Annual General Meeting 2024

LABORIE CO-OPERATIVE CREDIT UNION

STIMULATING *Growth* WHILE *Preserving* THE *Core*

October 20th 2024

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.

Amen

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Core Values

We believe our members come first.
We believe in being human centred.
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 | Just Cause:

To provide the means by which members enhance their capabilities and capacities to achieve wellness for themselves, their families, and communities.

Vision

To be the financial institution most adept at enabling each member to thrive, based on his or her potential.

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Notice is hereby given that the 39th Annual General Meeting of the Laborie Co-operative Credit Union Ltd. will be held on Sunday 20th October 2024 at the Laborie Boys' Primary School from 1:30 p.m.

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- ✓ Prayers & National Anthem
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- ✓ Reports
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- ✓ Adjournment

Howell

Samara Gabriel -Howell
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 always make provisions for the protection of members from vilification or personal abuse.
16. No member shall impute improper motives against the Chairperson, Board of Directors, Officers, or any other member.

Minutes of the 38th Annual General Meeting (AGM) held at the Laborie Boys' Primary School on Sunday 23rd April 2023

PART ONE

Call to Order

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

Invocation and National Anthem

Members present joined in the recital of the Prayer of St. Francis of Assisi and the Laborie Cooperative Credit Union Core Values, following which, an instrumental version of the National Anthem was played.

Attendance

Board of Directors	**Credit Committee**	**Supervisory & Compliance Committee**
Steven Auguste	Nazaria John-Chicot	John Lawrence
Francilia Brown	Dale Louis	Irma Francis
Dave Jn. Pierre	Nataki James – George	
Samara Gabriel – Howell	Carina Snagg	
Lauric Etienne	Jenny Chicot – Louisy	
Denver Chiquot		
Julian Dubois		
Augustine Dominique		
Vincent Edward		

General Manager (GM): Lucius Ellevic

Absent with excuses were: Officers Kediana Charlery and Kendal Peter.

Welcome Remarks

President Auguste welcomed all existing and new members in the physical and virtual space to the 38th Annual General Meeting. He wished all members a productive meeting and appealed for their full participation.

1st Raffle Draw

Adrian Son won the first raffle draw of $250.00.

2nd Raffle Draw

Glenora Johannes won the second raffle draw of $250.00.

Greetings from Fraternal Organizations

1. Mr. Julian Dubois, President of the Laborie Fishers and Consumers Cooperative, wished the LCCU all the best on its AGM on behalf of the Cooperative. The Fishers were quite elated to be part of this celebration of the performance of the LCCU and looked forward to cementing this working relationship and the continued development of the community and country in general.
2. Mr. Augustine Dominique extended greetings on behalf of the Laborie Development Foundation (LDF). He noted that the LDF continues to exist because of agencies like the LCCU. He implored members to continue to support and participate in LCCU's activities because of its contribution towards the social and economic development of the communities in St. Lucia.
3. Mr. Lucius Ellevic, Treasurer of the Black Bay Farmers and Consumers Cooperative (BBFCC), highlighted the success of this organization since entering into an arrangement with the LCCU in 2012 under its mantra, "Helping to build a strong community economy". The end result was the wiping off of a deficit of half a million to a current financial position of over half a million in cash. He expressed grateful thanks and appreciation of BBFCC for the continued support and guidance of the LCCU in facilitating the attainment of their financial fortitude and success.

Recognition of Ms. Naomi London

Ms. Naomi London, a member of the LCCU and St. Lucia's representative, won two (2) silver medals at the CARIFTA Games, and received a standing ovation for her efforts. The LCCU pledges its continued support for the development of youth and sporting activities.

Moment of Silence

A Moment of Silence was observed for members who passed on during the year in review. Mr. Yves Renard was specially remembered for his significant contribution to the development of many groups and the Laborie community in general.

PART TWO

Minutes of the last AGM

The Minutes of the 37th AGM held on Sunday 30th April, 2022 were read by Secretary Samara Gabriel – Howell.

Errors and Omissions

Page 4	Re: Attendance The name Caron Serieux was omitted from the list of Supervisory & Compliance Committee. He was absent without excuse.
Page 5	Greetings from Fraternal Organizations Under the first point, *"on behalf of"* instead of *"on behalf on"*
Page 7	Board of Directors Report *"The Board of Directors comprised"* instead of *"The Board of Directors included."*
Page 9	Under the first bullet point in the first sentence, *"despite a"* instead of *"despite and."*

Confirmation of the Minutes

The Minutes of the 37th AGM were confirmed on a motion moved by Etheldred James and seconded by Dorna Edward. The motion was unanimously carried.

Matters Arising

Page 5 Re: enquiry into the settlement of the outstanding debt of the St. Lucia Fish Marketing Corporation, the Chairperson confirmed that the debt was paid off.

Page 7 Re: Family Indemnity Plan coverage. the Chairperson informed that the payments are not based on the number of children, but rather on the coverage each policy owner .

Page 12 Agricultural Loans

The decline in Agricultural loans was a cause of concern. Members enquired as to the efforts by LCCU to encourage farmers to utilize these loans, as well as the special incentives in place for interested farmers. Moreover, consideration should be given to all categories of farmers - livestock and food crops.

The General Manager explained that these loans are available and granted based on the farmers' ability to pay. He reiterated LCCU's willingness to provide the necessary support to farmers in keeping with their demands. He revealed that there are plans in place to divide BBFCC into four (4) business centers with the intention of emerging as the largest producer of farm produce in the south, and St. Lucia by extension.

A recommendation was made for the LCCU to hold symposia to assist farmers.

Page 16 Any Other Business

It was proposed that the participation of members attending the AGM virtually be fully acknowledged, such as, comments placed in the chat and raised hands.

3rd Raffle Draw

Mary Francis won the 3rd Raffle Draw of $250.00.

4th Raffle Draw

Lucillia Edward won the 4th Raffle Draw of $250.00.

Board of Directors' Report

The report for the financial year under review was presented by President Steven Auguste.

The Board of Directors comprised:

Steven Auguste – President

Francilia Brown – Vice President

Dave Jn. Pierre – Treasurer

Samara Gabriel – Howell – Secretary

Lauric Etienne – Assistant Secretary

Augustine Dominique - PRO

Vincent Edward – Director

Denver Chiquot – Director

Julian Dubois – Director

The President reported that an increased cost of living triggered by global events may have contributed to social and economic hardship for many citizens, particularly the vulnerable, and made the environment in which the LCCU operates much more complex. These complexities include increased competitiveness, technological advancements as well as changes in consumer preferences. LCCU, despite these challenges, has managed to exercise prudence and innovation, thereby creating economic and social value for its members to navigate these unprecedented increases in prices in St. Lucia.

Having gone through a complete year of operations, the President highlighted the Castries Branch as assisting LCCU in creating this socio-economic value for members. Primarily established to help in maximizing opportunities for attaining the mission of transforming the lives of its members, this Branch currently serves as the hub for LCCU savings. Worthy of note is that savings have surpassed loans, with totals of $20.62 million in loans and $28.4 million in savings recorded as at December 31, 2022. Total accounts at the Branch stand at 3,273, made up of 3,017 members, 197 minors and 50 organizations.

The President noted LCCU's efforts at enhancing its service provision to members via its virtual services unit, where members at home and abroad can apply for loans from the comfort of their homes. This initiative has significantly reduced Branch visits and congestion. Members were motivated to manage their personal finances, loan products and services crafted to meet their needs and circumstances. The loans portfolio grew by $63.13 million during the period under review.

The LCCU was able to surpass its performance when compared to 2021:

Performance Indicator	Achieved 2021	Achieved 2022
Total Assets	$296.20 million	$359.8 million
Gross Loans	$248.77 million	$311.9 million
Total Savings	$246.3 million	$298 million
Total Income	$17.64 million	$21.89 million
Total Expenses	$12.74 million	$17.37 million

Based on the results achieved, LCCU continues to grow positively in all key performance variables. Delinquency, though being well managed, impacted total expenses for the year under review. Provision for bad debts had to be increased to a total $1.93 million due to the length of time taken to sell non-performing loans on which the Credit Union holds judgements.

In light of LCCU's performance for 2022 and the plans for 2023, the Board declared a payment of 6% patronage refund and recommended dividends of 6% on equity shares. The President thanked his fellow Directors for their dedicated service to LCCU and for always ensuring that the business of the Credit Union remains a priority. He informed the meeting that Directors Augustine Dominique, Dave Jn. Pierre and Vincent Edward had completed one term and were eligible for re-election. Officers Caron Serieux, John Lawrence and Kediana Charlery have concluded two terms and were therefore retiring.

The following discussions were generated from the Board of Directors' report:

Acknowledgements

Reference the statement "Never in the history of the LCCU has any monthly meeting been postponed for lack of a quorum", the Chairperson confirmed that there has never been a postponement.

Payment of Patronage Refunds and Dividends for 2022

Members expressed concerns about the reduced percentages for 2022Patronage Refunds, noting the payments of 6% and 10% for Dividends and Patronage Refunds respectively in 2021.

Regarding the proposed amendment for a percentage increase in Patronage Refunds, the General Manager advised that the membership only has the power to lower and not increase the percentages to be paid.

The General Manager stated that the LCCU prides itself as the entity that pays the highest returns on member savings. He however added that the LCCU is mandated to manage its affairs based on the requirements of the Financial Services Regulatory Authority (FSRA). The current requirement is to have a Capital base of 15%, where the capital of the LCCU should be 15% of its total assets. The Capital Base is made up of 5% Permanent Shares and 10% Institutional Capital. The new FSRA Act, which takes effect later this year, now requires that Permanent Shares be 3% and Institutional Capital, 12%. Institutional Capital is made up of Retained Earnings and Statutory Reserves, and the growth of these components comes from reserves. LCCU therefore needs to be in a position to meet these requirements when the new Act comes into effect; as such, management is a key factor, not only for the members now, but also for generations to come.

Virtual Services Unit

The LCCU App has been experiencing issues for a few months now and necessitates looking into. The Chairperson assured that the virtual operations were constantly being reviewed.

The General Manager explained that the LCCU is exploring the issue of resolving faults occasionally experienced at the ATM .

The Board of Directors' Report was adopted on a motion moved by Isla Sammy and seconded by Emma Glasgow. The motion was carried.

Auditor's Report

Llewellyn Gill of Llewellyn Gill & Co Chartered Accountants reported that the financial statements present fairly, in all material respects, the financial position of the Credit Union as at 31st December, 2022 and its financial performance and its cash flows for the year ended, are in accordance with International Financial Reporting Standards.

The following discussions and points were raised from the Auditor's report:

Re: queries on depreciation of assets and classification of Fixed Deposits as liabilities, the Auditor explained that the more assets and business acquired would result in increased insurance costs. The Fixed Deposit is the members' money, which by contract, the Credit Union agrees to use over a term limit and pay a certain percentage, hence the reason for considering it a liability.

The Auditor reminded members of the need to repay their loans. He implored them to act responsibly and inform the Credit Union of any difficulties encountered with their repayments instead of running away. Provisions for bad debts results in increased costs and reduced benefits for members.

The Auditor's report was adopted on a motion moved and seconded by Eric Joseph and Lana Alexander respectively. The motion was unanimously carried.

Treasurer's Report

Director Dave Jn. Pierre delivered this report and highlighted the following:

1. Total Assets - $359 million projected; $359.8 million achieved.
2. Gross Loans - $295 million projected; $311.9 million achieved.
3. Total Savings - $294 million projected; $298 million achieved.
4. Total Income - $22.89 million projected; $21.88 million achieved.
5. Total Expenses - $16.5 million projected; $17.37 million achieved.
6. Over the 2022 period membership grew by 16% bringing the total to 25,528 members.
7. Delinquency stood at 3.95% of the total loans' portfolio, representing a reduction of .04% when compared to 2021. Notwithstanding this reduction, Delinquency impacted Total Income thus affecting the targeted projected figure.
8. Total Assets increased by 21% over 2021 to $359.8 million dollars.
9. Members' Equity increased by $8.13 million from $49.02 million to $57.2 million – an increase of 16.7%
10. Share Capital grew by $4.41 million.
11. Reserves and Funds grew by $2.9 million

12. Retained Earnings expanded by $.9 million.
13. An increase of 24.04% was realized for Total Income for 2022. This represents a total of $21.88 million when compared to 2021 which recorded a total of $17.64 million.
14. Interest paid to members increased from $7.28 million to $9.27 million, representing a 27.33% increase.
15. Administrative Expenses grew by $1.25 million or 29% when compared to 2021.
16. When compared to 2021 the LCCU recorded a $387,000 decrease in surplus as a result of increased provision for delinquent loans. A net surplus of $4.5 million was however realized with a total comprehensive income of $5.68 million.

The Treasurer reported that the LCCU continues its mission of "enhancing the standard of living and quality of life of members" whilst staying true to its Core Values. Members were encouraged to continue to stay informed and take advantage of the many products and services available below:

Land Loans	Business Loans
Mortgage Loans	Mix & Match Loans
Student Loans	Vision Plus Loans
Personal Loans	Family Indemnity Plan
Smartclime	Fixed Deposit
Kwedie Alez	Western Union Services
Vehicle Loans	Sure Pay Services
Line of Credit	ATM
And more…	

In the ensuing discussion the following points were raised:

In response to the query on the standing of LCCU in comparison to the other Credit Unions on island, the Chairperson asserted that given its asset base, the FSRA has ranked LCCU as the largest Credit Union in St. Lucia.

The Treasurer's Report was adopted on a motion moved by Lana Alexander and seconded by Ivy Remy-St. Helen. The motion was unanimously carried.

5th Raffle Draw

Anthony Harry won the 5th Raffle Draw for $250.00

6th Raffle Draw

Erica Joseph won the 5th Raffle Draw for $250.00.

7th Raffle Draw

Celesta Aimable won the 7th Raffle Draw for $250.00.

8th Raffle Draw

The 8th Raffle draw for $250.00 was won by Edma Willie-Brown.

Credit Committee's Report

This report was delivered by Officer Dale Louis on behalf of the Chairperson. The Committee comprises:

Nazaria Celia John-Chicot - Chairperson

Dale Louis – Deputy Chairperson

Carina Snagg – Secretary

Jenny Chicot-Louisy – Member

Nataki James-George – Member

The Committee participated in Joint Committee meetings and training sessions over the period. These sessions provided opportunities to clarify loan processing concerns, make recommendations and assist management in implementing projects.

Loans Processed

During the period under review, the Committee met forty-nine (49) times and deliberated on three thousand, nine hundred and fifty-five (3,955) loan applications, representing eight hundred and eighty-one (881) more loan requests than the previous year.

Approval was granted for the disbursement of three thousand, nine hundred and twenty-three (3,923) loans totaling $83,499,378.63, a decrease of $28,368,143.68 over 2021. Mortgage, Personal, Land and Vehicle categories represented the largest loan amounts approved for the year 2022.

The Committee cautiously reviewed loan applications to ensure fairness and equity of service to members while safeguarding the Institution's interest. To this end, thirty-two (32) loan requests were denied for varied reasons, including inadequate information, insufficient security, uncertainty about ability to repay and prior delinquency.

Officer Louis reminded members that the lack of vital information sometimes caused the processing of loans to be arduous and time consuming. The Committee therefore solicited the assistance of members in familiarizing themselves with the loan requirements to ensure prompt and successful processing of loan applications.

In the discussion following the Credit Committee's report, the following points were raised:

Credit Committee members were commended for their efforts and dedication in processing volumes of loans on a weekly basis. In response to a query, the Vice Chairperson provided clarification on the difference between a mortgage loan and a housing loan.

The General Manager explained that $12,000.00 is the maximum amount offered for Kwédi Aléz . No collateral is required, and the member's salary is a key factor in granting this loan.

The Credit Committee's report was adopted on a motion moved and seconded by Olivia Clery and Francine Marius respectively. The motion was carried.

9th Raffle Draw

Janavie Mc. Farlane won the 9th Raffle Draw for a full Body Massage from Hands On Massage Therapy.

Supervisory and Compliance Committee's Report

Officer Irma Francis, presented the report on behalf of the Chairperson. The Committee is made up of:

Kediana Charlery – Chairperson

Kendell Peter – Assistance Chairperson

Irma Francis – Secretary

John Lawrence – Assistant Secretary

Caron Serieux – Member

LCCU's Internal Auditor and Compliance Officer, Mr. Tedley Cotter, attended meetings of this Committee. Mrs. Francis disclosed that the following had been conducted during the year in review:

1. Cash Audit
2. Review of Fixed Asset Register

3. Investment Portfolio Review
4. Declaration of Source of Funds Review
5. Review of Loans Delinquent over one (1) year
6. Personnel Audit
7. Bursary and Scholarship Review
8. Health and Safety Audit

The Committee was generally satisfied that all reviews conducted were in keeping with the policies, procedures and systems of internal controls of the LCCU. A recommendation was also offered to the Board aimed at improving the process of granting Bursaries and Scholarships in the future.

The following points were raised on the Supervisory & Compliance Committee's report for 2022:

- It was proposed that information on the number of Scholarships disbursed and the Education Committee Report be included in the AGM report.
- The Chairperson confirmed that the authority of the Committee lies within all three branches.

The Supervisory & Compliance Committee's Report was adopted on a motion moved by Elius Hunte and seconded by Dylan Tobierre. The motion was carried.

10th Raffle Draw

The 10th Raffle Draw of $500.00 was won by Samantha Leonce.

Nomination and Election of Officers

The Nominations Committee, comprising Julian Dubois, Peter Ulric Alphonse and Lana Alexander, presented the nominees as follows:

Committee	Recommendations		Elected Officers
	Nominations Committee	The Floor	
Board of Directors	Dave Jn. Pierre Augustine Dominique Vincent Edward (A motion to retain the current members and close nominations was moved by Etheldred James and seconded by Dylan Tobierre)		Dave Jn. Pierre Augustine Dominique Vincent Edward (Officers were elected unopposed)
Supervisory & Compliance Committee	Cyrprian Montrope Ivy Remy-St.Helen Donna Edward (A motion to close nominations was moved by Avice Louisy - James and seconded by Emma Glasgow)		Cyrprian Montrope Ivy Remy-St.Helen Dorna Edward (Officers were elected unopposed)

11th Raffle Draw

The 11th Raffle Draw of $500.00 was won by Deli Wilson.

12th Raffle Draw

The 12th Raffle Draw of $500.00 was won by Florencia Anthony.

Appointment of Auditor

A motion authorizing the Board of Directors to appoint an Auditor for the next financial year was moved and seconded by Etheldred James and Raymond Couloutte respectively. The motion was unanimously carried.

Any Other Business

- It was suggested that accessing the Vieux Fort Branch ATM at nights poses a security risk to the user, considering that he/she is unable to see on the outside, while persons on the outside have a clear view of the inside.
- The building of a shelter at the Vieux Fort Branch to protect members from the elements was proposed.
- Responding to a query on a return to the pre COVID-19 work hours, the General Manager noted that the act of balancing operations and growth of the business has become more difficult. Going forward, the LCCU seeks to increase efficiency through the use of appropriate technology. As a result, the business hours will remain unchanged.
- It was requested that LCCU give consideration to providing support for the School Co-operative Programme, to facilitate the transfer and continuation of students' savings accounts, in the absence of a School's Coop Officer.
- The General Manager informed that LCCU is currently working on the upgrading of the ATM card to a VISA card.
- Staff of the LCCU branches were commended for the level of professionalism and customer service exhibited.
- Concerns were raised about the difficulties experienced in accessing service via LCCU's telephone lines.
- It was recommended that the same platform used to register members for the AGM be used to obtain information on members who require transportation to the event.

- Mrs. Florencia Anthony, Youth Officer attached to Laborie, expressed her gratitude and appreciation for LCCU's continued support of Laborie's youth development programmes.
- Re: the raffle draws, it was suggested that (a) a larger container be used for the ballots, and (b) the virtual and physical platforms be separated.

13th Raffle Draw

Justina Lucien won the 13th Raffle Draw of $1,500.00

Adjournment

The Chairperson thanked everyone for their presence in the physical and virtual spaces, as well as their contributions to the discussions, for these are pivotal in helping us move forward as a Cooperative. He wished everyone a safe return to their respective destinations.

The meeting was adjourned at 6:30 p.m. on a motion moved by Dylan Tobierre and seconded by Ivy Remy – St. Helen.

Samara Gabriel-Howell
Secretary

Board of Directors' Report
For the year ended December 31, 2023
Stimulating growth while preserving the core

We present to you, our valued members, an account of the Laborie Cooperative Credit Union's performance over the past year. Reflecting on a year characterized by remarkable achievements and transformative challenges, our Credit Union has navigated a dynamic economic landscape with resilience and foresight, consistently prioritizing the financial well-being of our members. This report offers a comprehensive analysis of our financial performance, operational milestones, strategic initiatives, and regulatory compliance, charting our course toward a sustainable and prosperous future.

Your directors for the past year were as follows:

Mr. Steven Auguste	President
Mr Denver Chiquot	Vice President
Mrs. Samara Gabriel- Howell	Secretary
Mr. Dave Jn Pierre	Treasurer
Mr. Lauric Etienne	Assistant Secretary
Mr. Augustine Dominique	P.R.O.
Mr. Vincent Edward	Director
Mr. Julian Dubois	Director
Mrs. Francilia Brown	Director

Performance Review

In 2023, St. Lucia's economy appeared to be on a growth trajectory. The Central Statistical Office reported a significant decline in the average rate of inflation from 6.4% in 2022 to 4.3% at the end of 2023. However, despite this overall decrease, the inflation rate for food and non-alcoholic beverages, influenced by international price pressures, increased from 5.6% in 2022 to 6.8%. The unemployment rate decline to 14% by the end of 2023, as reported by the Office of the Prime Minister thus suggesting increased economic stability. The International Monetary Fund (IMF) corroborated this positive economic outlook by indicating a 3.2% economic expansion primarily driven by successes in the tourism sector. In addition, The IMF noted that the financial system remained stable and liquid throughout 2023. Notwithstanding the favourable economic prospects, there are concerns regarding the performance of the loan portfolio of credit unions. The IMF's report highlighted that rapid credit growth in credit unions poses a potential risk to the financial system. This, the IMF indicated, is due to relatively weak credit granting standards, generally high levels of non-performing loans, and low capital safeguards at credit unions.

Within this context, the Laborie Credit Union has adeptly leveraged the collective resources of its members to deliver high-quality, competitive products and services. The LCCU strategy has been remarkably successful, leading to significant growth. This growth may have caused regulators to think that the Credit Union can pose systemic risk to the financial system. Based on this premise the Credit Union hired an independent accounting firm, (BDO) to carry out a detailed assessment of the loans portfolio, which forms the greatest asset of the Credit Union. The main objectives of the assessment were to evaluate the quality of the loan portfolio and the adequacy of the provisioning, based on IFRS 9. The assessment, along with the audit of the financial statements of the credit union, took a long time warranting a delayed annual general meeting. The report on the assessment of the loan portfolio is still pending.

During the year under review, the Laborie Credit Union maintained a strong focus on providing members with housing opportunities, support for business ventures, and financing higher education. As a result, 361 members either built or improved their homes, 74 members secured financing for their businesses, and 60 members received support to pursue higher education. In addition to these member-focused services, Laborie Credit Union committed $93,705 to support community-based initiatives and other worthy causes. Also, 42 children of our members continued to benefit from Laborie Credit Union scholarships totaling $83,375. This overall emphasis on meeting the life-changing needs of our members aligns closely with the core purpose of Laborie Credit Union. By providing these essential services, we reinforce our commitment to enhancing the lives and prospects of our members and their communities.

Managing the Challenges of Growth

Our Credit Union continues to excel in delivering economic and social benefits to members by creating value that perpetuates and preserves the co-operative difference. Laborie Credit Union remains committed to achieving growth while preserving the co-operative model of business. This commitment calls for devising ways to achieve the goal of transforming the lives of our members and at the same time adhering to statutory regulations. This challenge is common to all credit unions and in commemoration of International Credit Union Day 2023, Laborie Credit Union presented a lecture entitled, “The Tyranny of Growth” to the credit union movement. The lecture underscored the importance of strategic positioning by maintaining the unique aspects of the credit unions. This will differentiate the credit unions by emphasizing a human centered approach in their operations and being advocates of the co-operative way.

The growth strategies implemented by the Board proved successful as evidenced by the achievements of financial targets stated in the table below.

Key Performance Indicator (KPI)	Achieved 2022	Achieved 2023	Average growth Over last 3 years
Total Assets	$356m	$414m	13.3%
Gross Loans	$311.8m	$332m	11%
Total Savings	$302.15m	$350.6m	14%
Total Income	$21.4m	$24.3m	13.4%

Delinquency Management

From 2019, Laborie Credit Union financial statements have been reporting loan loss provisions on an expected loss basis as prescribed by IFRS 9. Our current auditor is of the view that the way we have been calculating the number of days that a loan is delinquent does not allow for the correct classification of delinquency and recommended that the methodology be changed. The recommendation was implemented, and this resulted in $3.7m being added to loan loss provisions for 2022, and so the 2022 financial statements had to be restated. The method of calculating the number of days delinquent has no bearing on the rate of delinquency. The delinquency rate was 4.17% on December 31, 2023. A rate of not more than 5% is the industry standard and so our effort at managing delinquency is yielding the desired result; however, we must remain vigilant to ensure that the rate does not creep up.

Co-operation among Co-operatives

Under the auspices of The Laborie Union of Co-operatives (LUC), Laborie Credit Union continued to collaborate with Black Bay Farmers and Consumers Co-operative (BFCC) and Laborie Fishers and Consumers Co-operative (LFCC) to find ways of being of greater service to members and the communities which those three co-operatives serve. Laborie Credit Union has been instrumental in providing support for the building constructed by the LFCC. The building is aimed at providing another revenue stream which will augment the existing revenue from the gas station. Laborie Credit Union continued to provide shared management and technical support to BFCC.

Dividend and Patronage Refund

The market for loans experienced declining interest rates during 2023 and so this impacted our loan interest income. Notwithstanding the impact, LCCU still continued to pay members an above market rate of interest on savings. We must use our surplus to build our capital reserves to ensure that we continue to be a strong credit union. It is within this context that the Board is recommending a 6% dividend and 6% patronage refund.

Retiring Director

We extend heartfelt gratitude to Director Denver Chiquot for his time, effort and commitment displayed over the past years. He served with distinction and his tenure has come to an end so we thank him for helping to make Laborie Credit Union a great co-operative.

Steven Auguste
President

Treasurer's Report
For the year ended December 31, 2023

Fellow Members:

In 2023 the Laborie Credit Union faced a unique challenge: "GROWTH". The assets of the Laborie Credit Union grew to $414 million in 2023 and was deemed the largest Credit Union in St Lucia. The challenges with being in this position was having to place greater emphasis on managing cash reserves and remaining compliant with standard operational ratios for Credit Unions operating in our space especially with the increased scrutiny that comes with being at the top of the podium. The management and board have deliberated on these issues and continue to meet those challenges head on.

The LCCU came close to achieving operation targets set for 2023 as is detailed in the following assessment of performance indicators.

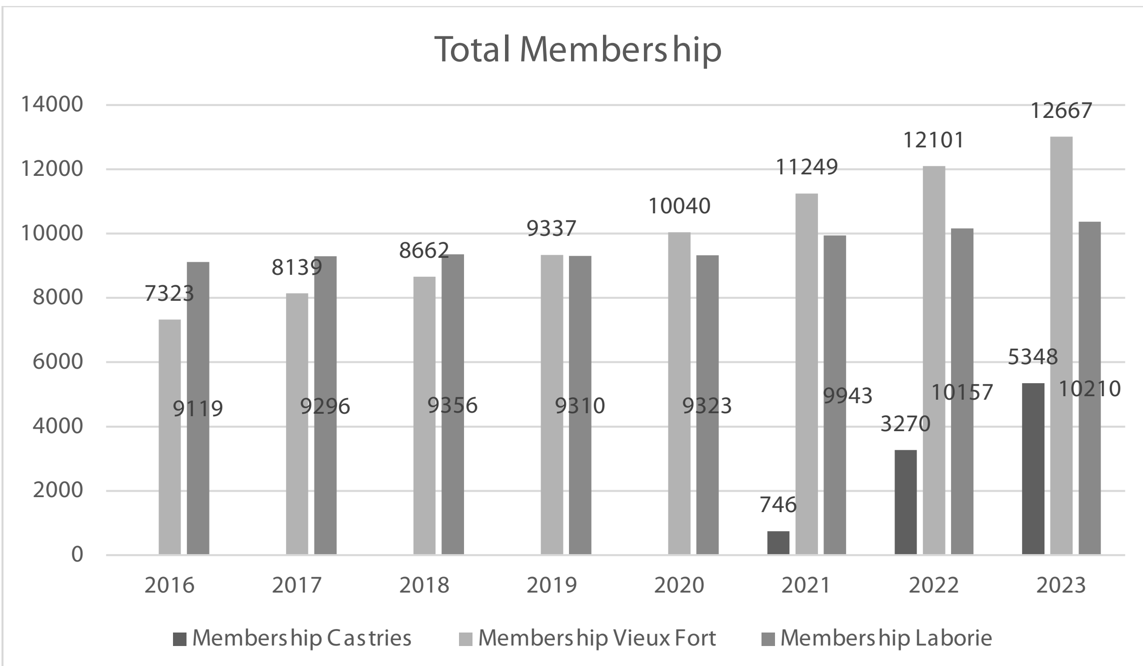
Key performance indicators for the fiscal year ending 2023:

Delinquency

The LCCU closed the fiscal year with a delinquency value 4.17% of the total loan portfolio value. This represents total delinquent loans value of $13.86 million. Efforts to contain delinquency included the write off of non-performing loans and pursuing judicial sales of collateral where possible. The most effective method however is communication with members and education. The Credit Union is prepared to work with members should the unfortunate occur, and they are unable to service their loans as contracted. Members are reminded that nonpayment of loans will negatively impact the ability of the LCCU to operate effectively.

Membership and Account Holders

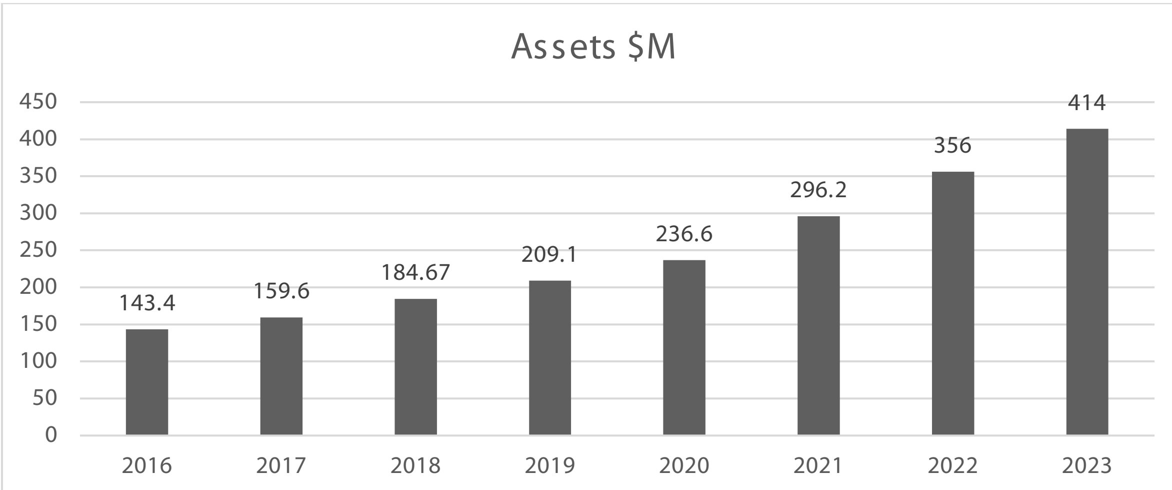
Membership and account holders grew by 10.6% bringing the total to 28,225. The net growth in Accounts for the year was 3,221. The Vieux Fort Branch accounted for 835 while the Laborie Branch accounted for 261 and Castries 2125. Total accounts held at Vieux Fort was 12,667, Laborie Branch was 10,210 and Castries 5,348.



Performance Review- Statement of Financial Position

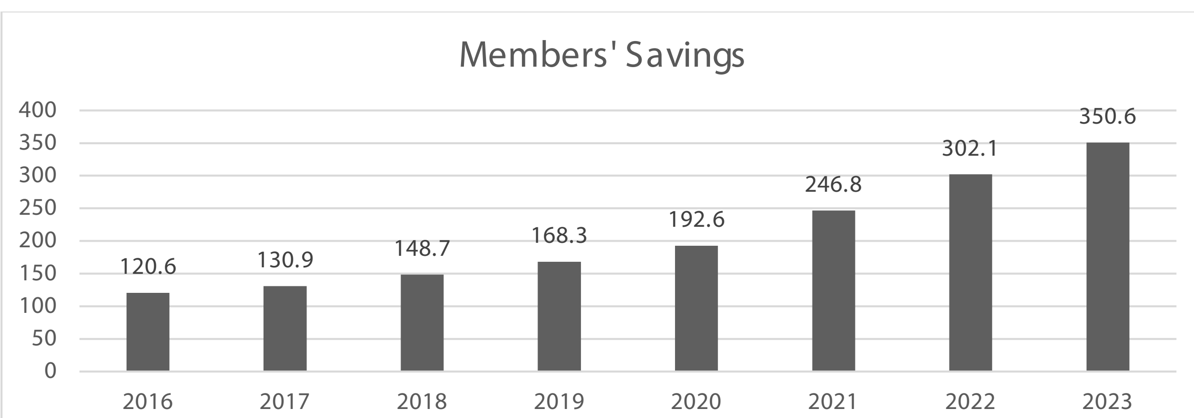
Assets

Total Assets increased by 16.3% over 2022 to $414 million dollars. Most of this increase was driven by a 6.5% increase in member loans.



Liabilities

Liabilities increased by 16.8%. Liabilities represent amounts due to third parties, member savings and fixed deposits. Member fixed deposits, special savings and regular deposits increased by $48.5 million. The LCCU offers favorable interest rates and our deposits can be considered some of the better investment opportunities currently available.



Members' Equity

Members' Equity increased by $7.3 million from $53.4 million to $60.7 million or 13.7%.

Share capital increased by $4.1 million.

Reserves and funds increased by $0.9 million.

Retained earnings increased by $2.3 million.

Performance Review- Statement of Comprehensive Income

Income

The total income generated by the core business activities in 2023 was $24.3 million compared to $21.4 million in 2022, an increase of 13.4%.

Interest Expense

Interest paid to members increased from $9.27 million to $11.08 million, an increase of 19.4%. When compared to an increase in member savings of only 16% we observe an increase in the yield to members with savings invested in the Laborie Credit Union. The Laborie Credit Union is committed to providing members with the best interest rate on savings and we strive to be one of the best investment options currently available.

Administrative Expenses

Total administrative expenses increased by $585,486 or 10.4%.

Surplus

The credit union recorded an increase in surplus of $4.2 million compared to the results of 2022. This was a result of a restatement of 2022 figures after an adjustment to the provision for loan losses of $3.7 million.

Conclusion

The LCCU continues on its mission to "enhance the standard of living and quality of life of its members" whist staying true to its Core Values. We encourage members to continue to stay informed and take advantage of the many products and services available.

Land Loans	Business Loans
Mortgage Loans	Mix & Match Loans
Student Loans	Vision Plus Loans
Personal Loans	Family Indemnity Plan
Smartclime	Fixed Deposit
Kwedie Alez	Western Union Services
Vehicle Loans	Surepay Services
Line of Credit	ATM
And more….	

Thank you.

Dave Jn Pierre
Treasurer

Credit Committee's Report
For the year ended December 31, 2023

It is with pleasure that the Credit Committee presents its report for the financial year ending December 31,2023. The Credit Committee is given the mandate to provide members fair access to members' deposits in the form of loans. Credit granting is guided by lending policies that are determined by the Board. These policies highlight the criteria which qualify members for credit and it is the duty of the Credit Committee to implement these policies. It is worth noting that the lending process is pivotal to the advancement and success of the Laborie Cooperative Credit Union (LCCU).

Composition of the Credit Committee

The Credit Committee comprised the following Officers:

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

Loans Processed

During the year under review, the Committee held 48 weekly meetings and processed four thousand, five hundred and thirty- seven (4537) loan applications, representing five hundred and eighty-two (582) loan requests more than the year 2022. This is reflected in Table 1 below.

TABLE 1: LOAN APPLICATION BY CATEGORY

CATEGORY	No. of Loans	
	2022	**2023**
Business	85	70
Education	70	60
Agriculture	7	4
Personal	2668	3219
Mortgage	114	73
Medical	18	20
Housing	402	288
Vehicle	318	276
Land	87	55
Kwedi Alez	122	85
Line of Credit	64	45
SOS	0	240
Promotion	0	102
TOTAL	**3955**	**4537**

The Table indicates that the largest number of loans requested were Personal, Housing and Vehicle loans. It further reveals a decrease in most loan categories in comparison to the previous year. Additionally, it reflects a marked increase in SOS and Promotion Loans in 2023.

Approved Loans

Approval was granted for the disbursement of 4529 loans totaling $71,293,184.40, a decrease of $11,206,194.23 over 2022. Personal, Mortgage, Vehicle, Land, Housing, Business, SOS, Promotion and Line of Credit categories respectively, represented the largest amounts approved. Table 2 indicates this information.

TABLE 2: LOANS APPROVED

CATEGORY	NUMBER	% OF APPROVED LOANS	AMOUNT	% OF AMOUNT APPROVED
Business	70	1.55	$ 4,543,823.70	6.37
Education	60	1.32	$ 803,660.69	1.13
Agriculture	4	0.09	$ 266,400.00	0.37
Personal	3215	70.99	$ 21,392,634.43	30.01
Mortgage	71	1.57	$ 16,579,916.32	23.26
Medical	20	0.44	$ 148,115.25	0.21
Housing	288	6.36	$ 5,245,585.54	7.36
Vehicle	275	6.07	$ 9,012,243.40	12.64
Land	54	1.19	$ 6,305,296.10	8.84
Kwedi Alez	85	1.87	$ 268,308.24	0.38
Line of Credit	45	0.99	$ 1,450,294.45	2.03
SOS	240	5.30	$ 3,759,754.22	5.27
Promotion	102	2.25	$ 1,517,152.06	2.13
Total	**4529**	**100%**	**$ 71,293,184.40**	**100%**

Loans not Approved

The credit Committee thoroughly reviews all loan applications to ensure equity and fairness of service to members, while safeguarding the interest of LCCU. In this regard, 8 out of 4537 loan requests were denied for several reasons including insufficient information, inadequate security, uncertainty about ability to repay and prior delinquency history. Table 3 illustrates the loan categories that were not approved.

TABLE 3: LOANS NOT APPROVED

CATEGORY	NUMBER OF LOANS
Personal	4
Mortgage	2
Vehicle	1
Land	1
Total	**8**

In order to prevent the denial of loan requests and to ensure prompt processing of loan applications, the Committee implores you, esteemed members, to acquaint yourselves with loan requirements. These include cash security, bills of sale, mortgages, co-makers, property, life and term insurances.

It is worthy to note that measures are also in place for the Manager to disburse loans within Shares or Savings.

Other Committee involvement

In addition to meeting weekly to process loan applications, the Committee attended Joint Committee meetings, training sessions and other activities. These various forums provided opportunities to clarify loan processing matters, make recommendations and assist management in implementing projects.

End of tenure

Officers Nazaria Celia John-Chicot, Carina Snagg, Jenny Chicot- Louisy and Nataki James - George have reached the end of their two terms of service on the Credit Committee and are not eligible for re-election this year. We are grateful to have been given the opportunity to serve and thank you immeasurably for the confidence you placed in us. It was indeed a learning and gratifying experience. We pray that the new committee will work hand in glove with especially the loan department and remain committed to executing their mandate.

Conclusion

The processing of Loan applications is a meticulous and time-consuming task. This can be further augmented when insufficient information is provided or clarity is needed. In such cases, deferment of loans could result, but LCCU's management team ensures that measures are in place to expedite credit granting. Hence, the Committee is profoundly grateful to the General Manager, Staff, Board of Directors and Supervisory Committee for their staunch support and cooperation during this period under.

The Committee applauds those staff members, especially Mrs. Julitta Chicot and Mr. Nigel Isidore, who promptly responded to our late calls when clarity was requested to facilitate the deliberation process. This behaviour speaks volumes for LCCU's work ethic. The greatest degree of gratitude is reserved for you, members, the core of LCCU, for your patience and understanding when the credit granting process was delayed for the above-mentioned reasons or when the result did not meet your expectations. The Committee wishes to reinforce its dual role of assisting members as well as safeguarding the organization's interest.

The management of LCCU continues to work assiduously despite challenges to keep the institution progressive and to remain your most preferred financial option. Therefore, we encourage you, esteemed members, to continue to exhibit commitment and a high degree of trust in your Credit Union as it seeks to find innovative ways to keep improving the quality of life of its members.

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Nazaria Celia John-Chicot
Chairperson

Supervisory and Compliance Committee's Report
For the year ended December 31, 2023

The Supervisory and Compliance Committee is pleased to present its report for the financial year ending December 31, 2023. The committee embraces its role and responsibility to monitor the operations of the Laborie Cooperative Credit Union and ensure that the established policies and procedures are adhered to. The committee reports, on a regular basis, to the board an appraisal of the Laborie Co-operative Credit Union's systems of governance, internal control and risk management. We work, on behalf of the members of the credit union, to assess the effectiveness of the procedures employed by the credit union and to provide objective challenges, when it is necessary to do so. The purpose of this report is to summarize our activities for the year and to provide evidence that we have discharged our responsibilities faithfully.

Composition

The committee comprises five members. They are:

- Officer Cyprian Montrope – Chairperson
- Officer Kendell Peter – Deputy Chairperson
- Officer Dorna Edward – Secretary
- Officer Ivy Remy-St Helen – Assistant Secretary
- Officer Nytia James – Member

Officer Irma Francis tendered her resignation in July 2023 due to personal reasons. The committee thanks Officer Francis for her dedicated and committed service to Laborie Credit Union and wish her well in her future endeavors. The vacancy was filled by Officer Nytia James.

Our meetings are also attended by Mr. Tedley Cotter (Internal Auditor and Compliance Officer) who supports the work of the committee by providing clarity on the implementation of both financial and non-financial systems of the credit union.

Work Plan

The scheduled work plan for the year included the following:

- Review of Loans Delinquent over 1 Year
- Suggestion Box Review
- Declaration of Source of Funds Review
- Observation of Board of Directors Meeting
- Employee Satisfaction Survey
- Cash Audit
- Observation of Credit Committee Meeting
- Observation of Education Committee Meeting
- Bursary and Scholarship Review
- Health and Safety Audit

Review of Loans Delinquent over 1 Year

The committee reviewed loans that had been delinquent for over 1 year. A review was conducted to ensure that the files had been updated with all communication and actions by both the credit union and the member. While the committee made no judgment on whether the loans were ultimately collectable or not, the committee was satisfied that the credit union's policies for loans that fall into that category had been followed.

Suggestion Box Review

The Committee conducted a suggestion box review. For this exercise, only suggestions from the Laborie branch were available to be reviewed. At the time, the suggestion box at the

Vieux Fort branch needed repair and the Castries branch did not have a suggestion box. Some of the suggestions that were reviewed had already been highlighted at the recent Annual General Meeting. Notwithstanding, The Committee reviewed and considered all the suggestions that were placed in the box.

Declaration of Source of Funds Review

The committee conducted a review of transactions requiring a declaration of source of funds from the Vieux Fort and Laborie branches of the credit union. The review was conducted to ensure that the declarations were filed, when necessary, as well as, whether the policy was complied with when the declarations were filed. The committee reviewed a random sample of qualifying transactions and is satisfied that the policies of the credit union are being adhered to.

Observation of Board of Directors Meeting

Officers of the Committee sat in on this meeting and noted and discussed their observations. This review was conducted to ensure that prescribed procedures and policies are being followed and adhered to by the Board of Directors. The board meeting was conducted in an organized and professional manner. Board members appeared well-prepared and actively engaged in discussions. The atmosphere was respectful, with constructive debates and exchanges of ideas. The organization's financial health and strategic direction were central topics of discussion. Transparency and accountability were evident in the reporting and decision-making processes.

Employee Satisfaction Survey

The Supervisory and Compliance Committee (SCC) conducted an Employee Satisfaction Survey of all branches in the month of September. The survey was sent out to all staff on the 4th of September 2023 and concluded on the 11th of September 2023 where all responses were compiled. The committee conducted the survey to identify the general level of contentment of staff and provide actionable data to improve the employee experience. The Employee Satisfaction Survey has provided valuable insights into employee sentiment within the organization. The Committee recommends further analysis by human resource professionals to identify and address the areas for improvement and building upon the positive aspects. This is critical to create a more engaged and satisfied workforce. Continuous feedback and improvement efforts are critical to maintaining a positive workplace culture.

Cash Audit

The committee conducted physical cash audits at each of the three branches of the credit union. Tellers were selected at the end of the business day and their cash on hand was reviewed to ensure that it balanced and reflected the results of the day's transactions. The tellers' end of day report was also reviewed for accuracy. The committee was satisfied with the results of the audit.

Observation of the Credit Committee

Officers of the Committee sat in on this meeting and noted and discussed their observations. The meeting was conducted in a professional manner, adhering to a structured agenda. There was clear evidence of a dedication to responsible lending, member-focused approach, and emphasis on data-driven decisions. These are instrumental in maintaining the Credit Union's integrity and supporting the financial well-being of its members.

Observation of the Education Committee

Officers of the Committee sat at a meeting of the Education Committee to observe their deliberations. The Committee was satisfied with the selection process however, a commitment was made to review the policies that guide the Scholarship Awarding. The committee is also concerned with the low levels of applications and recommends the need for greater advertising of the scholarships in order to increase awareness of the availability of scholarships.

Bursary and Scholarship Review

The committee conducted a review of the bursaries and scholarships awarded by the credit union in 2022. This review was procedural to ensure that the established policy for awarding of scholarships was followed by the scholarship committee. While the committee was satisfied that the procedure was complied with, a recommendation was made to the board so that the process can be improved in the future.

Health and Safety Audit

The committee conducted site visits to all three branches of the credit union in order to conduct health and safety audits. The audits were in the form of a walkthrough of the various branches as well as interviews with key staff based at the branch. The audit had three main objectives. Firstly, was to minimize the risk of accidents at the branches. Secondly, was to ensure that a safe working environment exists. Thirdly, was to ensure that the branches were adequately equipped with all necessary safety installations. The committee was satisfied that efforts were being made to ensure that all three of these objectives were met and that there was a high level of compliance with the policies relating to health and safety.

Meeting with External Auditors

The Committee had an engagement with newly appointed external auditors. The purpose of the meeting was introductory and for the Committee to receive a summary of their proposed work plan and the processes that were likely to be employed during the audit. The auditors also profited the opportunity to get the opinion of the Committee on the Credit Union's operations and processes.

Conclusion

The Supervisory and Compliance Committee thanks you our members for affording us the opportunity to serve you. Additionally, we extend our gratitude to the Management and Staff of LCCU for their continued support and dedication. Officer Kendell Peter has served one term on the Supervisory and Compliance Committee and is eligible for reelection. The Committee wishes to thank Officer Nytia James for providing exemplary service and her willingness to serve. The Committee looks forward to continuing to serve you during our next term.

Cyprian Montrope
Chairperson

Audited Financial Statements

Laborie Co-operative Credit Union Limited

FOR THE YEAR ENDED DECEMBER 31, 2023

Contents

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INDEPENDENT AUDITOR'S REPORT

To the Members of Laborie Co-operative Credit Union Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Laborie Co-operative Credit Union Limited (the Credit Union), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in members' equity, comprehensive income and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union 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 statements in St. 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 audit opinion.

Other Matter

The Financial Statements of Laborie Co-operative Credit Union Limited for the year ended December 31, 2022, were audited by another auditor who expressed an unqualified opinion on the statements on March 18,2023. The Predecessor auditor reported on the financial statements of the prior period before restatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union'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 Credit Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Other Information Included in the Credit Union's 2023 Annual Report

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's 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 auditor's 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of 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 Credit Union'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 Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Credit Union 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.

Auditor's Responsibility for the Audit of the Financial Statements (Cont'd)

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BDO

Chartered Accountants
Castries, St. Lucia

September 13, 2024

Statement of Financial Position
As at December 31, 2023
(Expressed in Eastern Caribbean Dollars)

	Notes	2023 $	Restated 2022 $	2021 $
ASSETS				
Cash	7	31,753,867	15,524,336	13,138,893
Financial investments:				
- Amortised cost	8	43,280,504	24,931,420	27,036,037
- Fair value through other comprehensive income (FVTOCI)	8	1,152,129	1,141,882	1,173,477
Other receivables and other assets	9	3,519,150	2,219,638	1,479,905
Loans and advances to members	10	326,814,397	306,281,365	248,373,373
Deferred Equipment Cost		9,148	2,434	2,878
Property and equipment	11	5,581,402	5,901,165	5,006,351
Right-of-use assets	12	1,922,115	-	-
TOTAL ASSETS		414,032,712	356,002,240	296,210,914
LIABILITIES AND MEMBERS' EQUITY				
Liabilities				
Accounts payable and accruals	13	720,795	420,502	377,414
Deposits and withdrawable shares from members	14	350,628,888	302,146,157	246,401,189
Lease liabilities	15	1,948,922	-	-
Borrowings		-	-	350,473
		353,298,605	302,566,659	247,129,076
Members' Equity				
Share capital	17	23,754,305	19,664,102	15,252,620
Statutory reserve	18	13,930,779	12,651,551	12,429,530
Fair value reserve	22	10,247	-	17,786
Employment benefit fund	19	1,359,354	1,110,012	1,073,256
Disaster relief fund	20	50,000	1,000,000	1,000,000
LCCU loan protection fund	21	823,478	502,841	217,999
Revaluation reserve	23	1,668,477	1,668,477	467,055
Retained earnings		19,137,467	16,838,598	18,623,592
		60,734,107	53,435,581	49,081,838
TOTAL LIABILITIES AND MEMBERS' EQUITY		414,032,712	356,002,240	296,210,914

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

APPROVED ON BEHALF OF THE BOARD:-

Director

Director

Laborie Co-operative Credit Union Limited

Statement of Changes in Members' Equity
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

	Notes	Share Capital	Fair Value Reserve	Statutory Reserve	Employment benefit fund	Disaster relief Fund	Loan Protection Fund	Revaluation reserve	Retained Earnings	Total
		$	$	$	$	$	$		$	$
Balance as at January 1, 2022		15,252,619	17,787	12,429,535	1,073,257	1,000,000	217,999	467,055	18,623,585	49,081,837
Net shares purchased	17	4,411,483	-	-	-	-	-	-	-	4,411,483
Total comprehensive income for the year	29	-	-	-	-	-	-	-	1,904,930	1,904,930
Allocation for: Statutory Reserves	18	-	-	183,776		-	-	-	(183,776)	-
: Employment benefit fund	19	-	-	-	36,755	-	-	-	(36,755)	-
Revaluation of building	23	-	-	-	-	-	-	1,201,422	(1,201,422)	-
Transfer to other reserves		-	(17,787)	-	-	-	-	-	17,787	-
Fair value loss	22	-	-	-	-	-	-	-	13,809	13,809
Entrance fees	18	-	-	38,240	-	-	-	-	-	38,240
Net contribution to fund	21	-	-	-	-	-	284,842	-	-	284,842
Dividends and patronage refunds		-	-	-	-	-	-	-	(2,299,560)	(2,299,560)
Restated Balance as at December 31, 2022		19,664,102	-	12,651,551	1,110,012	1,000,000	502,841	1,668,477	16,838,598	53,435,581
Restated Balance at January 1, 2023		19,664,102	-	12,651,551	1,110,012	1,000,000	502,841	1,668,477	16,838,598	53,435,581
Net shares purchased	17	4,090,203	-	-	-	-	-	-	-	4,090,203
Total comprehensive income for the year		-	-	-	-	-	-	-	4,986,834	4,986,834
Allocation for: Statutory Reserves	18	-	-	1,246,708	-	-	-	-	(1,246,708)	-
: Employment benefit fund	19	-	-	-	249,342	-	-	-	(249,342)	-
Transfers to reserves	20	-	-	-	-	(950,000)	-	-	950,000	-
Fair value gain	22	-	10,247	-	-	-	-	-	(10,247)	-
Entrance fees	18	-	-	32,520	-	-	-	-	-	32,520
Net contribution to fund	21	-	-	-	-	-	320,637	-	-	320,637
Dividends and patronage refunds		-	-	-	-	-	-	-	(2,131,668)	(2,131,668)
Balance as at December 31, 2023		23,754,305	10,247	13,930,779	1,359,354	50,000	823,478	1,668,477	19,137,467	60,734,107

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

Statement of Comprehensive Income
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

	Notes	2023 $	Restated 2022 $
Income			
Interest income on loans and advances to members		22,048,115	19,353,292
Interest expense		(11,076,805)	(9,273,799)
Net Interest Income		10,971,310	10,079,493
Other Income			
Investment income	24	1,229,162	1,019,664
Other operating income	25	1,032,237	1,065,995
		2,261,399	2,085,659
Operating Income		13,232,709	12,165,152
General and Administrative Expenses			
Operating and administrative expenses	26	6,231,719	5,646,233
LCCU Loan protection fund		539,141	485,238
Impairment losses on loans and advances to members	10	1,690,226	5,636,286
Refund on loans written off		(217,874)	(235,469)
Impairment losses/(recoveries) on other receivables	9	11,862	(157,610)
Direct write-offs on impaired assets		1,048	41,650
Impairment losses on financial investments	8	-	13,810
		8,256,122	11,430,048
NET INCOME FOR THE YEAR		4,976,587	735,104
Other Comprehensive Income			
To be reclassified to profit or loss in subsequent periods			
Increase in revaluation reserve	23	-	1,201,422
Fair value decrease in investments at FVTOCI			(13,809)
Fair value increase/(decrease) in investments at FVTOCI	22	10,247	(17,787)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,986,834	1,904,930

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

Statement of Cash Flows
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

	Notes	2023 $	Restated 2022 $
Cash Flows from Operating Activities			
Net income for the year		4,976,587	735,104
Adjustments for:			
Depreciation	11	432,984	436,794
Amortization	12	243,026	-
Provision for loan losses	10	1,690,226	5,636,286
Impairment losses/(recoveries) in other receivables and other assets	9	11,862	(157,610)
Loss on disposal of assets	11	10,892	1
Interest income on loans and advances to members		(22,048,115)	(19,353,292)
Investment income		(1,229,162)	(1,019,664)
Interest expense on lease liability		83,781	-
Interest expense		11,076,805	9,273,799
Operating loss before changes in operating assets and liabilities		(4,751,114)	(4,448,583)
Increase in other receivables and other assets		(1,311,374)	(582,123)
Increase in loans and advances to members		(22,223,258)	(63,544,278)
Increase in other payables and accruals		300,293	43,088
Increase in deposits and shares from members		48,482,731	55,744,968
Entrance fees		32,520	38,240
Cash generated from operations		20,529,798	(12,748,687)
Interest received from members'		22,048,115	19,353,292
Interest expense paid		(11,076,805)	(9,273,799)
Net cash generated used in operating activities		31,501,108	(2,669,194)
Cash Flows from Investing Activities			
Interest received		1,229,162	1,019,664
Decrease in AFS investments at FVTPL		-	13,808
Purchase of investment securities		(18,349,084)	2,104,617
Deferred equipment cost		(6,714)	444
Purchase of property and equipment	11	(124,113)	(130,188)
Net cash generated used in investing activities		(17,250,749)	3,008,345
Cash Flows from Financing Activities			
Principal payment on lease liabilities		(300,000)	-
Increase in share capital	17	4,090,203	4,411,483
LCCU Loan Protection Fund		320,637	284,842
Borrowings debt repayment		-	(350,473)
Dividends and patronage refund		(2,131,668)	(2,299,560)
Net cash provided by financing activities		1,979,172	2,046,292
Increase in Cash		16,229,531	2,385,443
Cash - Beginning of Year		15,524,336	13,138,893
Cash - End of Year		31,753,867	15,524,336
Represented by:			
Cash in hand		2,036,339	-
Cash at bank	7	29,717,528	15,524,336
		31,753,867	15,524,336

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

1. Introduction

The Laborie Co-operative Credit Union Limited (the Credit Union) was duly registered as a Credit Union on May 27, 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 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.

The principal activities of the Credit Union is the provision of financial services to its members on reasonable terms and conditions for provident and productive purposes.

The Co-operative's registered office is at Allan Louisy Street, Laborie, Saint Lucia.

2. Date of Authorisation of Issue

These financial statements were authorised for issue by the Board of Directors on September 12, 2024.

3. Material Accounting Policy Information

The principal accounting policies adopted are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Statement of Compliance

The financial statements comprise of the statements of financial position, changes in members' equity, comprehensive income, cash flows and the notes.

These financial statements have been drawn up in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) as at December 31, 2023 (the reporting date).

(b) Basis of Preparation

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Critical accounting estimates may be made in determining impairment of financial assets as set out in Note 4.

The cash flows from operating activities are determined by using the indirect method. The net surplus is therefore adjusted by non-cash items, and all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. Interest received on investments is classified as investing activities and bank charges are classified as operating activities. The cash flows from investing and financing activities are determined by using the direct method. Management determines the classification of the cash flows into operating, investing and financing activities.

The Credit Union classifies its expenses by the nature of expense method.

Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for fair value through other comprehensive income (FVTOCI) investments, land and building, which are measured at fair value.

3. Material Accounting Policy Information (Cont'd)

(b) Basis of Preparation (Cont'd)

Amendments to International Financial Reporting Standards effective in the 2023 financial year

The Credit Union applied for the first-time, unless otherwise indicated, certain amendments to the standards, which are effective for annual periods beginning on or after January 1, 2023. The amendments had no significant impact on the Credit Union's financial statements.

- IAS 1, 'Presentation of Financial Statements' was amended to help companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. Additional amendments clarify how covenants affect the classification of a liability and require additional disclosures. The additional amendments also deferred the effective date by one year.

  The application of these amendments did not have a material impact on amounts reported and disclosures in respect to the Credit Union's financial statements.

- IAS 1, 'Presentation of Financial Statements' was amended to change the requirements with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policies". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments also clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. IFRS Practice Statement 2 illustrates the guidance and examples to explain and demonstrate the "four-step materiality process".

  The application of this amendment did not have a material impact on amounts reported in the Credit Union's financial statements.

- IFRS 16, *'Leases'* was amended to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. This practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2021.

  The application of these amendments did not have a material impact on amounts reported and disclosures in respect to the Credit Union's financial statements.

- IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' was amended to replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments also clarify the following:

  that a change in accounting estimate that results from new information or new developments is not the correction of an error; and,

  The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

  The application of these amendments did not have a material impact on amounts reported and disclosures in respect to the Credit Union's financial statements.

3. Material Accounting Policy Information (Cont'd)

(b) Basis of Preparation (Cont'd)

Amendments to International Financial Reporting Standards effective in the 2023 financial year (Cont'd)

On January 23, 2020, the IASB issued an amendment to IAS 1 providing clarification on how to classify liabilities as current or non-current. The classification depends on the right that exists at the end of the reporting period. The amendments are intended to merely clarify the existing requirements contained in paragraph 69 and 76 of IAS 1. The main changes to the classification requirements include:

- Liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights as the requirement for an 'unconditional' right has been deleted from paragraph 69(d)
- Classification is based on the right to defer settlement, and not intention (paragraph 73), and
- If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under IAS 32.

The application of this amendment did not have a material impact on amounts reported in the Credit Union financial statements.

Amendments that are issued but not effective and have not been early adopted

- IAS 12, 'Income Taxes' was amended to clarify that the initial recognition exemption does not apply to transactions that give rise to equal deductible and taxable temporary differences.
- IFRS 16, 'Leases' was amended to allow a seller-lessee to recognise in profit or loss any gain or loss relating to the partial or full termination of a lease.

This amendment is applicable for annual periods beginning on or after January 1, 2024. It is not anticipated that the application of this amendment will have a material impact on amounts reported in the Group's consolidated financial statements.

Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). For classification purposes, IFRS 9 requires all financial assets, except equity instruments and derivatives to be assessed on the basis of the entity's business model for managing the assets and the contractual cash flow characteristics of the instruments. The standard eliminates the previous categories under IAS 39 of available-for-sale, held-to-maturity and loans and receivables. The Credit Union has classified its financial assets as follows:

- Debt instruments at amortised cost; and
- Equity instruments designed at fair value through other comprehensive income (FVOCI)

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities and therefore, there have been no significant changes to the accounting for the Credit Union's financial liabilities under IFRS 9.

3. Material Accounting Policy Information (Cont'd)

(b) Basis of Preparation (Cont'd)

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model for financial assets. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. These new requirements are forward-looking and eliminate the threshold that was in IAS 39 for the recognition of credit losses. Under the new approach it is no longer necessary for a credit event to have occurred before credit losses are recognized and therefore under IFRS 9, credit losses are recognized earlier than under IAS 39. The impairment allowance is based on a three-stage model that determines the expected credit loss based on the probability of default, the exposure at default and the loss given default for loans and loan commitments, debt securities not held for trading and financial guarantee contracts.

(c) Foreign Currencies

The financial statements are presented in Eastern Caribbean dollars which is the currency of the primary economic environment in which the Credit Union operates (its functional currency). All values are rounded off to the nearest dollar, unless otherwise indicated.

Assets and liabilities expressed in foreign currencies are translated into the functional currency at the rates of exchange ruling at the date of the financial statements. Transactions arising during the year involving foreign currencies are translated into the functional currency and recorded at the rates of exchange prevailing on the dates of the transactions. Differences arising from fluctuations in exchange rates as well as including differences between buying and selling rates, are included in the Statement of Comprehensive Income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the revaluation reserve in equity.

(d) Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Comprehensive Income 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 its value in use.

(e) Cash

Cash comprise balances with less than three months' maturity from the date of acquisition and includes cash on hand and cash at bank. Cash is measured at amortised cost.

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets

The Credit Union classifies financial assets to the following IFRS 9 measurement categories:

- Debt instruments at amortized cost
- Equity instruments designated as measured at FVOCI

IFRS 9 classification is based on the business model in which a financial asset is managed and its contractual cash flows. As at reporting date, no debt instruments were measured at FVOCI.

On initial recognition, financial assets are classified by the Credit Union as follows:

Debt Instruments

Debt instruments, including loans and debt securities, are classified and measured at amortized cost. Investments in debt instruments are measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL.

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the outstanding principal balance.

Business model assessment

Business model assessment involves determining how financial assets are managed in order to generate cash flow. The Credit Union's business model assessment is based on the following categories:

- *Hold to Collect* – The objective of the business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model.
- *Hold to collect and sell* – both collecting contractual cash flows and sales are integral to achieving the objectives of the business model.
- *Other Business model* – this business model is neither hold-to-collect nor hold-to-collect and sell. The Credit Union determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. The model is not assessed on an instrument-by instrument-basis, but rather at a portfolio level and based on factors such as:
  - How the performance of the financial assets held within that business model are evaluated and reported to the Credit Union's management personnel.
  - The risks that affect the performance of the assets held within a business model (and in particular, the way those risks are managed).
  - The expected frequency, value and timing of sales activity.
  - The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching duration of the financial assets to the duration of the financial liabilities that are funding those assets or realising cash flows through the sale of the asset.

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Debt instruments measured at amortised cost

Debt instruments are measure at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost. Interest income on these investments is recognized in interest income using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated by taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate.

Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit loss (ACL) in the statement of financial position.

Equity instruments

All equity securities are measured at fair value. On initial recognition the Credit Union may make an irrevocable decision to present in OCI gains and losses from changes in fair value of certain equity instruments. When insufficient information is available to measure fair value, then the instrument is measured at cost when it represents the best estimate of fair value. When an equity instrument classified at FVOCI is sold the cumulative or loss recorded in OCI is not recycled to profit or loss. Dividends recorded from securities measured at FVOCI are recognised in profit or loss.

A financial instrument with a reliably measurable fair value can be designated at FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the selling or repurchasing. The Credit Union has not designated any financial instruments as FVTPL on initial recognition.

Impairment of financial assets

Scope

The adoption of IFRS 9 has fundamentally changed the Credit Union's impairment model by replacing IAS 39's incurred loss approach with a forward looking three-stage expected credit loss (ECL) approach. As of January 1, 2021, the Credit Union has recorded the allowance for expected credit losses for the following categories of financial assets:

- Debt instruments measured at amortised cost; and
- Off-balance sheet loan commitments.

No impairment loss is recognised on equity instruments.

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Impairment of financial assets (Cont'd)

Expected credit loss impairment model

The three stage ECL allowance model is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss (LTECL), unless there has been no significant increase or deterioration in credit risk since origination, in which case, the allowance is based on the 12 months expected credit loss (12m ECL). The 12m ECL is the portion of the LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both lifetimes expected credit losses and 12 month expected credit losses are calculated on an individual basis but for purposes of determining the probability of default and loss given default financial assets are grouped according to common characteristics.

The three-stage approach applied by the Credit Union is as follows:

<u>Stage 1: 12-months ECL</u>

The Credit Union assesses ECLs on exposures where there has not been significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Credit Union recognises a provision on the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. Stage 1 loans include those instruments that are in arrears for 30 days or less and those facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

<u>Stage 2: Lifetime ECL-not credit impaired</u>

The Credit Union assesses ECLs on exposures where there has been significant increase in credit risk since initial recognition but are not credit impaired. This category includes loans which are over 30 days but less than 90 days in arrears. For these exposures, the Credit Union recognises as a provision a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

<u>Stage 3: Lifetime ECL- credit impaired</u>

The Credit Union identifies, individually, ECLs on those exposures that are assessed as credit impaired based on whether one or more events that a detrimental effect on the estimated future cash flows of that asset have occurred. Loans that are overdue for 90 days or more are considered credit impaired. For exposures that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather that the gross carrying amount. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

Measurement of ECL

ECL are a probability weighted estimate of credit losses. They are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date*; as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and cash flows that the Credit Union expects to receive);
- *Financial assets that are credit-impaired at the reporting date*: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *Undrawn loan commitment*: the present value of the difference between contractual cash flows that are due to the Credit Union if the commitment is drawn down and the cash flows that the Credit Union expects to receive.

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Impairment of financial assets (Cont'd)

Measurement of ECL (Cont'd)

The inputs used to estimate the expected credit losses are as follows:

- *Probability of Default (PD)* – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life if the facility has not been previously derecognized and is still in the portfolio.
- *Exposure at default (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 principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- *Loss Given Default (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 those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of EAD.

Forward looking information

The standard requires the incorporation of forward-looking information in the estimation of expected credit losses for each stage and the assessment of significant increases in credit risk. It considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Macroeconomic factors

The standard also requires incorporation of macroeconomic factors in models for ECLs. In its models, the Credit Union conducted an assessment of a range of forward-looking economic information as possible inputs, such as GDP growth, unemployment rates and inflation. The Credit Union has incorporated GDP and unemployment rates for Saint Lucia in developing its forward-looking information.

The standard recognises that the inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be used as temporary adjustments using expert credit judgement.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Credit Union considers both quantitative and qualitative information and analysis based on the Credit Union's historical experience and credit risk assessment. The Credit Union considers as a backstop that significant increase in credit risk occurs when as asset is more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECLs to 12-months.

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Impairment of financial assets (Cont'd)

Expected Life

For instruments in Stage 2 or 3, loss allowances reflect expected credit losses over the expected remaining life of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

Presentation of allowance for ECL

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Undrawn loan commitments and financial guarantees generally as a provision in other liabilities.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then the assessment is made of whether the financial asset should be derecognized in ECL and measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discontinued from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit Impaired Financial Assets

At each reporting date the Credit Union assesses whether financial assets carried at amortised cost are credit impaired (referred to as Stage 3 financial assets"). A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower;
- A breach of contract such as default or past due events;
- The restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Impairment of financial assets (Cont'd)

Credit Impaired Financial Assets (Cont'd)

- Observable data indicating that there is a 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 economic conditions that correlate with defaults on the assets in the group.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans that are overdue for 90 days or more are considered credit impaired.

Definition of default

The Credit Union considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- Significant financial difficulty of the borrower;
- Default or delinquency of principal and interest by a borrower;
- Restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not normally consider;
- Measurable decrease in the estimated cash flows from the loan or the underlying assets that secure the loan; or
- The disappearance of an active market for a security because of financial difficulties.

The Credit Union considers that default has occurred and classifies the financial asset as credit impaired when it is more than 90 days past due.

Write-offs

The write-off of a financial asset is a derecognition event. Loans and related impairment losses are either written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, they are generally written off after receipt of any proceeds from the realization of collateral. In circumstances where the new realizable value on any collateral has been determined and there is no reasonable expectation of recovery, write-off may be earlier.

3. Material Accounting Policy Information (Cont'd)

(g) Property and Equipment

Items of property and equipment except for land are recorded initially at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Land is measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the assets. Purchased software that is integral to the functionality of related equipment is capitalised as cost of that equipment. Subsequent expenditure is capitalised when it will result in future economic benefits to the Credit Union.

Depreciation is calculated on the straight-line basis, so as to write down the cost of property, plant and equipment to their residual values, over their estimated useful lives. The estimated useful lives of property, plant and equipment are as follows: -

Assets	Estimated Useful Lives
Freehold buildings	50 years
Leasehold improvements	5 years
Furniture and equipment	5 - 10 years
Computer hardware and software	3 – 7 years

Gains or losses arising on the disposal or retirement of an item of property and equipment are determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised in the Statement of Comprehensive Income.

(h) Financial Liabilities

The Credit Union classifies its financial liabilities as Other Financial Liabilities. This classification pertains to financial liabilities that are not held for trading or not designated as at fair value through profit or loss upon the inception of the liability. Included in this category are liabilities arising from operations or borrowings.

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs. 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.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced, or formally agreed with the supplier, including amounts due to employees.

The Credit Union recognizes a provision if a present obligation has arisen as a result of a past event, payment is probable, and the amount can be reliably measured. The amount recognized is the best estimate of the expenditure required to settle the present obligation at financial reporting date, that is, the amount the Credit Union would rationally pay to settle the obligation to a third party.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognized as finance cost.

The Credit Union's other payables and accruals, deposit from members and withdrawable shares are classified as other financial liabilities.

3. Material Accounting Policy Information (Cont'd)

(i) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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

(j) Members' Equity

Share Capital is determined using the nominal value of shares that have been issued.

Reserves are set aside by the Credit Union whereby allocations are transferred from Retained Earnings as necessary.

Retained earnings include all current and prior period results of operations as disclosed in the Statement of Comprehensive Income.

(k) Interest Income and Expenses

Interest income and expenses are recognised in the Statement of Comprehensive Income for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price.

(l) Fees and Other Revenue

Fees and other revenue are recognised on an accrual basis when the related service has been provided, except for interest on funds placed with the central financing facility of the St. Lucia Co-operative League that is recognised on a cash basis.

Income from operating leases is recognised on the straight-line basis over the term of the lease.

(m) Expenses

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be reliably measured. Expenses are recognised: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the Statement of Financial Position as an asset.

Expenses in the Statement of Comprehensive Income are presented using the nature of expense method. These are costs incurred that are associated with the premium revenue and costs attributable to administrative and other business activities of the Credit Union.

3. Material Accounting Policy Information (Cont'd)

(n) Leases

The Credit Union as a lessee

The Credit Union considers whether a contract is, or contains, a lease, at inception of the contract. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

At the lease commencement date, the Credit Union recognises a right-of-use asset and a lease liability on the separate statement of financial position.

Right-of-use assets

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Credit Union, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Credit Union depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The Credit Union also assesses the right-of-use asset for impairment when such indicators exist.

Lease liabilities

At the commencement date, the Credit Union measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Credit Union's incremental borrowing rate.

Subsequent to initial measurement, the carrying amount of the lease liability is increased to reflect the interest on the lease (calculated using the effective interest method) and is reduced to reflect the lease payments made.

The Credit Union re-measures the lease liability to reflect any modification or reassessment of the lease contract, such as a change in the lease term or change in the assessment of whether a renewal option will be exercised, in which case the lease liability is re-measured by discounting the revised lease payments by a revised discount rate. When the lease liability is re-measured, the corresponding adjustment is reflected in the related right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

(o) Transition

IFRS 16, "Leases" replaced IAS 17, "Leases" as at January 1, 2019. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of right-of-use asset and a lease liability at the commencement of the lease, except for short-term leases and lease of low value assets. In contrast, requirements for lessor accounting have remained largely unchanged.

The Credit Union has adopted the new standard using the modified retrospective approach from January 1, 2023 but has not restated comparative information for the 2022 reporting period, as permitted under the specific transition provisions in the standard. Therefore, the comparative information is reported under IAS17 and is not comparable to the information presented for 2022. The impact of the adoption of this new standard on the Credit Union's financial statements is described below.

3. Material Accounting Policy Information (Cont'd)

(o) Transition (Cont'd)

Applying the new standard for all leases, the Credit Union:

i. Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments;

ii. Recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income; and

iii. Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

Right-of use assets are tested for impairment in accordance with IAS 36, "Impairment of Assets".

(p) Income Tax

The Credit Union is exempt from income tax under Section 25(1)(q) of the Income Tax Act, Cap 15.02 of the revised laws of St. Lucia.

(q) Dividend Distributions

Dividend distributions to the Credit Union's members are recognised as a liability in the Credit Union's financial statements in the period in which the dividends are approved by the members.

(r) Related Parties

Parties are considered related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Individuals, associates or companies that directly or indirectly control or are controlled by or under common control are considered related parties. The key management personnel of the Credit Union are also considered to be related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely legal form. Transactions between related parties are accounted for at arm's-length prices or terms similar to those offered to non-related entities in an economically comparable market.

4. Critical Accounting Judgments, Estimates and Assumptions

The Credit Union makes certain judgments, estimates and assumptions regarding the future. Judgments, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the succeeding pages.

4.1. Judgments

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

Classification of financial instruments

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

The key assumptions concerning the future and other key sources of estimation at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of financial instruments

The Credit Union carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Credit Union utilized different valuation methodologies and assumptions. Any changes in the fair value of these financial assets and liabilities would affect profit or loss and equity.

4.2. Estimates and assumptions

The fair values of financial assets and liabilities as at December 31, 2023 and 2022 are disclosed in Note 5(d).

Allowance for impairment on loans

Expected credit losses

Establishing the criteria for determining whether credit risk on the financial asset has increase significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of the method used to measure ECL.

4. Critical Accounting Judgments, Estimates and Assumptions (Cont'd)

4.2. Estimates and assumptions (Cont'd)

Useful lives of property and equipment

The Credit Union estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of each asset are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of the assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase recorded cost of sales and operating expenses and decrease non-current assets.

There were no changes in the estimated useful lives of property and equipment in 2023 and 2022.

5. Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Credit Union's risk management framework. The Credit Union's risk management policies are established to identify and analyse the risk faced by the Credit Union, to set appropriate risk limits and controls and to monitor risks and adherence to limits and controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Credit Union's activities. The Credit Union, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Supervisory Committee oversees how management monitors compliance with the Credit Union's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Credit Union. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Supervisory Committee and to the Board of Directors.

The Credit Union's activity of accepting funds from members and of investing deposit receipts in loans and other investments exposes the Credit Union to various financial risks. Financial risks include credit, liquidity and market risks. Market risks arise from changes in interest rates, equity prices, currency exchange rates or other market factors. The effects of these risks are disclosed in the sections below.

5. Financial Risk Management (Cont'd)

(a) Credit Risk

Credit risk is the exposure that the counterparty to a financial instrument is unable to meet an obligation, thereby causing a financial loss to the Credit Union.

Credit risk from financial assets is minimised through advancing loans only after careful assessment of the borrower, obtaining collateral before advancing loans, and placing deposits with financial institutions with a strong capital base. The risk accepted in relation to one borrower is restricted to 10% of the shareholder's equity. Exposure to credit risk is also managed in part by obtaining collateral and guarantees for loans receivable. The collateral may consist of real estate, member deposits and shares, equipment, or vehicles.

The maximum exposure to credit risk before collateral held or other credit enhancements are as follows:

	2023 $	2022 $
Credit risk exposure relating to on-statement of financial position items: -		
Cash at bank	29,717,528	15,524,336
Financial investments	44,432,632	26,073,301
Other receivables and assets	3,519,150	2,219,638
Loans and advances to members	326,814,397	306,281,365
	404,483,707	350,098,640
Credit risk exposure relating to off-statement of financial position items: -		
Loans commitments	15,839,375	12,055,106
	420,323,082	362,153,746

Credit risk in respect of loans and advances is limited as this balance is shown net of impairment losses on loans and advances. The maximum exposure to credit risk for loans commitments to members at the reporting date by category was: -

	2023 $	2022 $
Personal 1	253,528	445,357
Business	1,229,625	97,732
Land	1,108,175	599,385
Mortgage	6,508,696	5,399,973
Kwedi Alez	502,151	-
Agriculture	4,300	-
Education	840,363	1,182,461
BUST	2,435	17,627
Housing	450,690	553,866
Vehicles	441,549	611,483
Line of credit	7,173	26,372
Comfort for life	1,198,642	935,111
Dream maker	2,598,815	976,845
Mix & Match	693,233	1,208,894
	15,839,375	12,055,106

5. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(i) Loans and advances to members

Loans and advances to members are summarized as follows:

	2023 $	2022 $
Neither past due nor impaired	318,242,497	298,393,441
Past due but not impaired	164,448	108,257
Impaired but not deemed total loss	2,430,167	2,262,365
Impaired	11,270,499	11,033,468
Gross	332,107,611	311,797,531
Allowance for impairment losses	(5,463,803)	(5,708,856)
Net	326,643,808	306,088,675

Loans and advances for which the loss allowance is measured at:

	Stage 1		Stage 2		Stage 3		Total	
	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $
Gross	318,406,945	298,501,698	2,430,167	2,262,365	11,270,499	11,033,468	332,107,611	311,797,531
Less allowance for impairment on loans and advances	(717,711)	(602,822)	(623,014)	(3,353)	(4,123,078)	(5,102,681)	(5,463,803)	(5,708,856)
	317,689,233	297,898,877	1,807,153	2,259,012	7,147,422	5,930,787	326,643,808	306,088,675

Further information on the allowing for impairment on loans and advances to members is provided in Note 10.

5. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(ii) Loans and advances to members past due but not impaired

Loans up to 90 days past due are not considered impaired unless information is available to indicate otherwise. Therefore, the gross amount of loans and advances to members that were past due but not impaired were as follows:

	2023	2022
	$	$
Past due up to 30 days	164,448	108,257
Past due 31 – 60 days	2,218,934	1,717,026
Past due 61 - 90 days	211,233	545,339
	2,594,615	2,370,622

(iii) Loans and advances to members individually impaired

The table below shows gross amount of individually impaired loans and advances to members before taking into consideration the cash flows from collateral held.

	2023	2022
	$	$
Individually Impaired loans		
Stage 3	11,270,499	11,033,468
Total	11,270,499	11,033,468

5. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(iii) Loans and advances to members individually impaired (Cont'd)

The table below shows the individually impaired loans and advances to members before taking into consideration the cash flows from collateral held.

The breakdown of the gross amount of individually impaired loans and advances by class are as follows:

	Personal	Business	Land	Mortgage	Agriculture	Education	Housing	Vehicle	Mix & Match	Total
	$	$	$	$	$	$	$	$	$	$
As at December 31, 2023										
Individually impaired loans	2,178,409	609,959	2,088,795	2,537,107	33,524	477,401	336,709	524,204	2,484,391	11,270,499
As at December 31, 2022										
Individually impaired loans	1,698,783	1,510,924	1,906,533	1,993,245	33,802	587,079	428,723	585,627	2,288,752	11,033,468

Interest is not accrued on impaired financial assets.

Total fair value of collaterals pledged for the above individually impaired loans and advances to members amounted to $9,021,515 (2022: $6,801,796).

(iv) Repossessed assets

The Credit Union may foreclose on overdue loans by repossessing the pledged asset. The pledged asset may consist of real estate, equipment or vehicles which the Credit Union will seek to dispose of by sale. In some instances, the Credit Union may provide re-financing. There are no repossessed assets for the year ended December 31, 2023.

5. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(v) Credit quality per class of financial assets (Cont'd)

The table below presents an analysis of debts securities like bond, deposits, treasury bills and other eligible bills by rating agency designation at December 31, 2023 and 2022:

	Receivables - Bonds $	Receivables - Deposits $	Receivables - Treasury bills $	Total $
As at December 31, 2023				
CariBBB to CariBBB+	2,002,000	-	23,979,276	25,981,276
Unrated	-	16,814,278	-	16,814,278
Total	2,002,000	16,814,278	23,979,276	42,795,554
As at December 31, 2022				
CariBBB to CariBBB+	2,866,167	-	15,015,000	17,881,167
Unrated	-	6,663,411	-	6,663,411
Total	2,866,167	6,663,411	15,015,000	24,544,578

5. Financial Risk Management (Cont'd)

(a) Liquidity Risk

Liquidity risk is the exposure that the Credit Union may encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity risk also arises when excess funds accumulate resulting in the loss of opportunity to increase investment returns.

The contractual maturities of assets and liabilities, and the ability of the Credit Union to meet payment obligations associated with financial liabilities when they fall due and to replace funds when they are withdrawn, are important factors in assessing the liquidity of the Credit Union.

Projections and examination of the Credit Union's asset and liability maturity structure to facilitate the matching of asset and liability maturity dates as far as possible and providing for any shortfall or excess cash situations is a fundamental part of the Credit Union's liquidity risk management.

Management undertakes continuous review of cash inflows and outflows and seeks to maintain a loans-to-savings ratio not exceeding 80%. For the purpose of this ratio savings include deposits from members and shareholder balances.

The table below presents the cash flows payable by the Credit Union for financial liabilities by remaining contractual maturity dates at the date of the financial statements. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Credit Union manages the inherent liquidity risk based on expected undiscounted cashflows.

	Contractual Cash flows $	6 months or less $	6 to 12 months $	1 to 2 years $	2 to 5 years $	More than 5 years $
As at December 31, 2023						
Lease liabilities	1,948,922	107,630	110,047	227,564	814,414	689,267
Other payables and accruals	720,795	720,795	-	-	-	-
Deposits from members	255,878,402	177,679,110	78,199,292	-	-	-
Withdrawable shares	99,111,458	99,111,458	-	-	-	-
	357,659,577	277,618,993	78,309,339	227,564	814,414	689,267
As at December 31, 2022						
Other payables and accruals	420,502	420,502	-	-	-	-
Deposits from members	217,966,719	146,549,550	71,417,169	-	-	-
Withdrawable shares	88,428,086	88,428,086	-	-	-	-
	306,815,307	235,398,138	71,417,169	-	-	-

5. Financial Risk Management (Cont'd)

(b) Interest Rate Risk

The Credit Union is exposed to interest rate risk, which arises when a change in market interest rate affects the current or future yields of financial assets and financial liabilities. The occurrence of an increase in interest rates on financial liabilities may result in financial loss to the Credit Union.

Interest on loans and advances to members and deposits from members is fixed to maturity.

The table below summarises the exposures to interest rate risks of the Credit Union's financial assets and financial liabilities. Amounts are stated at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Immediately rate sensitive $	1 to 3 months $	3 to 12 months $	Greater than 12 months $	Non-rate sensitive $	Total $
As at December 31, 2023						
Financial Assets						
Cash at bank	29,717,528	-	-	-	-	29,717,528
Financial investments	-	1,562,443	26,228,110	15,005,000	1,637,080	44,432,633
Other receivables and assets	-	-	-	-	3,519,150	3,519,150
Loans and advances to members	-	2,720,212	3,323,880	326,063,519	170,589	332,278,200
Financial Liabilities						
Other payables and accruals	-	-	-	-	(720,795)	(720,795)
Deposits from members	(251,517,430)	-	-	-	-	(251,517,430)
Withdrawable shares	(99,111,458)	-	-	-	-	(99,111,458)
Total interest sensitivity gap	(320,911,360)	4,282,655	29,551,990	341,068,519	4,606,024	58,597,828

5. Financial Risk Management (Cont'd)

(c) Interest Rate Risk (Cont'd)

	Immediately rate sensitive $	1 to 3 months $	3 to 12 months $	Greater than 12 months $	Non-rate sensitive $	Total $
As at December 31, 2022						
Financial Assets						
Cash at bank	15,524,336	-	-	-	-	15,524,336
Financial investments	-	1,543,153	16,995,425	6,006,000	1,528,723	26,073,301
Other receivables and assets	-	-	-	-	2,219,638	2,219,638
Loans and advances to members	-	5,894,545	5,490,134	300,412,852	192,690	311,990,221
Financial Liabilities						-
Other payables and accruals	-	-	-	-	(420,502)	(420,502)
Deposits from members	(213,718,071)	-	-	-	-	(213,718,071)
Withdrawable shares	(88,428,086)	-	-	-	-	(88,428,086)
Total interest sensitivity gap	(286,621,821)	7,437,698	22,485,559	306,418,852	3,520,549	53,240,837

5. Financial Risk Management (Cont'd)

(c) Interest Rate Risk (Cont'd)

At the reporting date, the carrying values of the Credit Union's interest-bearing, fixed-rate financial instruments were: -

	2023 $	2022 $
Financial Assets		
Financial investments	43,280,504	24,931,420
Loans and advances to members	332,107,611	311,797,531
	375,388,115	336,728,951
Financial Liabilities		
Deposits from members	251,517,430	213,718,071
Withdrawable shares	99,111,458	88,428,086
	350,628,888	302,146,157

The table below summarises the interest rates on financial assets and liabilities held at the reporting date.

	2023 %	2022 %
Financial Assets		
Cash	0	0
Financial investments	1.25-7.5	1.25-7.5
Loans and advances to members	3.00-18.00	3.00-18.00
Financial Liabilities		
Deposits from members	2.5	2.5
Withdrawable shares	2.5	2.5

The following table demonstrates the sensitivity to a reasonably possible change in the interest rate, with all other variables held constant, of the Credit Union's profit and net assets.

	Change in interest rate	Effect on profit before tax	Effect on net assets
2023			
Cash at bank	±0.50%-	148,588	148,588
Investment securities	±0.50%-	222,163	222,163
Loans and advances to members	±0.50%-	1,634,072	1,634,072
Members deposits	±0.50%-	1,257,587	1,257,587
2022			
Cash at bank	±0.50%	77,622	77,622
Investment securities	±0.50%	130,367	130,367
Loans and advances to members	±0.50%	1,531,407	1,531,407
Members deposits	±0.50%	1,068,590	1,068,590

5. Financial Risk Management (Cont'd)

(d) Fair Value Hierarchy

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable willing parties who are under no compulsion to act and is best evidenced by a quoted market value if one exists. The following methods and assumptions were used to estimate the fair value of financial instruments.

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

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 on their cost as the amounts are immaterial. For investment securities classified as loans and receivables fair value is estimated using discounted cash flows.

Loans and Advances to Members

Loans and advances are net of their provision for impairment. The estimated fair 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.

Fair Values of Financial Assets and liabilities

The following table shows an analysis of financial instruments measured at fair value by level of the fair value hierarchy: -

	Level 1 $	Level 2 $	Level 3 $	Total $
As at December 31, 2023				
Financial Assets measured at fair value				
Securities available-for-sale - Listed	-	520,224	-	520,224
Securities available-for-sale – Unlisted	-	-	631,905	631,905
	-	520,224	631,905	1,152,129
Financial Assets for which fair values are disclosed				
Securities – Financial Investments	-	-	43,280,504	43,280,504
Loan and advances to members	-	-	148,804,643	148,804,643
	-	-	192,085,147	192,085,147
As at December 31, 2022				
Financial Assets measured at fair value				
Securities available-for-sale - Listed	-	509,977	-	509,977
Securities available-for-sale – Unlisted	-	-	631,905	631,905
	-	509,977	631,905	1,141,882
Financial Assets for which fair values are disclosed				
Securities – Financial Investments	-	-	24,931,420	24,931,420
Loans and advances to members	-	-	134,683,729	134,683,729
	-	-	159,615,149	159,615,149

5. Financial Risk management (Cont'd)

(d) Fair Value Hierarchy (Cont'd)

The fair value of financial instruments with quoted prices in an active market are included in Level 1.
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available. If all significant inputs required to fair value an instrument are observable, the instrument is Level 2.

If one or more significant inputs is not based on observable market data, the instrument is included in Level 3.

The table below summarises the carrying amounts and fair values of those financial assets not presented on the Credit Union's statement of financial position at their fair value.

	Carrying amount		Fair value	
	2023	2022	2023	2022
	$	$	$	$
Investment Securities				
Financial Investments	43,280,504	24,931,420	41,443,430	24,015,164
Financial assets				
Loans and advances to members	326,643,808	306,088,675	319,698,481	283,221,666

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

There were no transfers between levels in the fair value hierarchy during the year.

6. Capital Risk Management

The Credit Union's objectives when managing capital are:-

- To comply with the statutory capital requirements of the Co-operative Societies Act of St. Lucia.
- To safeguard the Credit Union's ability to continue as a going concern so that it can continue to provide returns for members and benefits for other stakeholders; and
- To maintain a strong capital base to maintain members, creditors, and other parties' confidence and to sustain future development of the Credit Union.

The Board of Directors monitors the return on capital, which is defined as surplus for the year divided by total shares, as well as the level of dividends to members.

Section 119 (3) of the Co-operative Societies Act Cap 12.06 requires the Credit Union to maintain statutory and other reserves at not less than 10% of its liabilities. As at the year end, that figure was:

	2023	2022
	$	$
Minimum capital requirement	35,329,861	30,256,666

6. Capital Risk Management

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 require that each Credit Union maintain minimum of 10% total assets as its capital base. As at year end, that figure was:

	2023	2022
	$	$
Minimum capital requirement	41,403,271	35,600,224

The credit union was in compliance for both these requirements.

The regulatory capital is divided into two levels: -

- Institutional Capital: Share Capital, Statutory Reserves, Retained Earnings.
- Transitionary Capital: Education Fund, Development Fund, Disaster Fund, Funeral and Burial Benefits Scheme and Fair Value Reserve.

	2023	2022
	$	$
Institutional capital		
Share capital	23,754,305	19,664,102
Retained earnings	19,137,467	16,838,598
Statutory reserve	13,930,779	12,651,551
Total institutional capital	56,822,551	49,154,251
Transitionary capital		
Revaluation reserve	1,668,477	1,668,477
Employment benefit fund	1,359,354	1,110,012
Disaster relief fund	50,000	1,000,000
LCCU Loan protection fund	823,478	502,841
Fair value reserve	10,247	-
Total transitionary fund	3,911,556	4,281,330
Total regulatory capital	60,734,107	53,435,581

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 Board of Directors monitor movements in asset levels on a monthly basis.

7. Cash

	2023 $	2022 $
Cash on hand	2,036,339	-
Cash at bank	29,717,528	15,524,336
	31,753,867	15,524,336

For the purposes of the Statement of Cash Flows, cash include fixed deposits which are held to meet the liquidity requirements of Section 119 (3) of the Co-operative Societies Act Cap 12.06 of the revised laws of St. Lucia.

8. Financial Investments

	2023		2022	
	Cost $	Carrying Value $	Cost $	Carrying Value $
Fair value through other comprehensive income (FVOCI):				
Listed				
-Eastern Caribbean Financial Holding Limited	-	320,224	-	309,977
85,393 ordinary shares at $3.75 (2022 - $3.63)				
-St. Lucia Electricity Services Ltd.	-	-	-	-
10,000 ordinary shares at $20.00 (2022 - $20.00)		200,000		200,000
Unlisted				
-St. Lucia Co-operative League shares	500,105	500,105	500,105	500,105
100,021 ordinary shares at $5.00 (2022 - $5.00)				
-Laborie Fishers & Consumers Co-operative	30,000	30,000	30,000	30,000
6,000 ordinary shares at $5.00 (2022 - $5.00)				
-1st National Bank St. Lucia Limited	101,800	101,800	101,800	101,800
10,556 ordinary shares at $9.64 (2022 - $9.64)				
Total FVOCI Investments	-	1,152,129	-	1,141,882
Amortised cost				
St. Lucia Government Bonds	-	2,002,000	-	2,866,167
St. Lucia Government Treasury Bills	-	19,975,276	-	11,011,000
St. Lucia Government Treasury Note	-	4,004,000	-	4,004,000
	-	25,981,276	-	17,881,167

8. Financial Investments (Cont'd)

	2023		2022	
	Cost	Carrying Value	Cost	Carrying Value
	$	$	$	$
Fixed Deposits				
Bank of Saint Lucia Limited	-	2,722,525	-	2,688,914
First Citizens Investment Services	-	10,000,000	-	-
Capita Financial Services Inc	-	3,278,181	-	3,182,700
St. Lucia Co-operative League	-	813,571	-	791,797
	-	16,814,278	-	6,663,411
Interest Receivable	-	484,950	-	386,842
Total Amortised cost Investments	-	43,280,504	-	24,931,420
Total Financial Investments	-	44,432,632	-	26,073,302

9. Other Receivables and Other Assets

	2023	2022
	$	$
Due from A&C Limited (Western Union Agent)	871,514	585,661
Other	2,659,498	1,681,048
	3,531,012	2,266,709
Allowance for impairment loss	(11,862)	(47,071)
	3,519,150	2,219,638

Movement on the Credit Union's allowance for impairment of other receivable and other assets are as follows:

	2023	2022
	$	$
Allowance for impairment		
Balance – beginning of the year	47,071	205,404
Impairment losses/(recoveries)	11,862	(157,610)
Write off	(47,071)	(723)
	11,862	47,071

10. Loans and Advances to Members

	2023 $	Restated 2022 $
Loans	151,129,762	237,264,908
Mortgages	180,977,849	74,532,623
	332,107,611	311,797,531
Interest receivables	170,589	192,690
	332,278,200	311,990,221
Allowance for impairment	(5,463,803)	(5,708,856)
	326,814,397	306,281,365

Movement of allowance for impairment:

	2023 $	2022 $
Opening balance	5,708,856	595,866
Loan impairment additions	1,690,226	5,636,286
Loans written off	(1,935,279)	(523,296)
Closing balance	5,463,803	5,708,856

A breakdown of the staging of advances and the related ECLs for loans and advances is illustrated below:-

	Stage 1: Provision 12-month ECL performing $	Stage 2: Provision Lifetime ECL Performing $	Stage 3: Provision Lifetime ECL Credit Impaired $	Total $
Expected Credit Loss Allowances as at January 01, 2022	512,858	5,779	77,229	595,866
Credit loss expense	89,964	(2,426)	5,548,748	5,636,286
Loans written off	-	-	(523,296)	(523,296)
Expected Credit Loss Allowances as at December 31, 2022 as restated	602,822	3,353	5,102,681	5,708,856
Expected credit loss recoveries	114,889	619,661	955,676	1,690,226
Loans written off	-	-	(1,935,279)	(1,935,279)
Expected Credit Loss Allowances as at December 31, 2023	717,711	623,014	4,123,078	5,463,803

10. Loans and Advances to Members (Cont'd)

Regulation 30 (1) of the Co-operative Societies Act- Provisioning

Period Overdue Loans	**Delinquent Loans** $	**Collateral** $	**Net Loans Delinquent** $	**Loss Exposure %**
Less than 3 months	2,594,615	2,308,100	286,515	0
3 months < 6 months	2,755,305	1,989,587	765,718	25
6 months < 9 months	1,972,531	1,143,310	829,221	50
9 months < 1 year	1,216,152	665,610	550,542	75
1 year and over	5,326,511	3,469,058	1,857,453	100
Totals	13,865,114	9,575,665	4,289,449	

	2023 Provision	2022 Provision
Less than 3 months	-	-
3 months < 6 months	191,430	107,945
6 months < 9 months	414,610	74,491
9 months < 1 year	412,906	327,850
1 year and over	1,857,453	1,535,866
Totals	2,876,399	2,046,152

11. Property and Equipment

	Land	Freehold Buildings	Leasehold Improve-ments	Furniture and Equipment	Computer Hardware and Software	Total
	$	$	$	$	$	$
At December 31, 2021						
Cost	187,225	4,200,851	746,698	1,253,524	576,533	6,964,831
Accumulated depreciation	-	(838,251)	(43,374)	(703,431)	(373,424)	(1,958,480)
Net book value	187,225	3,362,600	703,324	550,093	203,109	5,006,351
Year ended December 31, 2022						
Opening net book value	187,225	3,362,600	703,324	550,094	203,109	5,006,351
Revaluation adjustments (Note 23)	-	258,149	-	-	-	258,149
Additions	-	-	-	95,238	34,950	130,188
Disposals: Cost	-	-	-	(1,899)	-	(1,899)
Disposals: Acc Depreciation	-		-	1,898	-	1,898
Reversal of accumulated depreciation (Note 23)	-	943,272	-	-	-	943,272
Depreciation charge (Note 26)	-	(105,021)	(149,340)	(114,166)	(68,267)	(436,794)
Closing net book value	187,225	4,459,000	553,984	531,164	169,792	5,901,165
At December 31, 2022						
Cost	187,225	4,459,000	746,698	1,346,863	611,483	7,351,269
Accumulated depreciation	-	-	(192,714)	(815,699)	(441,691)	(1,450,104)
Net book value	187,225	4,459,000	553,984	531,164	169,792	5,901,165

11. Property and Equipment (Cont'd)

	Land	Freehold Buildings	Leasehold Improve-ments	Furniture and Equipment	Computer Hardware and Software	Total
	$	$	$	$	$	$
Year ended December 2023						
Opening net book value	187,225	4,459,000	553,984	531,164	169,792	5,901,165
Additions	-	5,283	4,204	72,117	42,509	124,113
Disposals: Cost	-	-	-	(50,524)	(12,201)	(62,725)
Disposals: Acc Depreciation	-	-	-	39,637	12,196	51,833
Depreciation charge (Note 26)	-	(111,549)	(149,478)	(119,272)	(52,685)	(432,984)
Closing net book value	187,225	4,352,734	408,710	473,122	159,611	5,581,402
At December 31, 2023						
Cost	187,225	4,464,283	750,902	1,368,456	641,791	7,412,657
Accumulated depreciation	-	(111,549)	(342,192)	(895,334)	(482,180)	(1,831,255)
Net book value	187,225	4,352,734	408,710	473,122	159,611	5,581,402

The Credit Union's property in Laborie was revalued by Mr. Richard R. Sammy a qualified Quantity Surveyor/Appraiser on December 12, 2022, which resulted in an increase in the Value of the Building and a revaluation surplus.

Loss on Disposal

	Cost	Accumulated Depreciation	Net Book Value	Proceeds	Loss
	$	$	$	$	$
December 31, 2023					
Furniture and equipment	50,524	(39,637)	10,887	-	10,887
Computer hardware	12,201	(12,196)	5	-	5
	62,725	(51,833)	10,892	-	10,892

12. Right-of-use Assets

Set out below, are the carrying amounts of the credit union's right-of-use assets and the movements during the period:

	Buildings $	Total $
Cost		
Balance at January 1, 2022	-	-
Additions	-	-
Balance at December 31, 2022	-	-
Balance at January 1, 2023	2,165,141	2,165,141
Additions	-	-
Disposals	-	-
Balance at December 31, 2023	2,165,141	2,165,141
Accumulated Amortisation		
Balance at January 1, 2022	-	-
Amortisation for the year (Note 26)	-	-
Balance at December 31, 2022	-	-
Balance at January 1, 2023	-	-
Amortisation for the year (Note 26)	(243,026)	(243,026)
Eliminated on disposals	-	-
Balance at December 31, 2023	(243,026)	(243,026)
Carrying Amounts		
January 1, 2022	-	-
December 31, 2022	-	-
December 31, 2023	1,922,115	1,922,115

Effective March 1, 2021, the Laborie Co-operative Credit Union Limited entered into a ten (10) year lease agreement for its Castries Branch with a security deposit of $25,000. The agreement commits the Credit union to a monthly payment of $25,000 for the first five years and thereafter an increased payment of $ 26,875 for the subsequent five years.

12. Right-of-use Assets (Cont'd)

The table below describes the nature of the Credit Union's leasing activities by types of a right-of-use asset:

	Number of Lease	Remaining Term	Average Remaining Lease Term	Number of Lease at Renewal
Office building	2	5 - 7	6	2

13. Other Payables and Accruals

	2023	2022
	$	$
Accruals	320,370	230,713
Other payables	400,425	189,789
	720,795	420,502

14. Deposits and withdrawable shares from Members

	2023	2022
	$	$
Members fixed deposits	167,504,319	145,882,095
Members regular deposits	84,013,111	67,835,976
Member's withdrawable shares	99,111,458	88,428,086
	350,628,888	302,146,157

Members fixed deposits are payable on demand and has effective interest rates ranging from 3.5% to 4.5% (2022: 4% - 5%).

15. Lease Liabilities

The weighted average rate of interest applied to lease liabilities is 4.5%.

Lease liabilities are secured by the related underlying asset (see Note 8).

Future minimum lease payments at year end were as follows:

	2023	2022
	$	$
Between 1 and 2 years	445,241	-
Between 2 and 5 years	814,414	-
Greater than 5 years	689,267	-
	1,948,922	-

The Credit Union's exposure to liquidity risks related to lease liabilities is disclosed in Note 5(b).

16. Other Commitments

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.

17. Share Capital

	No. of Shares	2023 $	No. of Shares	2022 $
Ordinary Shares				
Balance - beginning of year	3,932,820	19,664,100	3,050,524	15,252,620
Issued	964,772	4,823,860	1,005,309	5,026,545
Withdrawn	(146,731)	(733,655)	(123,013)	(615,063)
Balance - end of year	4,750,861	23,754,305	3,932,820	19,664,102

The Credit Union is authorized to issue an unlimited number of ordinary and withdrawable shares, each with a par value of $5.00.

18. Statutory Reserve

	2023 $	Restated 2022 $
Balance - beginning of year	12,651,551	12,429,535
Allocation from retained earnings as restated	1,246,708	183,776
Entrance fees	32,520	38,240
Balance - end of year	13,930,779	12,651,551

In accordance with Section 119 (2) of the Co-operative Societies Act, the Credit Union is required to set aside a statutory reserve of at least 20% of net surplus (if any) each year. In addition, all entrance fees are placed in the statutory reserve.

19. Employment Benefit Fund

In accordance with a resolution passed by the members, the Credit Union is required to set aside an employment benefit fund of 5% of its realised surplus from operations of net surplus (if any) after the statutory reserve allocation.

20. Disaster Relief Fund

The Co-operative Societies Act and the Credit Union's By-laws allow the Credit Union, on the recommendation of the Board of Directors, to make an annual contribution to the disaster relief fund to be used in case of a natural disaster. During the year, no contributions were made to this fund and $950,000 was transferred to retained earnings.

21. LCCU Loan protection fund

	2023	2022
	$	$
Balance - beginning of year	502,841	217,999
Deposits	539,141	485,238
Payments	(218,504)	(200,396)
Balance - end of year	823,478	502,841

22. Fair Value Reserve

	2023	2022
	$	$
Balance - beginning of year	-	17,787
Fair value increase/(decrease) in investments at FVTOCI	10,247	(17,787)
Balance - end of year	10,247	-

The fair value reserve arises on the restatement at fair value of the Credit Union's investments in Eastern Caribbean Financial Holdings Limited and St Lucia Electricity Services Limited which are classified as FVTOCI.

23. Revaluation Reserve

	2023	2022
	$	$
Balance - beginning of year	1,668,477	467,055
Increase in Asset Value (Note 11)	-	1,201,422
Balance - end of year	1,668,477	1,668,477

24. Investment Income

	2023	2022
	$	$
Interest on fixed deposits	230,083	149,987
Interest on government bonds and treasury bills	999,079	869,677
	1,229,162	1,019,664

25. Other Operating Income

	2023	2022
	$	$
Loan fees, photocopies and service fees	539,052	640,894
Dividends received	63,999	21,302
Commission	288,110	245,066
Sundry	141,076	158,733
	1,032,237	1,065,995

26. Operating and Administrative Expenses

	2023	2022
	$	$
Annual general meeting	37,089	23,517
ATM expenses	19,214	28,705
Audit	114,661	46,200
Board of director expenses	13,931	14,648
Depreciation (Note 11)	432,984	436,794
Donations and Scholarships	177,080	120,565
Education and training	152,654	20,276
Honorarium	27,125	28,500
Insurance	66,555	64,825
League dues	75,000	75,000
Rent	240,192	540,192
Amortization of right-of-use asset (Note 12)	243,026	-
Interest expense on lease	83,781	-
Legal and professional fees	13,978	9,700
Loss on disposal of property and equipment (Note 11)	10,892	1
Member relations	64,186	82,972
Marketing	201,196	144,512
Office supplies and stationery	251,209	241,167
Other expenses	1,089	565
Property tax	3,477	3,477
Repairs and maintenance	216,579	332,844
Salaries, benefits, and allowances (Note 27)	3,045,860	2,742,500
Security services	205,553	99,569
Special Events	86,211	47,011
Staff and officers’ appreciation	49,392	37,082
Utilities	398,805	405,611
	6,231,719	5,646,233

27. Staff-related Expenses

Included in operating and administrative expenses are the following: -

	2023 $	2022 $
Senior Management		
Salaries	503,267	464,553
National Insurance contributions	15,000	14,839
Medical	6,243	6,059
Travelling	74,914	62,000
Uniforms, other	15,240	9,120
	614,664	556,571
Other Staff Costs		
Salaries and wages	2,182,402	1,841,096
National Insurance contributions	108,401	93,448
Travelling	59,341	67,601
Other allowances	2,378	17,349
Medical	31,748	30,451
Uniforms	13,111	105,202
Insurance- staff	33,815	30,782
	2,431,196	2,185,929
	3,045,860	2,742,500

The total number of administrative staff as at December 31, 2023 was 64 (2022 –59).

28. Related Party Transactions

The Credit Union recorded balances with its directors and senior management at the date of the financial statements as follows:-

	2023 $	2022 $
Shares and deposits	1,943,706	2,545,390
Loans and advances	6,180,037	6,209,473
Remuneration for directors	27,125	28,500

29. Prior Year Restatement

The effect on the prior year's financial statements is a result of revising the methodology for calculating the number of days of delinquency, resulting in the reclassification of loans and staging to align with the IFRS 9 standard.

	2022 As Previously Reported $	Adjustments $	As Restated $
Statement of Financial Position			
Loans and advances to members	310,062,098	(3,780,733)	306,281,365
Statutory reserve	13,596,734	(945,183)	12,651,551
Employment benefit fund	1,299,049	(189,037)	1,110,012
Retained earnings	19,485,111	(2,646,573)	16,838,598
Statement of Comprehensive income			
Allowance for doubtful accounts	1,855,553	3,780,733	5,636,286
Net Income for the year	4,515,837	(3,780,733)	735,104

30. Comparatives

Where necessary, comparative figures have been adjusted to confirm the current year presentation of the financial statement. The changes have no material impact on the financial statements.

Notes

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