an increase of approximately 47%. Notwithstanding the negative impact of COVID-19 on the island’s economy, personal and mortgage loans with a value of \$26,996,427.49 and \$24,965,198.58 respectively appeared to have been positively impacted. An analysis of approved loans is highlighted in Table 2.

TABLE 2: LOANS APPROVED

CATEGORY	NUMBER	% OF APPROVED LOANS	AMOUNT	% OF AMOUNT APPROVED
Business	82	2.70%	\$4,047,592.82	6.99%
Education	143	4.72%	\$966,745.50	1.67%
Agriculture	21	0.69%	\$297,939.30	0.51%
Personal	2509	82.85%	\$26,996,427.49	46.66%
Mortgage	140	4.62%	\$24,965,198.58	43.15%
Medical	133	4.39%	\$572,211.01	0.98%
Total	3028	100%	\$57,846,114.70	100%

As an implementation agency, the Credit Committee diligently reviews loan applications to ensure equity and fairness of service to members as well as safeguarding the institution’s interests. In the year under review, five (5) loan applications (or 0.16% of those received) did not get Committee approval for reasons such as insecurity of investment, uncertainty about ability to repay, prior delinquency and insufficient information. Table 3 provides information on loans that were not approved.

TABLE 3: LOANS NOT APPROVED

CATEGORY	NUMBER OF LOANS
Business	0
Education	0
Agriculture	0
Personal	3
Mortgage	2
Medical	0
Total	5

In addition to attending weekly meetings for review and approval of loan applications, the Committee participated in Joint Committee meetings and other organized activities at which we were given the opportunity to make recommendations, provide reinforcement, or assist Management in the implementation of improvement projects.

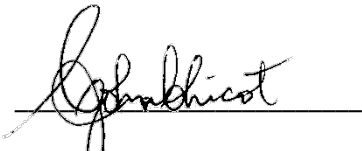
We would like to remind our esteemed members of the requirements for approval of loan applications which include cash security, mortgages, bills of sales, co-makers, life and property insurance. There are also provisions in place for loans within shares or savings to be disbursed by the Manager. We urge you to familiarize yourselves with these requirements to avoid unnecessary delays in the processing of your loans.

Officers Nataki James-George, Carina Snagg, Jenny Chicot Louisy and I have come to the end of our tenure, and are eligible for re-election. Please allow me to take this opportunity to commend my colleague Officers for the high level of enthusiasm and dedication displayed in the execution of their duties.

We are grateful to the General Manager, Staff, Board of Directors, and Supervisory Committee for their unwavering support and cooperation during the past year. Sincere thanks to those Loan Officers for their assistance in promptly clarifying issues during our deliberations, thus averting the deferment of some loans. Our profound gratitude to the membership, the nucleus of LCCU, for your patience and understanding when the loan's process was delayed for varied

reasons or things did not go as planned. We reiterate that while we aspire to assist all members, we also recognize that safeguarding the interest of the Credit Union and its members is also crucial. The LCCU experience was indeed rewarding and enriching.

The LCCU has obviously made great strides in keeping the institution afloat despite the myriad challenges encountered with COVID-19 pandemic as well as the global economic situation. We therefore appeal to you, dear members, to continue to put your trust in the Laborie Co-operative Credit Union, remaining steadfast and committed, as it continues to strive to improve the quality of life of its members.

A handwritten signature in black ink, appearing to read 'Nazaria Celia John-Chicot', written over a horizontal line.

Nazaria Celia John-Chicot (Mrs.)

Chairperson

Supervisory & Compliance Committee's Report

For the year ended December 31, 2020

On behalf of the Supervisory and Compliance Committee, I am pleased to present the report for the financial year ending 31st December, 2020. The Committee is charged with overseeing that the Laborie Co-operative Credit Union (LCCU) maintains a proper system of checks and balances within its daily operations. This is achieved through the conduct several audit activities, liaising with the Internal Auditor and Compliance Officer, and making recommendations to the Board of Directors when necessary.

The Committee comprises the following Officers:

Mr. John Lawrence	Chairperson
Mr. Caron Serieux	Assistant Chairperson
Mrs. Irma Francis	Secretary
Mr. Keth Thompson	Assistant Secretary
Ms. Kediana Charlery	Member

During the year in review, the Committee continued to carry out its mandate despite the limitations brought about by Covid-19. This resulted in a revised Committee Work Plan influenced by the need for social distancing and limiting the number of contact persons in the execution of certain planned activities. In addition to the monthly Supervisory and Compliance Committee meetings, Officers participated in five (5) Joint Committee meetings and other LCCU activities, as well as reviewed four (4) quarterly Compliance reports presented by the Internal Auditor and Compliance Officer for 2020.

Work Plan

Our Work Plan for 2020 entailed the following activities:

- Review of Financial Services Regulatory Authority (FSRA) Supervisory letter
- Health and Safety assessment

- Declaration of Source of funds audit
- Review of Credit Committee minutes
- Review of Disaster Preparedness and Response Plan, and Continuation of Operations Plan
- Investment audit
- Cash audit

The Committee found no significant concerns with regard to the above-mentioned activities and, by way of monthly reports, presented their findings and recommendations to the Board of Directors. The Quarterly Compliance reports from the Internal Auditor and Compliance Officer were also forwarded to the Board of Directors.

Review of Financial Services Regulatory Authority (FSRA) Supervisory Letter

Committee members unanimously proposed a follow-up on some of the recommendations in the Supervisory Letter following extensive discussions of the issues. LCCU received a favorable grade for the FSRA on-site inspection and is deserving of our commendations.

Health and Safety assessment

The assessment was carried out at LCCU's Vieux-Fort and Laborie Branches. It involved observation and discussion on certain health and safety COVID-19 protocols, as well as recommendations of last year's assessment. Our Credit Union continues to put the well being of both staff and members first through the implementation of in-house health and safety guidelines, educating staff and members on best practices in combating Covid-19, and outreach efforts targeted at members. Moreover, staff and members must be applauded for adhering to the relevant health and safety guidelines.

Declaration of source of funds review

This activity involved verification of the procedure for declaring source of funds and a review of some samples. The review showed that staff ensured the necessary steps for each transaction were undertaken, required signatures from the member and LCCU employee(s) were affixed and visible, information on the prescribed forms was correctly entered, and the corresponding database entries were completed as instructed.

Review of Credit Committee Minutes and Report

The process entailed reviewing the format of the Credit Committee Minutes and Monthly Report, and the relevant sections of the Co-operative Societies Act Cap. 12.06 and the LCCU By Laws. As a result, the proposed changes to the format of these reports were accepted by the Credit Committee.

Review of Disaster Preparedness and Response plan, and Continuation of Operations plan

The LCCU's Disaster Preparedness and Response Plan and Continuity of Operations Plans were discussed with a focus on determining the impact of emergencies and disasters (before, during & after) on members, staff, documents, available resources, equipment and physical structure. The Committee engaged the Computer Network and Surveillance Systems Administrator in wide-ranging discussions in relation to computer network & cyber security, data storage, remote operations, and recovery.

Though the implementation of some aspects of the Emergency Management and Continuation of Operations plan had to be postponed due to COVID-19, it is evident that LCCU's readiness to respond to Emergency/Disaster preparedness and recovery are adequately covered in the documents reviewed.

Investment Audit

LCCU's investment portfolio was reviewed and the Committee is satisfied that current investments are secure and adequate at this time.

Cash Audit

The audit involved a desk review of random transactions on a specific date to verify that the relevant documents were completed and signed, and written information for each transaction was accurate. All transactions had the corresponding documents filled out and duly signed. Thus, there are no significant discrepancies to report.

Conclusion

The Supervisory and Compliance Committee Officers are deeply appreciative of the opportunity to serve as mandated and are grateful for the assistance received from members of staff.

Our long serving Officer Keth Thompson has reached the end of his mandatory term and has served in the capacity of Chairperson, Assistant Secretary and floor member. LCCU will sorely miss his experience, knowledge and guidance. Officer Irma Francis has also come to the end of her first three-year term and is up for re-election. The Supervisory and Compliance Committee applauds Officer Francis' dedication to the work of the Committee and that of the LCCU.

The Supervisory and Compliance Committee looks forward to carrying out its mandate for 2021.



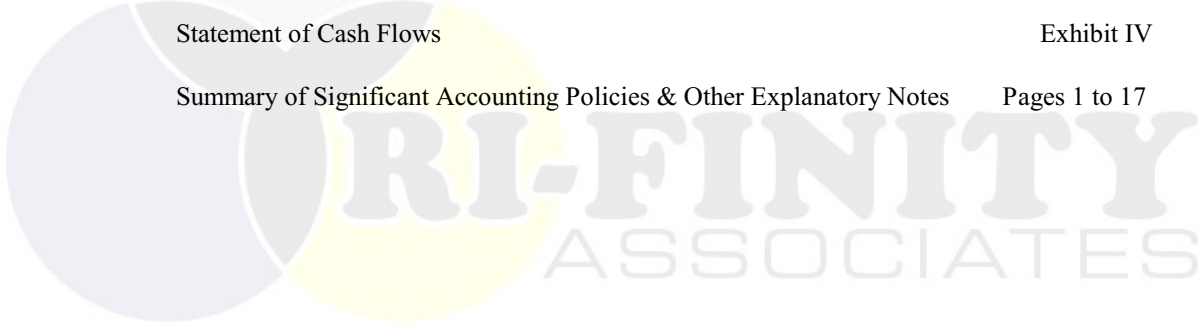
John Lawrence
Chairperson

Laborie Co-operative Credit Union Ltd.

Independent Auditor's Report

LABORIE CO-OPERATIVE CREDIT UNION LIMITED
2020 Audited Financial Statements
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LABORIE CO-OPERATIVE CREDIT UNION LIMITED

2020 Audited Financial Statements

Corporate Information

DIRECTORS

Paul Sammy
Augustine Dominique
Dave Jn Pierre
Steven Auguste

Vincent Edward
Denver Chiquot
Phils Louis
Eyan St Helen

Lana Alexander

PRESIDENT

Paul Sammy

SECRETARY

Augustine Dominique

TREASURER

Dave Jn Pierre

GENERAL MANAGER

Lucius Ellevic

REGISTERED OFFICE

Allan Louisy Street, Laborie, Saint Lucia.

REGULATOR

Financial Services Regulatory Authority, Ministry of Finance, Economic Affairs and Social Security, Government of Saint Lucia

AFFILIATION

St Lucia Co-operative League Limited
The Caribbean Confederation of Credit Unions
Eastern Caribbean Co-operative Central Ltd

SOLICITORS

John & John Chambers Inc
Sylvester Anthony Chambers
Bapson U Ambrose Chambers

BANKERS

Bank of St Lucia Limited

AUDITORS

Tri~Finity Associates
P O Box RB2761
Rodney Bay
Gros Islet, LC01 401
Saint Lucia

Independent Auditors' Report

Page 1 of 2

To the Members of:
Laborie Co-operative Credit Union Limited

Opinion

We have audited the financial statements of Laborie Co-operative Credit Union Limited (the Co-operative) which comprise the Statement of Financial Position as at December 31st, 2020 and the Statements of Comprehensive Income, Changes in Equity, Cash flows, and Notes, comprising a Summary of Significant Accounting Policies and other Explanatory Information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Co-operative as at December 31st, 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Co-operative in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement in Saint Lucia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Emphasis of Matter

There was no matter to be emphasized.

Independent

We are independent of the Co-operative in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance of the Financial Statements

Management is responsible for the preparation and fair 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 those financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Co-operative's financial reporting process.

Auditors' Responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

To the Members of:
Laborie Co-operative Credit Union Limited

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit . We also:

- Identify and assess the risks of material misstatement of the financial statements , whether due to fraud or error.
- Design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit 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 Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors (the group charged with governance of the Co-operative) regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


TRI-FINITY ASSOCIATES
Chartered Accountants

Rodney Bay, Gros Islet, St. Lucia
Saturday February 27th, 2021

LABORIE CO-OPERATIVE CREDIT UNION LIMITED

Statement of Financial Position

As At December 31st, 2020


(Reported in Eastern Caribbean Dollars with Prior Year Comparatives)

Exhibit I

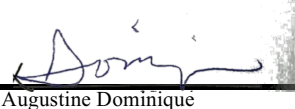
	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Assets			
Cash & cash equivalents	Exhibit IV	\$6,929,843	\$19,495,525
Investment securities, available for sale	Note 08	1,216,174	1,194,826
Accounts receivable, net of allowance for impairment	Note 06	1,956,636	917,067
Investment property	Note 07	0	80,728
Investment securities, held to maturity	Note 08	39,510,792	29,719,446
Members' loans & advances, net of allowance for impairment	Note 09	182,878,070	153,438,085
Deferred equipment cost		7,576	725
Property, plant & equipment, net of accumulated depreciation	Note 10	4,038,993	4,254,665
Total assets		<u>\$236,538,084</u>	<u>\$209,101,067</u>
Liabilities			
Accounts payable & accruals	Note 11	\$717,042	\$324,971
Members' fixed deposits	Note 12	81,523,563	69,872,836
Members' regular deposits	Note 13	43,258,642	34,902,539
Members' special savings	Note 14	66,879,124	63,536,758
Long-term Debt	Note 15	477,168	598,451
Total liabilities		<u>\$192,855,539</u>	<u>\$169,235,555</u>
Net assets (deficiency)		<u>\$43,682,545</u>	<u>\$39,865,512</u>
Represented by:			
Members' equity			
Share capital	Exhibit III	\$12,147,247	\$10,906,296
Reserves & funds	Exhibit III	13,692,853	11,406,394
Retained earnings	Exhibit III	17,842,445	17,552,822
Members' equity		<u>\$43,682,545</u>	<u>\$39,865,512</u>

Approved by the Board of Directors For release on:

Saturday February 27th, 2021


 Paul Sammy **President**


 Dave Jn Pierre **Treasurer**


 Augustine Dominique **Secretary**

The attached notes are an integral part of these financial statements

LABORIE CO-OPERATIVE CREDIT UNION LIMITED

Statement of Comprehensive Income

For the Year Ended December 31st, 2020

(Reported in Eastern Caribbean Dollars with Prior Year Comparatives)

Exhibit II

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Revenue			
Members' loan interest		\$13,527,910	\$13,583,169
Investment interest		1,302,567	885,086
		<u>14,830,477</u>	<u>14,468,255</u>
Interest expense			
Bank charges & interest		22,373	22,012
Long-term debt interest		26,851	41,954
Members' fixed deposit interest		3,427,807	3,096,664
Members' deposits & special savings interest		2,464,952	2,211,180
		<u>5,941,983</u>	<u>5,371,810</u>
Net interest income		8,888,494	9,096,445
Other income	Note 21	375,523	318,539
Operating income		9,264,017	9,414,984
General & Administrative Expenses			
Operating & administrative expenses	Note 22	4,418,349	4,306,222
Allowance for loan impairment (recoveries)		192,222	(87,072)
		<u>4,610,571</u>	<u>4,219,150</u>
Net income (loss) for the year		4,653,446	5,195,834
Other comprehensive income			
(To be reclassified to profit & loss in subsequent years)			
Fair value increase (decrease) in available-for-sale investments (AFS)	Exhibit III/2	21,348	(35,865)
Comprehensive income		\$4,674,794	\$5,159,969

The attached notes are an integral part of these financial statements

LABORIE CO-OPERATIVE CREDIT UNION LIMITED

Statement of Changes in Equity

For the Year Ended December 31st, 2020

(Reported in Eastern Caribbean Dollars with Prior Year Comparatives)

Exhibit III

Page 1 of 2

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Share capital			
Balance, opening		\$10,906,296	\$9,670,207
Additions		2,237,630	1,372,883
		13,143,926	11,043,090
Withdrawals		(996,679)	(136,794)
Balance, closing	Exhibit I	\$12,147,247	\$10,906,296
Outstanding shares at \$5.00 per share			
		2,429,449	2,181,259
Reserves & funds			
Revaluation reserve			
Balance, opening		\$467,055	\$467,055
Net income appropriation – 0.0%		0	0
Other		0	0
		467,055	467,055
Reductions		0	0
Balance, closing		\$467,055	\$467,055
Fair value reserve			
Balance, opening		\$39,135	\$75,000
Fair value increase (decrease) in AFS investments	Exhibit III/2	21,348	(35,865)
Other		0	0
		60,483	39,135
Reductions		0	0
Balance, closing		\$60,483	\$39,135
Statutory reserve			
Balance, opening		\$10,203,083	\$8,894,035
Net income appropriation – 25.0%	Exhibit III/2	1,163,362	1,298,959
Entrance fees		9,880	10,090
		11,376,325	10,203,083
Reductions		0	0
Balance, closing		\$11,376,325	\$10,203,083
Employment benefit fund			
Balance, opening		\$697,121	\$477,551
Net income appropriation – 5.0%	Exhibit III/2	232,672	259,792
Other		0	0
		929,793	737,343
Reductions		(53,796)	(40,222)
Balance, closing		\$875,997	\$697,121
Disaster relief fund			
Balance, opening		\$0	\$0
Transfers	Exhibit III/2	1,000,000	0
Other		0	0
		1,000,000	0
Reductions		(87,007)	0
Balance, closing		\$912,993	\$0
Total reserves & funds			
Balance, opening		\$11,406,394	\$9,913,641
Net income & fair value appropriations		2,417,382	1,522,885
Entrance fees & Other		9,880	10,090
		13,833,656	11,446,616
Reductions		(140,803)	(40,222)
Balance, closing	Exhibit I	\$13,692,853	\$11,406,394

The attached notes are an integral part of these financial statements

LABORIE CO-OPERATIVE CREDIT UNION LIMITED**Statement of Changes in Equity**For the Year Ended December 31st, 2020

(Reported in Eastern Caribbean Dollars with Prior Year Comparatives)

Exhibit III

Page 2 of 2

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Retained earnings			
Net income (loss) for the year	Exhibit II	\$4,653,446	\$5,195,834
Other comprehensive income	Exhibit II	21,348	(35,865)
Comprehensive income		<u>\$4,674,794</u>	<u>\$5,159,969</u>
Appropriations, transfers, dividends & patronage refunds			
Statutory reserve – 25.0% of net income for the year	Exhibit III/1	1,163,362	1,298,959
Employment benefit fund – 5.0% of net income for the year	Exhibit III/1	232,672	259,792
Fair value reserve	Exhibit III/1	21,348	(35,865)
Disaster relief fund	Exhibit III/1	1,000,000	0
Dividends & patronage refunds		1,967,789	1,346,845
Total appropriations, transfers, dividends & patronage refunds		<u>4,385,171</u>	<u>2,869,730</u>
Comprehensive income after appropriations, transfers, dividends & patronage refunds		<u>289,623</u>	<u>2,290,239</u>
Retained earnings, beginning, as previously reported		<u>17,552,822</u>	<u>15,262,583</u>
Prior period adjustments		<u>0</u>	<u>0</u>
Retained earnings, beginning, as restated		<u>17,552,822</u>	<u>15,262,583</u>
Retained earnings, ending	Exhibit I	<u>\$17,842,445</u>	<u>\$17,552,822</u>

The attached notes are an integral part of these financial statements

LABORIE CO-OPERATIVE CREDIT UNION LIMITED

Statement of Cash Flows

Exhibit IV

For the Year Ended December 31st, 2020

(Reported in Eastern Caribbean Dollars with Prior Year Comparatives)

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Cash flows from operation activities			
Comprehensive income	Exhibit II	\$4,674,794	\$5,159,969
Adjustments for non-cash items			
Property, plant & equipment (gain) loss on disposition		2,714	1,953
Depreciation	Note 10	281,910	283,502
		<u>4,959,418</u>	<u>5,445,424</u>
Cash flows from working capital			
(Increase) decrease in investment securities, available for sale	Note 08	(21,348)	35,865
(Increase) decrease in accounts receivable, net of allowance for impairment	Note 06	(1,039,569)	812,620
(Increase) decrease in investment property	Note 07	80,728	0
(Increase) decrease in investment securities, held to maturity	Note 08	(9,791,346)	(4,254,130)
(Increase) decrease in members' loans & advances	Note 09	(29,439,985)	(9,310,018)
Increase (decrease) in accounts payable	Note 11	392,071	(195,103)
Increase (decrease) in members' fixed deposits	Note 12	11,650,727	10,227,064
Increase (decrease) in members' ordinary deposits	Note 13	8,356,103	5,226,673
Increase (decrease) in members' special savings	Note 14	3,342,366	4,131,084
Cash flows from operating activities		<u>(11,510,835)</u>	<u>12,119,479</u>
Cash flows from investing activities			
Purchase of property, plant & equipment	Note 10	(69,095)	(188,810)
Proceeds from disposition of property, plant & equipment		143	35,518
Deferred equipment cost		(6,851)	13,879
Cash flows from investing activities		<u>(75,803)</u>	<u>(139,413)</u>
Cash flows from financing activities			
Proceeds from long-term debt	Note 15	(121,283)	(49,893)
Proceeds from entrance fees		9,880	10,090
Payments from reserves & funds	Exhibit III	(140,803)	(40,222)
Dividends & patronage refunds payments	Exhibit III	(1,967,789)	(1,346,845)
Proceeds from share issue	Exhibit III	1,240,951	1,236,089
Cash flows from financing activities		<u>(979,044)</u>	<u>(190,781)</u>
Increase (Decrease) in cash & cash equivalents		(12,565,682)	11,789,285
Cash & cash equivalents, beginning		19,495,525	7,706,240
Cash & cash equivalents, ending		<u>\$6,929,843</u>	<u>\$19,495,525</u>
Represented by:			
Cash			
Cash on hand		\$0	\$1,187,103
Vieux Fort Current account - Bank of St Lucia Limited		2,433,656	4,980,937
Current account PPCR sable loan - Bank of St Lucia Limited		483,855	541,768
Current account - MIF/PROADAPT Bank of St Lucia Limited		252,840	53,049
Laborie Current account - Bank of St Lucia Limited		3,759,492	12,732,668
Cash & cash equivalents, ending	Exhibit I	<u>\$6,929,843</u>	<u>\$19,495,525</u>

The attached notes are an integral part of these financial statements

(Reported in Eastern Caribbean Dollars with Prior Year Comparatives)

01. Registration, business activities, and tax status

The Laborie Co-operative Credit Union Limited (the *Co-operative* or *Credit Union*) was duly registered as a Credit Union on May 27th, 1981 pursuant to the Co-operative Credit Union Act, Chapter 82 of the Laws of Saint Lucia (1957) Revision, and is continued under Section 241 of the Co-operative Societies Act, No. 28 of 1999. The Credit Union was formed to promote thrift and co-operative principles among its members by providing the means to facilitate savings.

The registered office and principal place of business of the Co-operative is located at Allan Louisy Street, Laborie, Saint Lucia. The principal activities of the Co-operative is the provision of financial services to its members on reasonable terms and conditions for provident and productive purposes.

The Laborie Co-operative Credit Union Limited is not subject to income tax in accordance with Subsection 25(1)(p) of the Income Tax Act No. 1 of 1989.

02. Summary of significant accounting policies

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

(a) Basis of Presentation

The Laborie Co-operative Credit Union Limited's financial statements have been prepared under the historical cost convention in conformity with International Financial Reporting Standards (IFRS) as modified by the revaluation of available-for-sale financial assets.

The preparation of the financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions that could affect the reported amounts of assets, liabilities, disclosures of contingent assets and liabilities, and the amounts of revenue and expenditures during the year. Actual amounts could differ from those reported. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable. Key sources of estimation include: securities impairment, determination of fair value of financial instruments, and the allowance for credit losses.

Management also exercises judgement in the process of applying the Co-operative's accounting policies. Significant judgements have been made in the following areas:

- Fair value of financial instruments and securities impairment
- Allowance for credit losses
- Provisions
- Impairment losses on loans and advances
- Impairment of available-for-sale equity investments
- Held-to-maturity investments

Accordingly, actual results may differ from these and other estimates thereby impacting future financial statements.

(b) Functional and presentation currency

Items in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the *functional currency*). The financial statements are presented in Eastern Caribbean dollars, which is the Co-operative's functional and presentation currency.

(c) Revised standards effective and relevant to the Co-operative

a) New standards and revisions issued and effective for the financial year beginning January 1st, 2018.

IAS 16 – Property, Plant and Equipment and IAS 38

Intangible assets have been amended to reflect clarification of acceptable methods of depreciation and amortization. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- i) When the intangible asset is expressed as a measure of revenue; or
- ii) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

(Reported in Eastern Caribbean Dollars with Prior Year Comparatives)

02. Summary of significant accounting policies (Continued)**IAS 16 – Property, Plant and Equipment and IAS 38 (Continued)**

The application of the amendments to IAS 16 and IAS 38 had no impact on the Co-operative's financial statements.

IAS 11 – Joint Arrangements sets forth the accounting by entities that jointly control arrangements. Joint control involves an agreement to share control. Arrangements subject to joint control are classified as either joint venture or joint operation. The standard was amended by *Accounting for Acquisitions of Interests in Joint Operation* and is effective for annual periods beginning on or after January 1st, 2016. This amendment had no effect on the financial statements.

b) Standards revised and issued but not yet effective and not early-adopted.

Annual Improvements to IFRSs 2018 to 2020 Cycle was issued in May 2020. The amendments are related to four (4) standards and are effective for annual periods beginning on or after January 1st, 2022. These amendments have no impact on the financial statements of the Co-operative. Early application is permitted.

Disclosure Initiative, Amendments to IAS 1, Presentation of Financial Statements was issued in December 2014. The amendments permits a subsidiary that applied paragraph D16(a) of IFRS 1 to measure cumulative transaction differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9, Financial Instruments – Fees in the "10 percent" test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the "10 percent" test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 9 introduces a principles-based approach to the classification of financial assets based on an entity's business model and the nature of the cash flows of the asset. All financial assets, including hybrid contracts, are measured at fair value through profit and loss (FVTPL), fair value through OCI or amortized cost. For financial liabilities, IFRS 9 includes the requirements for classification and measurement previously included in IAS 39.

IFRS 9 also introduces an expected loss impairment model for all financial assets. The model has three stages: (1) on initial recognition, 12-month expected credit losses are recognized in profit or loss and loss allowance is established; (2) if credit risk increases significantly and the resulting credit risk is not considered to be low, full lifetime expected credit losses are recognized; and (3) when a financial asset is considered credit-impaired, interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than its gross carrying amount.

Finally, IFRS 9 introduces a new hedge accounting model that aligns the accounting for hedge relationships more closely with an entity's risk management activities.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss (ECL) model as opposed to an incurred credit loss model under IAS 39. The expected Credit loss model requires the Co-operative to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. Therefore, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

From January 1st, 2019, the Co-operative has been recording an allowance for expected credit losses for all members' loans and individual receivables and prepayments.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Co-operative expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in three (3) stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures which are credit impaired or for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

02. Summary of significant accounting policies (Continued)**IFRS 9, Financial Instruments** (Continued)

The Co-operative considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Co-operative may also consider a financial asset to be in default when internal or external information indicates that the Co-operative is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Co-operative.

Based on the above process, the Credit Union classifies its ECLs into Stage 1, Stage 2, and Stage 3.

Stage 1

When financial assets are first recognised, the Co-operative recognises an allowance based on 12-months ECLs. Stage 1 financial assets also includes facilities where the credit risk has improved and the financial assets have been reclassified from Stage 2.

Stage 2

When financial assets have shown a significant increase in credit risk since origination, the Co-operative records an allowance for the Lifetime ECLs. Stage 2 also includes facilities, where the credit risk has improved, and financial assets have been reclassified from Stage 3.

Stage 3

Stage 3 comprise of financial assets that are considered to be impaired. Here the Co-operative records an allowance for the Lifetime ECLs.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

PD The Probability of Default is an estimate of the likelihood of default over a given period of time. A default may only happen at a certain time over the asserted period, if the facility has not been previously derecognised and is still in the portfolio.

EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date including repayments of the principal and interest, whether scheduled by contract or otherwise.

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and the cash flows expected to be received. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the contractual life of the financial instrument.

Calculation of ECLs

Stage 1

The 12-month ECL is calculated as the portion of LTECLs that represent the ECLs resulting from default events on a financial instrument that are possible within the 12 months after the reporting date. The Co-operative calculates the 12-month ECL allowance based on the expectation of default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the Expected LGD.

Stage 2

When financial assets have shown a significant increase in credit risk since origination, the Co-operative records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the loan.

Stage 3

For the financial assets considered credit-impaired, the Co-operative recognises the lifetime ECLs for these financial assets. The method is similar to that of Stage 2 assets.

IFRS 15, Revenue from Contracts with Customers was issued in May 2014 and establishes a single comprehensive model for entities to follow in accounting for revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Pursuant to IFRS 15, an entity recognizes revenue when or as it satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when or as the customer obtains control of that asset. IFRS 15 is effective for annual periods beginning on or after January 1st, 2018.

IFRS 16, Leases was issued in January 2016 and will supersede IAS 17, leases. This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard removed the current requirement for lessees to classify leases as finance or operating leases by introducing a single lessee accounting model that requires the recognition of lease assets and lease liabilities

(Reported in Eastern Caribbean Dollars with Prior Year Comparatives)

02. Summary of significant accounting policies (Continued)**IFRS 16, Leases (Continued)**

on the balance sheet for most leases. Lessees will also recognize depreciation expense on the lease asset and interest expense on the lease liability in the statement of income. There are no significant changes to lessor accounting aside from enhanced disclosure requirements.

There are no other IFRS or IFRIC interpretations that are not yet effective and expected to have a material impact on the financial statements of the Co-operative.

Early adoption of standards

The Co-operative did not early-adopt any new or amended standards in 2020.

(d) Financial assets

The Co-operative allocates financial assets to the following IAS 39 categories: loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition.

a) Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Co-operative's management has the positive intention and ability to hold to maturity, other than: (a) those that the Co-operative upon initial recognition designates as at fair value through profit or loss; (b) those that the Co-operative designates as available for sale; and c) those that meet the definition of loans and receivables. These are initially recognized at fair value including direct and incremental transaction costs and measured subsequently as amortised cost, using the effective interest rate method. Interest on held-to-maturity investments is included in the statement of income. In case of an impairment, the impairment loss is reported as a deduction from the carrying value of the investment and recognized in the statement of income.

If the Co-operative were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale investments.

b) Available-for-sale

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognized at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognized in the statement of income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognized in the statement of comprehensive income is recognized in the statement of comprehensive income. However, interest is calculated using the effective interest method, and foreign currency gains and losses on monetary assets classified as available-for-sale are recognized in the statement of income. Dividends on available-for-sale equity instruments are recognized in the statement of income when the Co-operative's right to receive payment is established.

c) 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 initial recognition designates as available-for-sale; or (c) those for which the holder may not recover substantially all of the initial investment, other than because of credit deterioration.

Loans and receivables are initially recognized at fair value – which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest rate method. Loans and receivables are reported in the statement of financial position as loans and advances to members or as investment securities. Interest on loans and advances to members and investment securities are included in the statement of income. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognized in the statement of income.

(e) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.

02. Summary of significant accounting policies (Continued)**(e) Foreign currency translation (Continued)**

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

(f) Impairment of financial assets*Assets carried at amortised cost*

The Co-operative assesses at each balance sheet date whether there is objective evidence that the financial asset or group of financial assets is impaired. A financial asset or group of financial assets, is impaired and impairment losses are incurred if, and 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 estimate future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of asset is impaired includes observable data that comes to the attention of the Co-operative about the following loss events:

- significant financial difficulty of the issue or obligor;
- a breach of contract, such as default or delinquency in interest or principal;
- the Co-operative granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - adverse changes in the payment status of borrowers in the group; or
 - national or local economic conditions that correlate with defaults on the assets in the group.

The Co-operative first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If the Co-operative determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the assets 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 recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the 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 recognized in the statement of income. If a loan or held-to-maturity investment has variable interest rates, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Co-operative may measure impairment on the basis of an instrument's fair value using the observable market price.

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

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

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

02. Summary of significant accounting policies (Continued)

Impairment of other non-financial assets

Assets carried at fair value

The Co-operative assesses at each balance sheet date whether there is objective evidence that the financial asset or group of financial asset 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 recognized in the profit or loss is removed from equity and recognized in the statement of income. Impairment losses recognized in the statement of income on equity instruments are not reversed through the statement of income.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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.

Offsetting financial instruments

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

Pursuant to Section 109 of the 2001 Act, the Co-operative has a legally enforceable right to offset members' deposits against any related loan balances that are over 90 days overdue.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand and short-term deposits with original maturities of less than one year. For the purpose of Cash Flow Statement, cash and cash equivalents comprise balances of cash on hand and current bank accounts less any bank overdraft balances.

(h) Accounts receivable

Accounts receivable represent the principal amounts due at the balance sheet date less, where applicable, any provision for impairment.

(i) Property, plant and equipment

Property, plant and equipment, except for land, are stated at historical cost less accumulated depreciation. Additions to property, plant and equipment are recognized as separate items when it is probable that future economic benefits will flow to the Co-operative and the cost of the items can be measured reliably. Cost comprises the purchase price, and cost directly attributable to bringing the asset to the location and condition necessary for its intended use, and the initial estimate of any disposal costs. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Depreciation is calculated on the straight-line basis, so as to allocate cost to their residual values over their estimated useful lives as follows:

Furniture & Fittings		15.00%
Computer hardware & software	15.00%	33.33%
Leasehold improvements		20.00%
Buildings		2.50%
Land		0.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amounts are greater than their recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with their carrying amounts. These are included in the statement of income.

(j) Financial liabilities

The Co-operative's financial liabilities are measured at amortised cost and include members' deposits and savings, trade payables and accrued liabilities. Financial liabilities are derecognized when extinguished.

(k) Members' shares

Members' shares issued by the co-operative are classified as equity to the extent that they do not meet the definition of a financial liability. Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are reported in equity as a deduction, from proceeds.

02. Summary of significant accounting policies (Continued)**(l) Dividends on members' equity shares**

Dividends on ordinary shares are recognized as a reduction of retained earnings under members' equity and in the year declared. Dividend declaration is based on a rate that is not more than that recommended by the Board of Directors for distribution. Members, at Annual General Meeting, may not approve a rate that is higher than that recommended by the Board of Directors.

(m) Interest income & expense

Interest income and expense for all interest-bearing financial instruments are recognized within *interest income* and *interest expense* in the statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Co-operative estimates cash flows consisting all contractual terms of the financial instrument but does not consider further credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(n) Fees and commission income

Fees, commissions and other income are recognized on an accrual basis when related service has been provided.

(o) Dividend income

Dividend income from available-for-sale equities is recognized when the right to receive payment is established.

(p) Provisions

Provisions are recognized when the Co-operative has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(q) Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, investment securities, loans to members, deposits and shares to members. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item.

(r) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where necessary, comparative figures have been adjusted to conform with changes in the presentation in the current year.

03. Financial risk management**Responsibility & authority**

The Board of Directors has overall responsibility for risk management. The authority for assigning and operating the processes that address the objectives is delegated to the Treasurer.

Financial instruments' strategy

Consequent on its nature, the Co-operative's activities are principally related to the use of financial instruments. The Co-operative accepts the proceeds of deposits and shares from members and seeks to earn an interest margin by lending these monies to members while maintaining sufficient liquidity to meet all claims that may fall due.

The Co-operative also seeks to raise its interest margins by obtaining above average margins, net of allowances, through investing in various financial instruments.

The most common types of risks are credit risk, liquidity risk, market risk, and operational risk. Market risk includes currency and interest rate risks.

(a) Credit risk

The Co-operative takes on exposure to credit risk which is the risk that a counter party will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred at the balance sheet date. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Co-operative's portfolio, could result in losses that are different from those provided at the balance sheet date. Management, therefore carefully manages its exposure to credit risks.

03. Financial risk management (Continued)

Financial instruments' strategy (Continued)

The Co-operative structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower. Such risks are monitored on a revolving basis. Limits on the level of credit risk by products are approved by the Board of Directors.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and personal guarantees.

Impairment & provisioning policies

Impairment provisions are recognized for financial reporting purposes only for losses that have been incurred at the balance sheet date based on objective evidence of impairment. Some accounts are reviewed monthly, others quarterly and sometimes when individual circumstances require.

Impairment losses on individually assessed accounts are determined by an evaluation of the incurred loss at the balance sheet date on a case by case basis and are applied to all individually significant accounts. The assessment encompasses collateral held and the anticipated receipts for those individual accounts. This forms the specific provisioning.

The collective provisioning requires management's judgment about the risks of default and loss associated with a pool of accounts. These accounts are in a segment that is considered to be Pass and or Special Mention. Management determines whether objective evidence of impairment exist based on the following criteria:

- > Delinquency in payments of principal and interest
- > Cash flow constraints of members
- > Breach of loan covenants
- > Deterioration of members competitive position
- > Deterioration in the value of collateral
- > Economic conditions

Maximum exposure to credit risk before collateral held or other credit enhancements

Credit risk exposures relating to on-balance sheet assets are as follows:

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Cash at bank		\$6,929,843	\$18,308,422
Investment securities		40,726,966	30,914,272
Loans and advances to members		182,878,070	153,438,085
Accounts receivable		1,956,636	917,067
		<hr/>	<hr/>
		232,491,515	203,577,846
Loan commitments		12,419,454	4,873,983
Maximum exposure to credit risk		<hr/> \$244,910,969	<hr/> \$208,451,829

(b) Market risk

Market risk arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific movements. The interest rates on term contracts are fixed to the term of maturity. Rates on members deposits held are reviewed on an annual basis. The rates for the various deposits and other financial assets are disclosed in their associated notes.

The Co-operative is exposed to market risks (fair value). Share holdings in the Eastern Caribbean Financial Holding Company are traded on the open market through the Eastern Caribbean Securities Exchange, while that in the 1st National Bank St Lucia Limited are not traded on the open market.

Investments are monitored by management and changes in fair values are reported through the profit and loss accounts.

(c) Currency risk

The Co-operative takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The exposure of the Co-operative to currency risk is minimal since most of its assets and liabilities in foreign currencies are held in United States dollars (US\$). The exchange rate of the Eastern Caribbean dollar (EC\$) to the United States dollar has been pegged at EC\$2.7169 to US\$1.00 since 1974.

03. Financial risk management (Continued)**(d) Interest Rate Risk**

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Co-operative takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board of Directors sets limits on the level mismatch of interest rate repricing that may be undertaken.

(e) Liquidity Risk

Liquidity risk is the risk that the Co-operative is unable to meet its payment obligations associated with the financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lenders.

The Co-operative is exposed to daily calls on its available cash resources from maturing members' deposits and loan draw downs. The Co-operative does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Board of Directors sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

Liquidity risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Co-operative. It is unusual for the Co-operative to be completely matched as transacted business is often of uncertain terms and types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

The contractual maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Co-operative and its exposure to changes in interest rates.

(f) COVID –19 Risk

The Co-operative is exposed to the COVID-19 risks merely by its existence. These risks are manifested from the closure of the Country's borders and the shutting down of commercial activities that cause loss or reduction of the primary earning capacity of members thereby creating an inability for them to keep up with their loan repayment schedules.

The Co-operative manages these risks by:

- i) identifying those members who have experienced loss or reduced primary incomes for relief assistance;
- ii) Setting up a \$1,000,000 disaster relief fund;
- iii) Adopting sanitization, social distancing, wearing of masks, and member-staff contact minimization protocols;
- iv) Conducting bi-weekly monitoring & evaluation of risk-mitigation protocols;
- v) Provision of moratoriums, waivers, and loan restructures; and
- vi) Provision of additional loan products to satisfy the more targeted needs of members.

(g) Fair Value of Financial Instruments

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 are best evidences by the quoted market values, if they exist. The following methods and assumptions were used to estimate the fair value of financial instruments.

The fair values of cash resources, accounts receivable, accounts payable, members' deposits, members' savings and other short-term instruments are assumed to approximate their carrying amounts due to their short-term nature. The fair value of statement of financial position commitments are also assumed to approximate the amounts disclosed.

Investment securities

Assets classified as available-for-sale are at fair value based on market prices or broker price quotations. For unlisted securities, fair value is estimated based on their cost as the amounts are immaterial. For investment securities classified as loans and receivables, fair value is estimated using the discounted cash flows.

Loans and advances to members

Loans and advances are net of their provisions for impairment. The estimated values of loans and advances represent the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Except for the Eastern Caribbean Financial Holding Limited's shares which trade on the Eastern Caribbean Securities Exchange, there were no other financial instruments that traded in any active market.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available.

The carrying amounts of all financial liabilities are assumed to approximate their fair values.

03. Financial risk management (Continued)

(h) Capital management

The Co-operative manages capital with the following objectives:

- to comply with the statutory capital requirements of the Co-operative Societies Act of St Lucia and enforced by the Financial Services Regulatory Authority (FSRA);
- to safeguard the Co-operative's ability to continue as a going concern so that it can continue to provide returns for members and benefits other stakeholders;
- to maintain a strong capital base in an effort to maintain members, creditors and other parties confidence and sustain future development of the Co-operative; and
- to provide a cushion in the event of market instability.

The Board of Directors monitors the return, which is defined as surplus for the year divided by average total assets, and also the level of dividends paid to members. Section 119 of the Co-operative Societies Act Cap 12:06 requires the Co-operative to maintain statutory and other reserves at not less than 10.0% of its liabilities. As at the year end, the minimum requirements was:

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Minimum capital requirement		\$19,285,554	\$16,923,555

Capital adequacy is monitored quarterly using the PEARLS ratios prescribed by the World Council of Credit Unions for determining capital adequacy and which has been adopted by the Financial Services Regulatory Authority (FSRA). PEARLS requires that each Credit Union maintains a minimum of 10.0% of total assets as its capital base. As at the year end, that figure was:

Minimum capital requirement	\$23,653,808	\$20,910,107
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The Co-operative was in compliance for both these requirements.

(h) Regulatory capital

Regulatory capital is divided into two sections:

- Institutional capital: Share capital, Retained earnings, Statutory reserve; and
- Transitory capital: Fair value reserve, Revaluation reserve, Employment benefit fund, Education fund, Building fund, Disaster relief fund.

Institutional capital

Share capital	\$12,147,247	\$10,906,296
Retained earnings	17,842,445	17,552,822
Statutory reserve	11,376,325	10,203,083
	<u>41,366,017</u>	<u>38,662,201</u>

Transitory capital

Revaluation reserve	467,055	467,055
Employment benefit fund	875,997	697,121
Disaster relief fund	912,993	0
Fair value reserve	60,483	39,135
	<u>2,316,528</u>	<u>1,203,311</u>

Total regulatory capital

\$43,682,545	\$39,865,512
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The risk-weighted assets are measured by an estimation of market, credit, interest and other risk associated with each asset and with due consideration to the collateral proffered. In addition, management and the Board of Directors monitor any major movements in asset levels on a monthly basis.

(Reported in Eastern Caribbean Dollars with Prior Year Comparatives)

04. Cash and cash equivalents

	<u>2020</u>	<u>2019</u>
Cash on hand	\$0	\$1,187,103
Cash at bank	6,929,843	18,308,422
	<u>\$6,929,843</u>	<u>\$19,495,525</u>

Interest is earned on deposit bank balances at an average rate of 1.75% (2019 – 1.75%) per annum. Pursuance to Section 119 (3) of the Co-operative Society's Act, the Credit Union is required to maintain a liquidity reserve calculated to be 15.0% of members' shares and deposits.

The following bank deposits and investment securities have been identified to meet the requirements of the Act.

Bank of St Lucia Limited – Cash	\$6,929,843	\$18,308,422
St Lucia Co-operative League - Deposit	749,981	729,908
Certificates of deposit	18,008,753	14,686,704
Government of St Lucia – Private Treasury Bond	5,463,359	2,049,315
Government of St Lucia – Treasury Note	4,003,836	4,003,562
Government of St Lucia – Treasury Bills	11,284,863	8,249,957
	<u>\$46,440,635</u>	<u>\$48,027,868</u>

The minimum requirement under the Act is	<u>\$30,571,286</u>	<u>\$26,882,764</u>
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As at the year-end, the Co-operative met the liquidity reserve requirement.

05. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The Co-operative makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management does not consider that there are estimates and assumptions that will have a significant risk, causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

06. Accounts Receivable, net of allowance for impairment

Due from St Lucia Fish Marketing Corporation	\$204,681	\$204,681
Due from Black Bay Small Farmers' Association	49,954	72,813
Due from A & C Ltd (Western Union Agent)	779,514	394,631
Due from CLICO International Life Insurance Limited	0	0
Other	1,140,246	462,701
	<u>2,174,395</u>	<u>1,134,826</u>
Less allowance for impairment	217,759	217,759
Accounts receivable, net of allowance for impairment	<u>\$1,956,636</u>	<u>\$917,067</u>

Exhibit I

07. Investment property

Balance, opening	\$80,728	\$80,728
Additions	0	0
	<u>80,728</u>	<u>80,728</u>
Less disposition	(80,728)	0
Balance, closing	<u>\$0</u>	<u>\$80,728</u>

Exhibit I

The land, which is located at Des Cartier, in the Quarter of Micoud, was acquired in 2006 as a result of confiscation from a member for the non-repayment of a loan, and reported in the financial statements initially as part of Property, plant & equipment at the unpaid loan balance, was revalued on November 16th, 2017. As a result of the revaluation, the property is now reported at the revalued amount of \$80,728, and \$125,930 was transferred to the revaluation reserve. The property was disposed of in November 2020.

The property was revalued by Richard R Sammy a Quantity Surveyor, and member of the St Lucia institute of Surveyors.

08. Investment securities

	<u>2020</u>	<u>2019</u>
Available for sale		
St. Lucia Co-operative League – shares	\$500,105	\$500,106
Laborie Fishers & Consumers Co-operative Ltd (6,000 shares)	30,000	30,000
St Lucia Electricity Services Ltd (10,000 shares)	200,000	200,000
Eastern Caribbean Financial Holdings Ltd (ECFH) (85,393 shares)	384,269	362,920
1 st National Bank St Lucia Limited (10,000 ordinary shares)	101,800	101,800
Total investment securities, available for sale	<u>1,216,174</u>	<u>1,194,826</u>
Less provision for impairment	0	0
Investments-available for sale, net of allowance for impairment	<u>\$1,216,174</u>	<u>\$1,194,826</u>
	Exhibit I	
Held to maturity		
Bank of St Lucia Limited – Certificates of deposit	\$14,944,643	\$14,686,704
Capita Financial Services Inc – Certificates of deposit	3,064,110	0
St. Lucia Co-operative League – Certificate of deposit	749,981	729,908
Government of Saint Lucia – 10 year 7.5% Private Treasury Bond	5,463,359	2,049,315
Government of Saint Lucia – 5.0% Treasury Note	4,003,836	4,003,562
Government of Saint Lucia – 1 - 3 year 4.5% & 5.0% Treasury Bills	11,284,863	8,249,957
Investments-held to maturity	<u>39,510,792</u>	<u>29,719,446</u>
Less allowance for impairment	0	0
Investment securities, held to maturity, net of allowance for impairment	<u>\$39,510,792</u>	<u>\$29,719,446</u>
	Exhibit I	
Total investment securities, net of allowance for impairment	<u>\$40,726,966</u>	<u>\$30,914,272</u>

The Bank of St Lucia Limited – a subsidiary of Eastern Caribbean Financial Holdings Ltd (ECFH), is a commercial bank operating in St Lucia.

St Lucia Electricity Services Ltd (LUCELEC) – a St Lucian incorporated company whose purpose is to provide electrical power for the Island. LUCELEC's shares are traded on the Eastern Caribbean Securities Market, and as at December 31st, 2020, the market value of these shares was \$20.00.

Eastern Caribbean Financial Holdings Ltd, is the parent company to the Bank of St Lucia Limited among others. Its shares are traded on the Eastern Caribbean Securities Market, and as at December 31st, 2020, the market value of its shares was \$4.50.

1st National Bank St Lucia Limited, a St Lucian incorporated company, was formed in December 1937 and commenced trading in January 1938. The Bank provides commercial and retail banking services, including acceptance of deposits, granting loans and advances among other services. The Bank's shares are not traded on any exchange.

St Lucia Co-operative League Ltd, of which the Laborie Co-operative Credit Union Limited is an affiliate member, is the umbrella organization responsible for the development of the credit union movement in St Lucia.

Laborie Fishers & Consumers Co-operative Ltd is a duly registered society pursuant to section 241 of the Cooperative Society's Act of St Lucia. It was formed to promote thrift and co-operative principles among its members.

09. Members' loans & advances, net of allowance for impairment

Balance, opening	\$153,843,306	\$144,682,121
Additions	139,054,916	117,326,104
	<u>292,898,222</u>	<u>262,008,225</u>
Repayments	(109,603,541)	(108,164,919)
Balance, closing	183,294,681	153,843,306
Less allowance for impairment	(416,611)	(405,221)
Members' loans & advances, net of allowance for impairment	<u>\$182,878,070</u>	<u>\$153,438,085</u>
	Exhibit I	

09. Members' loans & advances, net of allowance for impairment (cont'd)

	Reference	2020	2019
09a. Sectorial analysis of members' loans & advances			
Personal 1		\$30,067,253	\$28,084,012
Business		6,740,446	6,919,033
Land		26,373,921	22,094,210
Mortgage		29,712,213	19,056,011
Agriculture		209,450	289,019
Education		5,719,786	6,002,529
BUST		24,735	58,412
Housing		10,226,001	10,860,523
Vehicle		16,263,952	15,293,664
Vision Plus		28,236	39,923
Kwedi Alez		417,252	519,997
Smart climate		124,798	54,495
Personal 2		786,523	843,357
Mix & Match		51,298,275	43,609,759
Line of credit		172,540	0
Comfort for life		4,836,267	0
Accrued interest		293,033	118,362
	Exhibit I	\$183,294,681	\$153,843,306
09b. Allowance for Impairment			
Balance, opening		\$405,221	\$554,054
Addition (reduction) of provision for impairment		353,280	0
		758,501	554,054
Recoveries/adjustments/(writeoffs)		341,890	148,833
Balance, closing		\$416,611	\$405,221

09c. Regulation 30 (1) of the Co-operative Societies Act – Provisioning

Period-overdue Loans	Delinquent		Net Loans		Loss	
	Loans	Collateral	Delinquent	Exposure %	Provision	
Less than 3 months	\$3,503,071	\$4,950,818	\$0	\$0	\$0	\$0
3 months but less than 6 months	955,339	1,120,424	0	25.00%	0	0
6 months but less than 9 months	444,843	350,704	94,139	50.00%	47,070	79,120
9 months but less than 1 year	661,116	337,468	323,648	75.00%	242,736	111,243
1 year or more	7,376,499	9,213,395	0	100.00%	0	0
Totals	\$12,940,868	\$15,972,809	\$417,787		\$289,806	\$190,363

10. Property, plant and equipment, net of accumulated depreciation

Opening Costs

Furniture & equipment	\$958,220	\$1,193,877
Computer hardware & software	448,402	402,614
Leasehold improvements	494,318	475,960
Buildings	4,200,851	4,200,851
Land	187,225	187,225
	\$6,289,016	\$6,460,527

Additions

Furniture & equipment	\$39,060	\$90,853
Computer hardware & software	8,680	79,599
Leasehold improvements	21,355	18,358
Buildings	0	0
Land	0	0
	\$69,095	\$188,810

Disposals & adjustments

Furniture & equipment	(\$48,317)	(\$326,510)
Computer hardware & software	0	(33,811)
Leasehold improvements	(468,912)	0
Buildings	0	0
Land	0	0
	(\$517,229)	(\$360,321)

13. Members' regular deposits

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, opening		\$34,902,539	\$29,675,866
Additions		109,227,497	96,490,346
Withdrawals		144,130,036	126,166,212
Balance, closing	Exhibit I	(100,871,394)	(91,263,673)
		\$43,258,642	\$34,902,539

Sectorial analysis of members' deposits

Deposits - 0		\$41,151,705	\$33,028,871
Special		291,514	193,735
FIP		86,850	89,329
CUNA payment protector		5,890	0
Vision		379,862	377,547
Vision Plus		68,469	77,660
Easi-cash (ATM)		15,570	1,570
Accrued interest		1,258,782	1,133,827
		\$43,258,642	\$34,902,539

14. Members' special savings

Balance, opening		\$63,536,758	\$59,405,674
Additions		22,927,015	25,670,197
Withdrawals		86,463,773	85,075,871
Balance, closing	Exhibit I	(19,584,649)	(21,539,113)
		\$66,879,124	\$63,536,758

15. Long-term debt

Inter-American Development Bank – #4257/SX-RG

Balance, opening		\$598,451	\$648,344
Additions/interest		26,851	41,954
Less payment		625,302	690,298
Less current portion		(148,134)	(91,847)
Balance, closing	Exhibit I	477,168	598,451
		(109,219)	(109,219)
		367,949	489,231

Inter-American Development Bank

Pursuant to an agreement executed on November 11th, 2017, the Inter-American Development Bank agreed to loan the Laborie Co-operative Credit Union Limited the sum of US\$804,000 (EC\$2,184,388) to on-lend to members to finance climate resilient projects in the agricultural sector. The loan proceeds are restricted to:

- > 75.0% for long-term loans to finance investments in climate adaptation; and
- > 25.0% for working capital loans.

The loan fetches an interest rate of 5.0% and is repayable semi-annually commencing with 1.5 years after the date of signing the agreement.

As at December 31st, 2020, the Co-operative had draw-down US\$241,200 (EC\$648,343.68). It is to be repaid in 12 consecutive semi-annual amortized principal installments of US\$20,100, commencing with April 5th, 2019, plus interest at the rate of 5.0% p.a.

16. Related party transactions

Reference 2020 2019

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party by making financial and operational decisions. In this regard the balances of Management & Directors accounts as at December 31st, 2020 for loans, deposits, and shares, were as follows:

Loans

Directors	\$2,237,596	\$1,911,975
Credit Committee	878,205	814,061
Supervisory Committee	304,774	150,882
Staff	1,046,026	912,446
	\$4,466,601	\$3,789,364

Special savings

Directors	\$153,950	\$410,014
Credit Committee	146,588	154,033
Supervisory Committee	68,841	41,004
Staff	36,270	27,967
	\$405,649	\$633,018

Deposits

Directors	\$537,967	\$288,580
Credit Committee	212,733	176,154
Supervisory Committee	293,920	279,480
Staff	250,366	223,736
	\$1,294,986	\$967,950

Share capital

Directors	\$37,097	\$26,059
Credit Committee	11,697	10,602
Supervisory Committee	15,507	15,143
Staff	60,824	48,108
	\$125,125	\$99,912

17. Commitments

Lease

Effective January 1st, 2019, the Laborie Co-operative Credit Union Limited entered into a ten (10) year lease agreement for its Vieux Fort office accommodations. The lease agreement commits the Credit Union to a monthly payment of \$20,016 commencing with January 2019, security deposit of \$20,016, and last month rent of \$20,016.

The subsequent year – 2021 lease commitment is:

\$240,192 **\$240,192**

Undisbursed loans & advances

As at December 31st, 2020, the Credit Union had the following commitments to disburse approved loans to its members:

Personal 1	\$929,400	\$133,500
Business	6,000	0
Land	2,165,505	134,589
Mortgage	2,050,824	1,947,291
Education	638,448	667,587
BUST	0	2,972
Housing	867,156	172,906
Vehicle	1,006,166	51,145
Personal 2	0	5,000
Comfort for life	751,581	0
Mix & Match	4,004,374	1,758,993
	\$12,419,454	\$4,873,983

18. Management & employee Costs

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Salaries & wages		\$1,678,262	\$1,522,871
Travelling		95,500	95,010
Medical insurance		32,747	24,875
NIC contributions, uniforms & other		111,993	75,702
	Note 22	<u>\$1,918,502</u>	<u>\$1,718,458</u>
Key management compensation			
Salaries & wages		\$321,395	\$301,442
Travelling		52,570	51,683
Medical insurance		7,507	6,170
NIC contributions, uniforms & other		13,231	10,700
		<u>\$394,703</u>	<u>\$369,995</u>
The average number of employees		<u>41</u>	<u>39</u>

19. Investment recovery

British American Insurance Co Ltd

Included in the figure of \$261,672 for the Allowance for investment impairment (recoveries) in the statement of Comprehensive Income is an amount of \$103,644 (2018 – \$259,110) received from the British American Insurance Co Ltd as the final settlement of an amount due from investment executed by the Credit Union several years ago. That investment was fully provided for, and eventually written off. The amount represents the final portion of a 14.0% settlement.

20. Credit card finance facility

The Laborie Co-operative Credit Union Limited has a \$50,000 credit limit facility on a credit card with the Bank of St Lucia Limited.

21. Other income (expense)

Loan processing, photocopies & service fees		\$61,451	\$6,210
Dividends		43,034	50,320
Commissions		216,018	197,529
Other income		55,020	64,480
Other expense		0	0
	Exhibit II	<u>\$375,523</u>	<u>\$318,539</u>

22. Operating & Administrative expenses

Annual general meeting (AGM)		40,495	47,296
Special events		12,062	57,935
Financial statements audit		42,780	28,688
AML audit		0	7,000
Allowance for accounts receivable impairment (recoveries)		15,240	204,680
Property tax		(3,924)	12,358
Cash (overs) shorts		0	221
CUNA insurance		520,183	459,312
Insurance		58,849	58,213
Depreciation	Note 10	281,910	283,502
Donation		102,088	55,773
Lease	Note 17	250,136	261,192
Advertisement & promotions		202,902	96,699
Allowance for investment impairment (recoveries)	Note 19	0	(103,644)
Legal fees & professional		13,494	21,514
League dues		75,000	75,000
Office supplies & stationery		141,161	153,074
Honorarium		28,500	28,500
Repairs & maintenance		156,931	158,788
Salaries, wages & costs	Note 18	1,918,502	1,718,458
Appreciation		26,359	46,023
Board of directors		12,550	13,601
Vieux Fort Office relocation expense		0	(37)
Security		119,630	123,291
Education & training		3,859	173,456
Property, plant & equipment (gain) loss on disposition		2,714	1,953
Investment property (gain) loss on disposition		41,728	0
ATM expenses		60,581	14,604
Member relations		36,960	39,353
Utilities		257,659	269,419
	Exhibit II	<u>\$4,418,349</u>	<u>\$4,306,222</u>

Laborie Co-operative Credit Union Ltd.



P.O. Box LB 02L, Laborie LC11 101, Saint Lucia

Laborie Branch
Allan Louisy Street
Laborie
Tel: (758) 459-6900
Fax: (758) 455-9289
Mobile: (758) 285-5601

Vieux Fort Branch
New Dock Road
Vieux Fort
Tel: (758) 459-6925
Fax: (758) 454-6069
Mobile: (758) 485-3470

Coming soon to Bridge Street, Castries!



Website: www.mylaboriecu.com

Email: info@mylaboriecu.com

Facebook: <https://www.facebook.com/mylaboriecu>

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