

Annual General Meeting 2025



LABORIE CO-OPERATIVE CREDIT UNION

We are not a bank, We are better



*Together,
We Go Further!*

August 17th, 2025

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

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 40th Annual General Meeting of the Laborie Co-operative Credit Union Ltd. will be held on Sunday 17th August 2025 at the Laborie Boys' Primary School from 1:30 p.m.

A G E N D A

Part One

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

Part Two

- ✓ Ascertainment of quorum
- ✓ Reading and Confirmation of Minutes of the 38th Annual General Meeting
- ✓ Reports
 - × Board of Directors
 - × Treasurer
 - × Auditor
 - × Credit Committee
 - × Supervisory Committee
- ✓ Election of Officers
- ✓ Appointment of Auditor
- ✓ Any Other Business
- ✓ Adjournment



Lauric Etienne
Secretary

STANDING ORDERS

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 39th Annual General Meeting (AGM)

held at the Laborie Boys’ Primary School on

Sunday October 20, 2024.

PART ONE

Call to Order

The meeting was called to order at 2:06 p.m. by the Chairperson, Director Augustine Dominique, deputizing for President Steven Auguste who was likely to be late due to travel engagements.

Invocation and National Anthem

The Prayer of St. Francis of Assisi and the Laborie Cooperative Credit Union Core Values were recited following which, an instrumental version of the National Anthem was played.

Attendance

Board of Directors

Steven Auguste
 Francilia Brown
 Dave Jn. Pierre
 Samara Gabriel – Howell
 Lauric Etienne
 Julian DuBois
 Augustine Dominique
 Vincent Edward

Credit Committee

Nazaria John Chicot
 Dale Louis
 Nataki James – George
 Carina Snagg
 Jenny Chicot – Louisy

Supervisory & Compliance Committee

Cyprian Montrope
 Ivy Remy – St. Helen
 Nytia James

General Manager (GM): Lucius Ellevic

Absent with excuses were Director Denver Chiquot and Officer Dorna Edward.

Welcome Remarks

The Chairperson welcomed members in the virtual and physical spaces to the 39th Annual General Meeting of the Laborie Cooperative Credit Union (LCCU). He observed that notwithstanding these challenging times in which the organization operates, the Credit Union continues to do well. He encouraged members to participate and take an interest in the planned activities of the LCCU.

Greetings from Fraternal Organizations

- Mr. Shane Felicien, General Manager of the St. Lucia Cooperative Credit Union League extended congratulations to the Laborie Cooperative Credit Union (LCCU) on the hosting of its 39th Annual AGM. Having acknowledged LCCU's role as a leading Credit Union, he was hopeful that such strong Credit Unions will continue to be the movement's leverage for growth and resilience, despite regulatory hurdles confronting the Credit Union sector.
- Mr. Julian DuBois, President of the Laborie Fishers & Consumers Cooperative (LFCC), wished LCCU the very best on the celebration of its 39th AGM. He expressed the gratitude of his members, noting that without the continuous support of LCCU, the Fishers Co-operative would have been a failed entity. He wished LCCU continued growth and success in the future.
- Mr. Augustine Dominique, on behalf of the Laborie Development Foundation (LDF), extended congratulations to the LCCU on its 39th AGM. LDF was grateful for the support of LCCU in achieving one of its objectives, namely, that of coordinating the social and economic development of the community. He thanked LCCU for being an engine of growth for our community and its continued support in national development.

PART TWO

Ascertainment of Quorum

Over 200 members were present in the physical and virtual spaces.

Minutes of the last AGM

The minutes of the 38th AGM held on Sunday 23rd April 2023 were read by Secretary Samara Gabriel – Howell.

Errors and Omissions

Page 4 **Absent with excuses**

The name Kendal should be spelt “Kendell”

Page 5 **2nd Raffle Draw**

The name Glenora should be spelt “Glennora”.

Page 16 **Supervisory and Compliance Committee’s Report**

The word Assistance should be “Assistant” in: Kendell Peter – Assistance Chairperson

Page 17 **Board of Directors Report**

The name Elius should be spelt “Elias”

Page 18 Incorrect spelling of the name Cyprian. It should be spelt “Cyprian”

Confirmation of the Minutes

The Minutes of the 38th AGM were confirmed on a motion moved by Lana Alexander and seconded by Ealidia Cornibert. The motion was unanimously carried.

Matters Arising

A moment of silence was observed for members who passed away during the year, including Mrs. Mary ‘Yvona’ Jameson (a regular AGM attendee) and Mr. Julian Darcheville, (Principal of Laborie Boys’ Primary School).

Page 17 The Education Committee confirmed that current practices aimed at improving the process of granting bursaries include:

- a) providing support through counselling to students whose grades are not up to the desired standard before the scholarship is discontinued
- b) exploring other avenues depending on the particular student's case and circumstance
- c) imploring parents to comply with the requirements of the rules guiding the granting of scholarships thus avoiding unnecessary issues or delays
- d) secondary school scholarships/bursaries are awarded as prescribed: Hilary Darcheville scholarship, to the applicant with the highest CPEA score and twelve (12) Laura Collymore Scholarships, based on the applicant's socio-economic status.
- e) distribution is not limited to students in Laborie and its environment as current holders include members from Castries, Babonneau and other parts of the island.

Page 19 The General Manager confirmed that while there has been an improvement in accessing service via LCCU's telephone lines, discussions in addressing these lingering concerns are ongoing with FLOW.

Any Other Business

1. Re: query about shelter to protect members at the Vieux Fort Branch from the elements, the General Manager explained that the logistics of the building cannot facilitate such, given that it is a vehicle parking area as well as a drive-through from New Dock Road to the back of the building. He urged members to make greater use of online services and the ATM.
2. It appears that the Ministry of Education's plans to continue the School Cooperative Programme or replace the School Cooperative Officer have been shelved. Management was urged to provide support for the teachers and schools in the vicinity, to ensure continuity of business with LCCU, as well as promote in students, the value and appreciation of regular savings.

3. The General Manager informed that sourcing the International Visa Card is still a work in progress and disclosed plans to offer the Debit Card to members in 2025. He is hopeful that the Debit Card will also assist tremendously in augmenting the services offered as well as reduce the number of customers who come to the Credit Union for business.

1st Raffle Draw: Tresa Jn. Jules won the 1st Raffle Draw of \$250.00

2nd Raffle Draw: Claudia Hippolyte won the 2nd Raffle Draw of \$250.00

3rd Raffle Draw: Marius Charles won the 3rd Raffle draw of \$250.00.

Board of Directors Report

Director Augustin Dominique presented the report for the financial year under review:

Performance Review: Despite the International Monetary Fund's (IMF) reported economic expansion, decline in inflation, and stability in the financial system throughout 2023, concerns were raised about the loan portfolio of Credit Unions due to weak credit granting standards, high levels of non-performing loans, and low capital safeguards. LCCU's growth was significant, as it successfully leveraged members' resources to deliver high-quality products and services, with a focus on providing financing for housing, business ventures and higher education, while also supporting community-based initiatives and providing scholarships to members' children. LCCU's members were paid above market rate on savings, notwithstanding the decline in loan interest income. It is incumbent that LCCU's strength is evident in the accumulation of its surplus to build its capital reserves.

Managing the Challenges of Growth: LCCU's commitment to delivering economic and social benefits while preserving the co-operative difference is unquestionable. In commemoration of International Credit Union Day 2023, General Manager of LCCU, Mr. Lucius Ellevic's lecture on

'Tyranny of Growth' highlighted the value of strategic positioning, utilizing a human-centered approach and the co-operative way, while adhering to statutory regulations.

The average growth performance over the last 3 years is indicated in the following financial targets:

- Total Assets - \$356 m and \$414 m in 2022 & 2023 respectively; 13.3% increase.
- Gross Loans - \$311.8 m and \$350 m in 2022 & 2023 respectively; 11% increase.
- Total Savings - \$302.15 m and \$350.6 m in 2022 & 2023 respectively; 14% increase.
- Total Income - \$21.4 m and \$24.3 m in 2022 & 2023 respectively; 13.4% increase.

Delinquency Management: The Auditor recommended a change to LCCU's method of reporting loss provision on an unexpected loss basis since 2019, resulting in an additional \$3.7m for loan loss provisions in 2022. The delinquency rate of 4.17% on December 31, 2023 is in keeping with the industry standard. LCCU continues to be vigilant in its quest to curb increases in the delinquency ratio.

Co-operation among Co-operatives: Under the auspices of the Laborie Union of Co-operatives (LUC), Black Bay Farmers & Consumers Co-operative (BFCC) and Laborie Fishers and Consumers Co-operative (LFCC) have benefited significantly from shared management and technical support to enhance their services to members and respective communities.

Dividend and Patronage Refund: The Board recommended a 6% dividend and 6% patronage refund.

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

1. Re: a query on the impact of the Insolvency Act on delinquency, the General Manager noted that there will be a more humane approach to collection, and promised an in-depth review of the regulations governing this Insolvency Act.

2. Re: clarification on the meaning of BDO, the representative of the audit firm stated that it is the name of the three (3) founding individuals, Binder, Dyker and Ottie (BDO).
3. Re: concern over the length of time taken for completion of the 2023 audit, BDO's representative explained that a general requirement of the industry is for the predecessor to share information on the previously conducted audit. This necessitated the redoing of the 2022 audit and reviewing issues of Asset Quality in relation to loan provisions for loan impairments, resulting in the correction of the 2022 figures and presentation of pertinent changes to management.

The Board of Directors' Report was adopted on a motion moved by Martina Alexander and seconded by Lana Alexander. The motion was carried.

4th Raffle Draw: Kim St. Marie won the 4th Raffle Draw of \$250.00.

5th Raffle Draw: Natalia Cassius won the 5th Raffle Draw of \$250.00

6th Raffle Draw: Kizzy Leon won the 5th Raffle Draw of \$250.00.

Treasurer's Report

In the presentation of his report, Treasurer, Dave Jn. Pierre made the following observations:

Despite the challenges of managing cash reserves and adhering to operational ratios, management and Board achieved their operational targets for 2023, which are highlighted below:

- **Delinquency:** - totaled \$13.86 million or 4.17% of the total loan portfolio value. The most effective efforts at containing delinquency were communication and member education.
- **Membership and Account Holders:** - totaled 28,225 or a 10.6% increase. Of the 3,221 increases in Accounts, the Vieux Fort Branch accounted for 835, with Laborie and Castries Branches accounting for 261 and 2125 respectively. Total accounts held at Vieux Fort were 12,667, Laborie Branch was 10,210 and Castries 5,348.

- **Assets:** - totaled \$414 million or a 16.3% increase over 2022. Most of this increase was driven by a 6.5% increase in member loans.
- **Liabilities:** - totaled \$48.5 million or a 16.8% increase, representing amounts due to third parties, member savings and fixed deposits.
- **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

The Treasurer reiterated LCCU's mission to "enhance the standard of living and quality of life of its members" whilst staying true to its Core Values. Members were encouraged to stay informed and take advantage of the many products and services available.

There were no questions or comments on the Treasurer's Report.

The Treasurer's Report was adopted on a motion moved by Ealidia Cornibert and seconded by Lana Alexander. The motion was carried.

Auditor's Report

The Report was presented by Mrs. Andrea St. Rose – partner, BDO.

In her opinion, the audited financial statements of Laborie Co-operative Credit Union Limited, including its financial position, changes in members' equity, income, and cash flows for the year ended December 31, 2023, are deemed fairly presented in accordance with the International Accounting Standards Board (IFRS Accounting Standards). The audit was conducted in accordance with International Standards on Auditing (ISAs) and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). The evidence obtained is considered sufficient and appropriate for providing a basis for the audit.

In the discussions which followed, the Chairperson, Mr. Dominique informed that the necessary adjustments had been made to LCCU's system for the \$3.7 million which was restated.

Mr. Francilia Brown moved a motion for the adoption of the Auditor's Report which was seconded by Diana Collymore – Cherubin. The motion was carried.

Credit Committee Report

In his presentation of the Credit Committee's report for the financial year ending December 31, 2023, Officer Dale Louis recapped the Committee's mandate of ensuring fair access to members' deposits through loans which are guided by Board-approved lending policies. He highlighted the following:

- Four thousand, five hundred and thirty- seven (4537) loan applications were processed, representing five hundred and eighty-two (582) loan requests more than the year 2022.
- 4529 loans totaling \$71,293,184.40 were disbursed, a decrease of \$11,206,194.23 over 2022. Personal, Mortgage, Vehicle, Land, Housing, Business, SOS, Promotion and Line of Credit categories represented the largest amounts approved.
- Eight (8) out of 4537 loan requests were denied for reasons including insufficient information, inadequate security, uncertainty about ability to repay and prior delinquency history. Members were reminded of the requirements necessary for the prompt processing of their loan applications.

The Committee also attended Joint Committee meetings, training sessions and other organized activities which provided opportunities to clarify loan processing matters, make recommendations and assist management in implementing projects.

Officers Nazaria Celia John-Chicot, Carina Snagg, Jenny Chicot- Louisy and Nataki James - George, having served their mandatory terms and therefore not eligible for re-election, were grateful for the opportunity to serve and for the confidence placed in them.

The Committee expressed gratitude to the management, Board of Directors, and Supervisory Committee, for their support and cooperation in processing loan applications, particularly Mrs. Julitta Chicot and Mr. Nigel Isidore, for their quick responses and work ethics. Members were also thanked for their patience and understanding during delayed processes

In the ensuing discussions, explanations were offered on Kwedi Allez and Line of Credit.

A motion to adopt the Credit Committee Report was moved by Sienna London and seconded by Adlin Jean. The motion was carried.

7th Raffle Draw: Francine Marius won the 7th Raffle Draw of \$500.00.

8th Raffle Draw: The draw of \$500.00 was won by Wrena Jn. Marie.

9th Raffle Draw

The draw of \$500.00 was won by Gregoria Rosemond.

10th Raffle Draw: The Draw of \$500.00 was won by Salina Etienne.

Supervisory and Compliance Committee Report

Chairperson, Cyrprian Montrope presented the Supervisory & Compliance Committee's report for the financial year ending December 31, 2023. Mr. Tedley Cotter, Internal Auditor and Compliance Officer also attended the Committee's meetings.

The Committee is tasked with monitoring LCCU's operations and ensuring adherence to policies through regular appraisals of governance, internal control, and risk management systems. Officer Montrope expressed the Committee's general satisfaction with the outcomes, noting general compliance with LCCU's policies and evidence of transparency and accountability throughout the conduct of activities during the review year.

The Committee proposed that Human Resource (HR) professionals conduct additional analyses to identify areas requiring improvement, make effective use of the feedback to develop a more contented and involved workforce, as well as maintain a positive workplace culture.

In the ensuing discussions, it was suggested that there is need for greater awareness of the Rudy John Scholarship to spur interest in potential applicants as well as increase the number of applications.

The Supervisory & Compliance Committee's Report was adopted on a motion moved and seconded by Dave Jn. Pierre and Ealidia Cornibert respectively. The motion was carried.

Nomination and Election of Officers

The Nominations Committee comprised Augustine Dominique, Peter Ulric Alphonse and Lana Alexander. Chairperson, Augustin Dominique, presided over the nomination and election process:

- **Board of Directors:**

- Julian DuBois, Samara Gabriel-Howell and Yamber Oscar – Committee's nominees
- Theresa Alexander who was nominated by Agatha Alexander declined.

A motion to keep the nominees and close nominations was moved by Tresa Jn. Jules and seconded by Francine Marius. The Motion was carried.

Julian DuBois, Samara Gabriel-Howell and Yamber Oscar were elected unopposed.

- **Credit Committee:**

- Nelta Alexander, Ashley Duncan, Maravin Shervee Auguste and Arnelle Gabriel - Committee's nominees
- Wrena Jn. Marie - nominated by Lean Beausoliel and seconded by Diana Collymore – Cherubin.
- Ealidia Cornibert - nominated by Tresa Jn. Jules and seconded by Francine Marius.

- A motion that nominations be closed was moved by Dave Jn. Pierre and seconded by Sorella Philly. The motion was carried.
- Tally of votes:
 - Nelta Alexander: In house – 73, Online - 44, **Total -117**
 - Ashley Duncan: In house – 82, Online – 31, **Total: 113**
 - Maravin Shervee Auguste: In house -69, Online –29, **Total: 98**
 - Arnelle Gabriel: In house – 17, Online – 27, **Total: 44**
 - Lean Beausoliel: In house – 34, Online – 18, **Total: 52**
 - Tresa Jn. Jules: In house – 45, Online – 24, **Total: 69**
 - **Nelta Alexander, Ashley Duncan, Maravin Shervee Auguste and Tresa Jn. Jules – elected Officers.**
- **Supervisory Committee:**
 - Kendell Peter and Nytia James – Committee’s nominees.
 - Ealidia Cornibert - nominated by Tresa Jn. Jules and seconded by Lean Beausoliel.
 - A motion that nominations be closed was moved by Agatha Jm. Panel and seconded by Bruno Charlery. The motion was carried.
 - Tally of votes:
 - Nytia James: In house – 69, Online – 28, **Total: 97**
 - Kendell Peter: In house – 68, Online – 39, **Total: 107**
 - Ealidia Cornibert: In house – 33, Online – 31, **Total: 64**
 - **Nytia James and Kendell Peter – elected Officers.**

Appointment of Auditor

A motion authorizing the Board of Directors to appoint an Auditor for the financial year ending December 31, 2024, was moved and seconded by Lana Alexander and Theresa Alexander respectively.

A counter motion for the membership to appoint Llewyln Gill as Auditor for the financial year ending December 31, 2024 was moved by Agatha Jn. Panel and seconded by Yanic Thomas.

Vote count: 1st Motion – **44**; Counter Motion – **29**. The motion authorizing the Board to select an Auditor for the next financial year was carried.

Any Other Business

1. LCCU was applauded for being the first Credit Union to pay Patronage Refunds and Dividends on the same day of AGM.
2. The meeting was informed that three (3) of LCCU's past Officers, - Mrs. Marylene John Marquis, Mr. Peter Felix Chiquot and Mrs. Cecilia Rene, were recognized by the St. Lucia Cooperative Credit Union League in March 2024, for their services to the LCCU and the League over the years.
3. Re: query on the measures in place to sensitize members about the emergence of Credit scoring and lending as well as its implications for the Credit Union, the General Manager explained that under the auspices of the Eastern Caribbean Central Bank, a Credit Bureau is being established and when formalized, will determine the credit worthiness of each member who applies for a loan. More information on this initiative will be shared with members as it becomes available.

11th Raffle Draw: The draw of \$1,000.00 was won by Virginia Blasse – Degazon.

Adjournment

President Auguste thanked Director Dominique for chairing the meeting on his behalf, and also expressed his gratitude to members in the physical and virtual spaces for their participation in the proceedings. He gave the assurance that the Board, Committees, Management and Staff will continue the work of ensuring that LCCU grows from strength to strength.

Director Dominique extended his best wishes for members to reach their respective destinations safely.

The meeting was adjourned at 6:02 p.m. on a motion moved by Dave Jn. Pierre and seconded by Sienna London. The motion was carried.



Samara Gabriel-Howell
Secretary

Board of Directors' Report

For the year ended December 31, 2024

Together We Go Further

On behalf of the Board of Directors, it is with great pleasure and a deep sense of responsibility that I present the Board of Directors Report of the Laborie Co-operative Credit Union Ltd. (LCCU) for the year ended December 31, 2024. This report reflects not only our financial and operational performance but also our unwavering commitment to you, our valued members, and to the enduring co-operative principles that guide our values and decisions.

Our theme, **Together We Go Further**, underscores that the strength of our Credit Union lies in unity. It is through our collective effort, shared vision, and mutual support that we have weathered economic challenges and continued to build a financially strong institution deeply rooted in the community.

Your directors for the past year were as follows:

Mr. Steven Auguste	President
Mr. Julian DuBois	Vice President
Mr. Lauric Etienne	Secretary
Mrs. Samara Gabriel-Howell	Assistant Secretary
Mr. Augustine Dominique	Public Relations Officer
Mr. Vincent Edward	Director
Mrs. Francilia Brown	Director

Economic Context of 2024

The year 2024 unfolded amidst persistent global volatility and domestic economic pressures. Saint Lucia's economy faced challenges associated with rising inflation, tightening global financial conditions, and vulnerability to climate-related events. Despite these challenges, key sectors such as tourism, agriculture, and construction registered modest gains, contributing to a cautiously optimistic outlook. However, cost-of-living concerns and fluctuating interest rates impacted household financial stability and borrowing behavior.

Against this backdrop, the LCCU remained steadfast in its mission to provide financial empowerment, security, and responsive services to members across all communities. Our performance reflects a combination of resilience, prudent management, and strategic adaptation. These achievements were made possible by the co-operative spirit we share. **Together, we have gone further.**

Financial Performance

The Laborie Co-operative Credit Union recorded another year of strong financial performance. Our total assets grew to \$464.1 million, reflecting the continued trust you have placed in this institution. Loans and advances to members totaled \$361.7 million, affirming our pivotal role in supporting your financial goals - from homeownership to education, entrepreneurship, and personal development.

Member deposits increased to \$392.8 million, up from \$350.6 million of the previous year, signaling continued confidence in the safety and value of our services. Our net income stood at \$7.58 million, compared to the \$4.9 million generated in the previous year. After accounting for fair value adjustments, our total comprehensive income reached \$7.89 million.

Operating and administrative expenses were prudently managed at \$6.39 million. Impairment losses and provisions were carefully calibrated to safeguard the credit union's financial integrity. These results reflect our conservative risk management posture and financial stewardship.

Operational Highlights

In 2024, the LCCU continued to enhance its service delivery and member engagement through several key initiatives that exemplify our theme, "Together We Go Further":

- **Digital Transformation:** We expanded our online and mobile banking capabilities, allowing members greater convenience in conducting transactions and accessing their accounts securely. Many of these enhancements were driven by your feedback, reflecting our commitment to responsive service delivery.

- **Loan Product Innovations:** New and restructured loan products, for example Summer Splash, were introduced. These loan products and promotions offered competitive rates and more flexible repayment options designed to meet changing member needs and the realities of inflationary pressures.
- **Financial Education:** We engaged several schools, wellness centers and community-based groups in discussions on personal financial planning. These sessions focused on budgeting, savings and investment. Our commitment to the school thrift co-operatives also remained strong. We initiated the development of a digital application aimed at transforming the record-keeping and operations of these school thrift co-operatives. Through this initiative, we continue to strengthen our partnership with the youth and promote co-operative values among the next generation.
- **Support for community:** As a socially responsible co-operative, we support causes and efforts that build community and enhance the welfare of our members. In this regard we donated \$102,586 to a range of programs and activities aligned with these values.

Governance and Compliance

Your Board of Directors, along with the Credit and Supervisory Committees, continues to uphold the highest standards of governance; transparency, and accountability. Regular meetings were held during the year and the table below gives an account of the attendance of the officers at these meetings.

Meeting Attendance of Officers

Officers	Board Meeting	Joint Committee	Supervisory Committee	Credit Committee
Steven Auguste	12/13	3/4		
Francilia Brown	9/13	2/4		
Denver Chiquot	6/10	3/4		
Augustine Dominique	12/13	3/4		
Julian DuBois	11/13	3/4		
Vincent Edward	13/13	4/4		
Lauric Etienne	12/13	3/4		
Samara Gabriel-Howell	10/13	3/4		
Dave Jn Pierre	12/13	4/4		
Kisna Oscar	3/3			
Dorna Edward		1/4	7/12	
Nytia James		3/4	12/12	
Cyprian Montrope		4/4	6/12	
Kendal Peter		4/4	12/12	
Ivy Remy-St Helen		4/4	12/12	
Celia John-Chicot		3/4		34/40
Nataki James-George		2/4		32/40
Dale Louis		4/4		35/40
Jenny Chicot-Louisy		3/4		28/40
Carina Snagg		4/4		39/40

An Internal Auditor was appointed during the year, significantly strengthening our internal audit and risk management functions. This addition reinforced oversight and accountability. Further, it complemented our continued adherence to international financial reporting standards (IFRS) and co-operative governance norms.

Challenges and Opportunities

The commendable performance achieved in 2024 must be viewed alongside several challenges. LCCU like other financial institutions must navigate:

- Rising operational costs and inflationary pressures.
- Increasing competition from commercial banks and other loan providers.
- Evolving member expectations for digital and real-time service.
- Climate risks that affect physical infrastructure and member livelihoods particularly that of our fishers and farmers.

Despite these challenges, significant opportunities arise. By embracing digital innovation, deepening our community partnerships, and nurturing member loyalty, LCCU is well positioned to adapt and thrive. The road may not always be smooth, but together, we will go further than we could alone.

Looking Ahead

In 2025, the Board will focus on the following strategic and governance priorities:

1. **Digital Member Experience:** Further improve mobile and online financial services tools.
2. **Youth and Member Engagement:** Develop tailored programs for younger members to ensure intergenerational continuity.
3. **Organizational Strengthening:** Improve internal processes, human resource capacity, and organizational structure in line with growth.
4. **Advocacy and Representation:** Collaborate with the co-operative sector and policy makers to ensure a favorable operational environment.
5. **Updating of Policies:** Update policies to reflect the developments and risks associated with the various functions of the Credit Union.
6. **Celebrating the Big 50:** 2026 will mark the fiftieth anniversary of the founding of the Laborie Credit Union. During 2025 a committee will be established to formulate plans and activities to celebrate this great jubilee.

Appreciation

I wish to convey my profound gratitude to our General Manager, the management and staff for their unwavering dedication. My tenure as a director has now come to an end having served two consecutive terms as a director. To my fellow Board members, Supervisory and Credit Committees, your commitment to governance and fiduciary oversight has been invaluable. Officer Dale Louis has also concluded his tenure on the Credit Committee. We thank him immensely for the invaluable contribution he has provided to the Credit Committee.

Most importantly, I thank **you**, our members, for your continued support, engagement, and belief in the co-operative model. It is your trust and participation that drive our success. **Your loyalty and collaboration are the clearest evidence that together, we go further.**

Dividend and Patronage Refund

The increase in surplus recorded during 2024 will greatly assist in the effort of continuing to build our capital reserves. It is in this context that the Board is recommending 6% dividend and 6% patronage refund.

Members, look forward to continuing our shared journey. We pledge to build financial security, community resilience, and a future that remains true to our co-operative roots. Indeed, together we go further.



Steven Auguste
President

Treasurer's Report

For the year ended December 31, 2024

Fellow Members,

In 2023, the Laborie Cooperative Credit Union proudly became the largest credit union in St. Lucia, a milestone that underscores our growth and commitment to our members. As we continue to thrive in this role, the prudent management of cash reserves and adherence to evolving industry standards remain ongoing priorities for both the board and management. These standards play a vital role in safeguarding our members' investments, ensuring financial security, and reinforcing our commitment to sound governance. With this in mind, we remain steadfast in our focus on maintaining strong financial oversight and upholding industry best practices to secure a prosperous future for all.

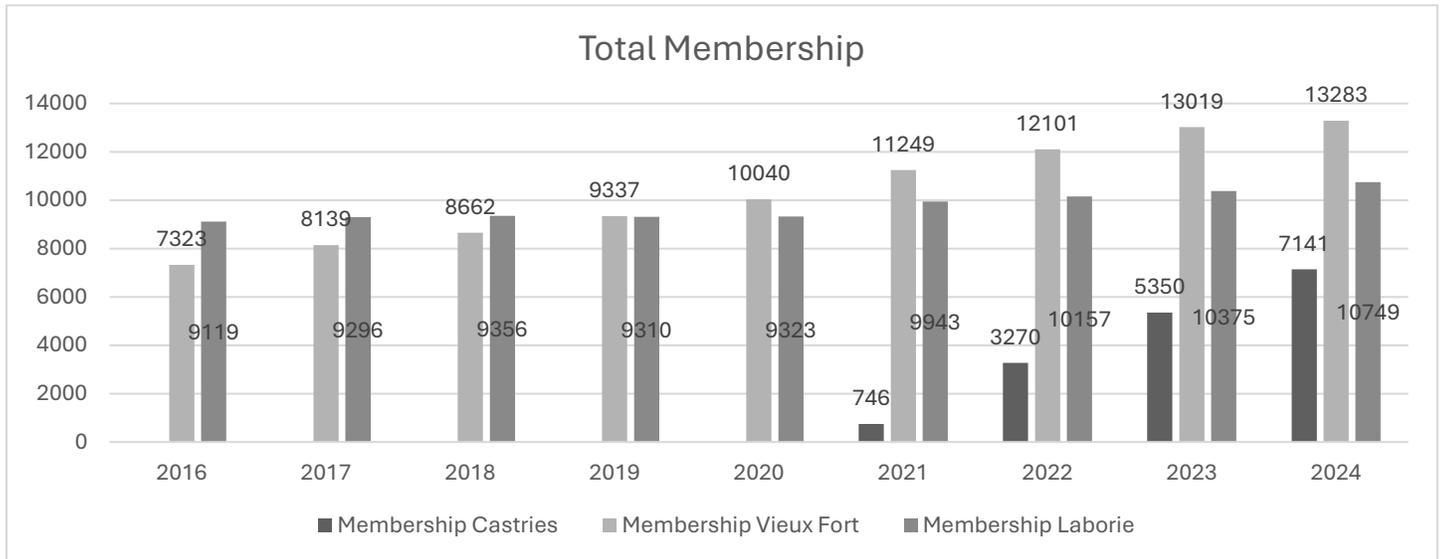
Key performance indicators for the fiscal year ending 2024:

Delinquency

The LCCU closed the fiscal year with a delinquency rate of 2.99%. This reflects the effort we have been making to manage delinquency. The industry standard is that the rate of delinquency should not be greater than 5%. When a loan becomes delinquent the means used to collect the money owed to the credit union include the use of debt collectors and pursuing judicial sales of collateral where possible. However, the most effective method of delinquency management is communication with members and financial counselling. The Credit Union is always prepared to work with members should the unfortunate occur resulting in members being 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

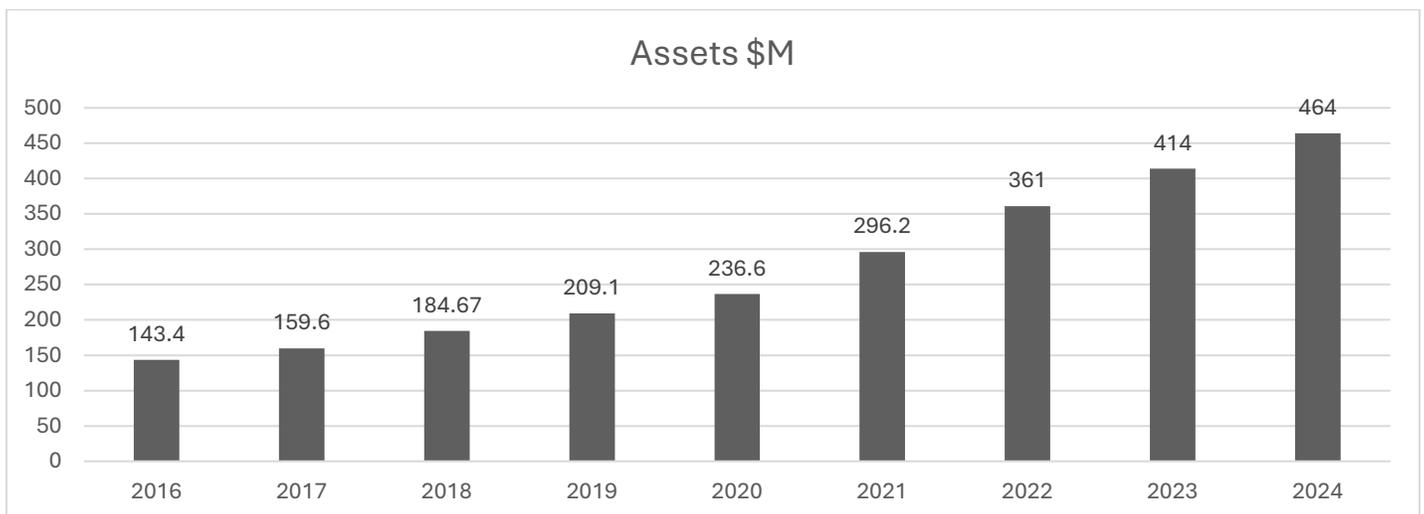
Membership and account holders grew by 8.45% bringing the total to 31,173. The net growth in Accounts Holder for the year was 2,429. The Vieux Fort Branch accounted for 937, the Laborie Branch accounted for 276 and Castries 1,818. The total accounts held at the Vieux Fort was 13,283, Laborie Branch was 10,749 and Castries 7,141.



Performance Review- Statement of Financial Position

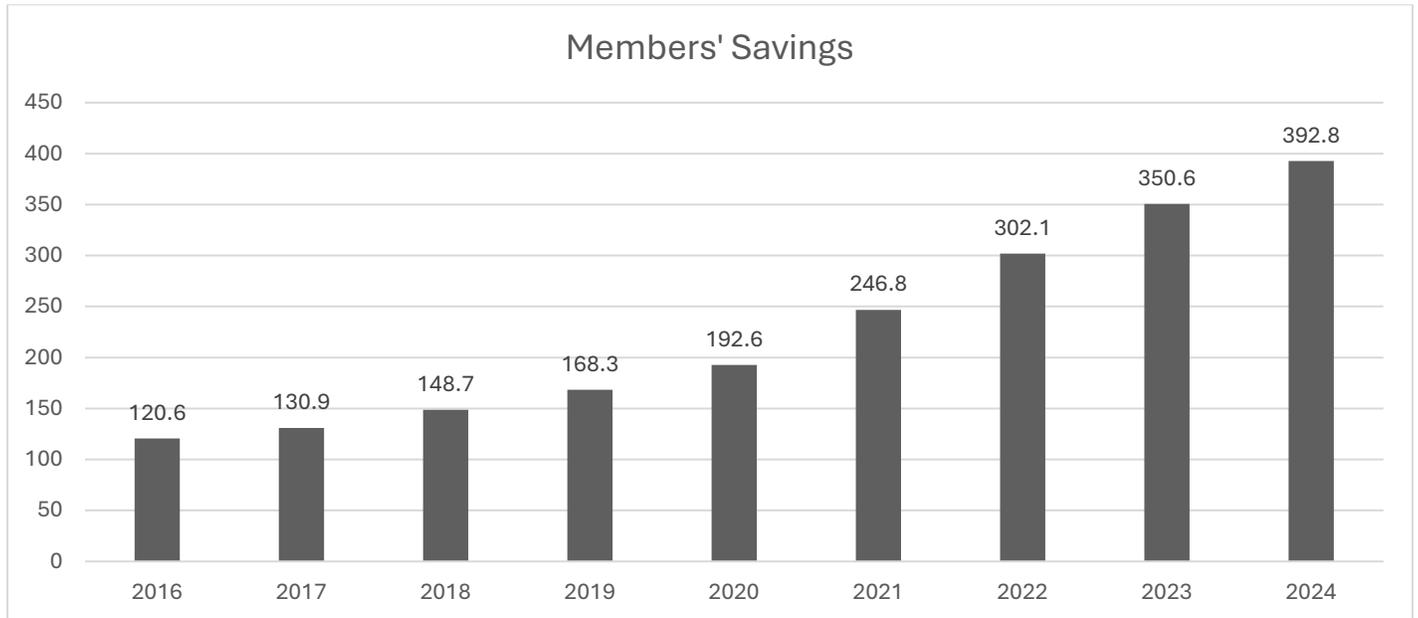
Assets

Total Assets increased by 12.1 over 2023 to \$464 million dollars. Most of this increase was driven by a 10.6% increase in member loans.



Liabilities

Liabilities increased by 11.8%. Liabilities represent amounts due to third parties, member savings and fixed deposits. Member fixed deposits, special savings and regular deposits increased by \$42.2 million to \$392.8 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 \$8.4 million from \$60.7 million to \$69.1 million or 13.8%.
- Share capital increased by \$2.5 million
- Reserves and funds increased by \$3.1 million
- Retained earnings increased by \$2.7 million

Performance Review- Statement of Comprehensive Income

Income

The total income generated by the core business activities in 2024 was \$27.3 million compared to \$24.3 million in 2023, an increase of 12.2%.

Interest Expense

Interest paid to members increased from \$11.08 million to \$11.74 million, reflecting a 6% rise. Additionally, member savings grew by 12%, demonstrating the confidence that members have in our operations. The Laborie Credit Union remains committed to offering the best interest rates on savings, striving to be one of the top investment options available to our members.

Administrative Expenses

Total administrative expenses increased by \$160,604 or 2.58%. Most of that increase was because of staff expansion, salary increases and marketing and advertising.

Surplus

The credit union recorded an increase in net income of \$2.60m compared to the \$4.98 million recorded in 2023.

Conclusion

The LCCU continues on its mission to “enhance the standard of living and quality of life of its members” whilst 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, 2024

The credit committee takes pleasure in presenting this report for the financial year ending December 31, 2024. We are tasked with the mandate to review your loan applications and make the decision to grant, to defer or to refuse loans based on criteria set by the policies of the credit union. Credit granting is beneficial to both the members and the institution as it provides members with access to their deposits and contributes significantly to the success of the credit union. Having said this, I would like to encourage members to save as much as possible and continue doing business with the credit union. Help us to help you and continue helping our village and by extension our country as a whole which is the philosophy of our credit union.

Composition of the committee

The following people are members of this credit committee

Dale L Louis	Chairperson
Ashley Duncan	Deputy Chairperson
Tresa Jn Jules	Secretary
Maravin Shervy Auguste	Member
Nelta Alexander	Member (Assistant secretary)

Loans Processed

The committee meets every week and during 2024 we met 49 times and processed 4872 loan applications which represents 335 more loans than 2023.

Loans approved

4846 loans were approved totaling \$100,336,395.56. The table below shows the different categories of loans, amounts and the percentages.

Category	No. of loans			Value of loans	Value of collateral	Percentage
	Approved	Deferred	Not Approved			
Agriculture	7			\$149,154.47	\$153,350.91	0.149
Business	74	2		\$2,434,959.84	\$ 5,548,633.89	2.427
Education	49	1		\$1,025,417.25	\$3,270,485.52	1.022
Housing	295	2	1	\$6,301,688.74	\$14,447,790.88	6.281
Kwedi alez	39			\$115,610.35	\$1,533,024.40	0.115
Land	77	2		\$12,207,687.52	\$19,375,910.69	12.166
Line of credit	79			\$1,880,937.42	\$16,235,700.58	1.875
Medical	22			\$440,243.04	\$1,437,542.91	0.439
Mortgage	70	2	5	\$23,386,808.87	\$32,105,169.03	23.307
Personal	3068	4	1	\$24,106,447.80	\$74,366,217.63	24.026
Promotions	758			\$13,335,537.74	\$23,276,060.16	13.291
Vehicle	306	3	3	\$14,948,942.52	\$28,049,854.51	14.899
Vision Express	2			\$2,930.00	\$136,492.97	0.003
Total	4846	16	10	\$ 100,336,395.56	\$219,936,234.08	100

Loans not approved

All loans are reviewed by the credit committee as stated by the laws of credit granting by the LCCU. We must ensure that members are served with fairness and equity and also safeguard the interest of the credit union. With this in mind, 10 loan requests were not granted for various reasons. Reasons include inadequate security, questionable and insufficient information,

delinquent history and questions about the ability of the member to repay. The Table above also shows loans not approved and their categories.

In order to help us with the processing of loans and to minimize loan denials the committee would like to emphasize that you the members familiarize yourselves with the requirements for loans. Feel free to ask questions of the loans officers and be willing to provide all the necessary information to help with the process. Remember it's about helping you and also making sure that the credit union continues to function now and in the future.

Loans can also be disbursed by the General Manager if within savings so it is very important that members save whatever amount they can and be consistent with your savings. Your money is secure with the credit union and you are the one to benefit from your savings.

The credit committee also attends joint committee meetings and participates in training sessions and other activities organized by the LCCU all aimed at improving the services provided to members.

In Conclusion, I would like to note that my tenure on the committee has come to an end and with this, I would like to thank the management and staff of the credit union for the opportunity to serve in that capacity. I have thoroughly enjoyed my time here and learnt a lot about money and finance which was never my strong point. It was indeed a great experience. I sincerely hope that the incoming member will continue to work with the other members of the committee and the loans department and be committed to improving the lives of the members.

On behalf of the committee I extend our profound gratitude to the General Manager, Board of directors and the supervisory committee for their support during the period under review. We would also like to single out Mrs. Julitta Chicot and Mr. Ellevic for their assistance when called

(sometimes late at nights) for clarification if needed. They always respond and this helps us with the review process. A special thank you to you the members, the owners of this great credit union for your patience and understanding especially when the result does not go in your favor. The LCCU is doing well. Keep saving, keep trusting your credit union, keep doing business with them and help them improve the quality of life of all the members.



Dale L Louis
Chairman

Supervisory & Compliance Committee's Report

For the year ended December 31, 2024

Introduction

The Supervisory and Compliance Committee is pleased to present its report for the financial year ending December 31st, 2024. The Committee has embraced the responsibility of monitoring the operations of the Laborie Cooperative Credit Union. Ensuring adherence to policies and procedures, upholding the principles of good governance, internal controls, and risk management are at the forefront of our duties. The Committee further embraces its role of providing oversight on behalf of our members and gives them the assurance that the Credit Union operates with integrity, efficiency, and in compliance with regulatory requirements.

Throughout the year, the Committee has undertaken various activities aligned with its mandate, including financial and operational reviews, compliance assessments, and risk evaluations. This report highlights key observations, assessments, and recommendations aimed at strengthening the Credit Union's governance framework and overall operational resilience.

The Committee convened at least once monthly to fulfill its mandate, and its meetings and activities were supported by the Credit Union's Compliance Officer, Mr. Tedley Cotter.

Composition of the Committee

Officer Cyprian Montrope- Chairperson

Officer Kendell Peter- Deputy Chairperson

Officer Nytia James- Secretary

Officer Dorna Edward- Assistant Secretary

Officer Ivy Remy-St Helen – Member

The Committee conducted the following activities in 2024:

- **Observation of the Credit Committee**

The Committee observed the deliberations of the Credit Committee and was satisfied with the professionalism and diligence exhibited in loan processing and approvals. However, to further enhance compliance and efficiency, we made recommendations aimed at capacity-building initiatives which focused on the Credit Union's loan granting policy, particularly considering that four (4) of the five (5) members of the Credit Committee were newly elected officers. This will ensure that all officers are well-versed in the policy's provisions, reducing the risk of misinterpretation or non-compliance.

- **Declaration of Source of Funds Review**

The Committee reviewed a sample of the Declaration of Source of Funds and supporting documents from all three branches. The Committee's assessment indicates that staff maintained a high level of vigilance in enforcing compliance with established procedures. This diligence contributes significantly to the Credit Union's risk management efforts.

- **Review of Loans Delinquent Over One Year**

A sample of delinquent loans exceeding one year was reviewed, and no discrepancies from the policy for handling delinquent loans, in terms of recovery efforts and updating of files were identified. The Committee is satisfied that the Credit Union adheres to regulatory requirements in the recovery and management of delinquent loans.

To further enhance efficiency, the Committee recommended implementing a standardized file indexing system. Each document in a loan file should be numbered

and referenced in a table of contents, ensuring easy tracking and retrieval of information. Additionally, consideration should also be given to digitizing this system.

- **Directors Satisfaction Survey**

To evaluate governance effectiveness of the Credit Union, the Committee conducted a Directors' Satisfaction Survey to gather insights from Board members on key operational and strategic issues. The findings provided valuable perspectives on areas for improvement in governance, oversight, and strategic planning.

Subsequent to the survey, the Committee engaged the General Manager and Board of Directors in discussions to explore opportunities for strengthening governance and operational effectiveness.

- **Cash Audit**

The Committee conducted a cash audit of all three branches of the Credit Union. The objective of the cash audit was to verify the accuracy of cash balances, assess cash-handling procedures, and detect any discrepancies or irregularities in cash management. After conducting its activity and observing the process at the branches, the Committee sought to identify risks by analyzing the potential risks in the Credit Union’s cash handling process. The only category of risks that were considered for review were operational risks.

Based on observations, the following risk matrix was prepared:

Risk	Likelihood	Impact	Risk Level
Cash shortages	Low	High	Moderate
Employee theft	Low	High	Moderate
Regulatory Noncompliance	Low	High	Moderate

The risk assessment of the cash audit at the Credit Union identified a few risks that need to be managed through a combination of preventive, detective, and corrective controls. Recommendations were made to the Board based on the Committees' observations.

- **Follow up on Health and Safety Recommendations**

The Committee conducted a follow-up assessment to evaluate the implementation of previously recommended Health and Safety improvements. The assessment focused on:

- Implementation Verification: ensuring previous recommendations were executed.
- Effectiveness Assessment: determining if the actions taken adequately addressed health and safety concerns.
- Regulatory Compliance: Assessing alignment with the Employees (Occupational Health and Safety) Act (Chapter 16.02, Revised Laws of Saint Lucia).
- Residual Risk Identification: Identifying any emerging risks requiring further action.

Overall, the Committee concluded that the Credit Union maintains a safe working environment. However, to ensure continuous compliance and safety, additional recommendations have been submitted to the Board.

- **Review of Investment Policy and Portfolio**

The Committee reviewed the Investment Policy and Portfolio to assess:

- Document Integrity: ensuring investment records are accurate and well-maintained.
- Security Measures: evaluating safeguards against loss or damage (e.g., fire, theft, water damage).

- **Investment Risks:** analyzing risks in light of current market trends.
- **Policy Alignment:** balancing risk aversion with the need for sustainable growth.

While the Credit Union's risk-averse investment approach has provided financial stability, the Committee recommends a comprehensive review of the policy to explore moderately higher-risk investment opportunities that align with the Credit Union's growth objectives.

- **Review of Business Continuity Plan**

The Committee conducted a review of the Business Continuity Plan (BCP) to assess its effectiveness in ensuring operational resilience. The plan outlines measures to enable each branch to operate independently during disruptions.

Recommendations have been made to the Board to help strengthen the Credit Union's operational resilience.

- **Observation of Education Committee - Bursary and Scholarship**

Review

The Committee reviewed the bursary and scholarship granting process to assess fairness, transparency, and efficiency. While the selection process was found to be satisfactory, the Committee recommends:

- **Clearer Communication of Selection Criteria:** ensuring applicants fully understand the eligibility requirements.
- **Managing Expectations:** addressing concerns related to the declining approval rate, given the Credit Union's national expansion.

- **Suggestion Box Review & Members Satisfaction Survey**

The Committee reviewed suggestion boxes across all three branches and observed low member participation in providing feedback. To enhance engagement, we recommend:

- Introducing QR Codes: allowing members to submit feedback digitally.
- Incentivizing Participation: offering small rewards for feedback submissions.
- Expanding Feedback Channels: exploring online surveys and member forums.

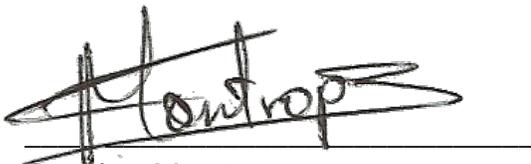
Member feedback is crucial for improving services, and we encourage all members to utilize available feedback mechanisms.

Conclusion

The Supervisory and Compliance Committee remains committed to its oversight role in ensuring that the LCCU maintains good governance, robust risk management practices, and adherence to regulatory and operational standards. The Committee acknowledges the efforts of the Board, management, and staff in maintaining transparency and efficiency in operations.

Moving forward, we encourage continuous improvement in key areas, including investment strategies, member engagement, and operational resilience. We remain dedicated to working collaboratively with all stakeholders to support the Credit Union's sustainable growth and financial security.

We appreciate the opportunity to serve the members of the LCCU and look forward to another productive year of oversight and strategic guidance.



Cyprian Montrope
Chairperson

Laborie Co-operative Credit Union Ltd.

Independent Auditor's Report

Laborie Co-operative Credit Union Limited

Financial Statements

Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

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Page 6	Statement of Comprehensive Income
Page 7	Statement of Cash Flows
Page 8 - 46	Notes to the Financial Statements



G.Llewellyn Gill & Co.

Chartered Accountants

Mc Vane Drive
Sans Soucis
P. O. Box 546,
Castries.
Saint Lucia.

Telephone: 758-451-9251
E-Mail: gilll@candw.lc

INDEPENDENT AUDITORS' REPORT

To the Members of:

LABORIE CO-OPERATIVE CREDIT UNION LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **LABORIE CO-OPERATIVE CREDIT UNION LIMITED** ("the Credit Union"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 IFRSs, 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 Society 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.

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements
(Continued)*Auditor's Responsibilities 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 the 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:

- o 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.
- o 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.
- o Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- o 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.
- o Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements
(Continued)

Other Legal Matters

This report is made solely to the Credit Union's members as a body. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinion we have formed

The prior year's figures were reported upon by another accountant.

.Castries, St Lucia
June 14, 2025



Chartered Accountants

Laborie Co-operative Credit Union Limited

Statement of Financial Position

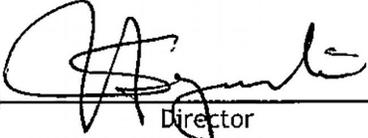
As at December 31, 2024

(Expressed in Eastern Caribbean Dollars)

	Notes	2024 \$	2023 \$
ASSETS			
Cash	7	46,575,148	31,753,867
Financial investments:			
- Amortised cost	8	45,847,962	43,280,504
- Fair value through other comprehensive income (FVTOCI)	8	1,459,656	1,152,129
Other receivables and other assets	9	1,698,110	3,519,150
Loans and advances to members	10	361,678,944	326,814,397
Deferred Equipment Cost		9,466	9,148
Property and equipment	11	5,190,773	5,581,401
Right-of-use assets	12	1,656,996	1,922,115
TOTAL ASSETS		464,117,054	414,032,710
LIABILITIES AND MEMBERS' EQUITY			
Liabilities			
Accounts payable and accruals	13	483,466	720,795
Deposits from members	14	392,802,471	350,628,888
Lease liabilities	15	1,731,245	1,948,922
		395,017,181	353,298,605
Members' Equity			
Share capital	17	26,293,931	23,754,303
Statutory reserve	18	15,856,265	13,930,779
Fair value reserve	22	317,774	10,247
Employment benefit fund	19	1,738,385	1,359,354
Disaster relief fund	20	50,000	50,000
LCCU loan protection fund	21	1,294,197	823,478
Revaluation reserve	23	1,668,477	1,668,477
Retained earnings		21,880,844	19,137,467
		69,099,873	60,734,105
TOTAL LIABILITIES AND MEMBERS' EQUITY		464,117,054	414,032,710

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, 2024

(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, 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	4,090,201	-	-	-	-	-	-	-	4,090,201
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)	-
Transfer to other 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		23,754,303	10,247	13,930,779	1,359,354	50,000	823,478	1,668,477	19,137,467	60,734,105
Balance at January 1, 2024		23,754,303	10,247	13,930,779	1,359,354	50,000	823,478	1,668,477	19,137,467	60,734,105
Net shares purchased	17	2,539,628	-	-	-	-	-	-	-	2,539,628
Total comprehensive income for the year		-	-	-	-	-	-	-	7,888,150	7,888,150
Allocation for: Statutory Reserves	18	-	-	1,895,156	-	-	-	-	(1,895,156)	0
: Employment benefit fund	19	-	-	-	379,031	-	-	-	(379,031)	0
Transfers to reserves	20	-	-	-	-	-	-	-	-	0
Fair value gain	22	-	307,527	-	-	-	-	-	(307,527)	0
Entrance fees	18	-	-	30,330	-	-	-	-	-	30,330
Net contribution to fund	21	-	-	-	-	-	470,719	-	-	470,719
Dividends and patronage refunds		-	-	-	-	-	-	-	(2,563,059)	(2,563,059)
Balance as at December 31, 2024		26,293,931	317,774	15,856,265	1,738,385	50,000	1,294,197	1,668,477	21,880,844	69,099,873

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

Laborie Co-operative Credit Union Limited

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Statement of Comprehensive Income
For the Year Ended December 31, 2024
(Expressed in Eastern Caribbean Dollars)

	Notes	2024 \$	2023 \$
Income			
Interest income on loans and advances to members		24,427,193	22,048,115
Interest expense		(11,744,019)	(11,076,805)
Net Interest Income		12,683,174	10,971,310
Other Income			
Investment income	24	1,548,990	1,229,162
Other operating income	25	1,296,914	1,032,237
		2,845,903	2,261,399
Operating Income		15,529,077	13,232,709
General and Administrative Expenses			
Operating and administrative expenses	26	6,392,323	6,231,719
LCCU Loan protection fund		605,588	539,141
Impairment losses on loans and advances to members	10	1,048,203	1,690,226
Refund on loans written off		(118,685)	(217,874)
Impairment losses/(recoveries) on other receivables		48	11,862
Direct write offs		20978	1048
Impairment losses on financial investments	8	-	-
		7,948,454	8,256,122
NET INCOME FOR THE YEAR		7,580,623	4,976,587
Other Comprehensive Income			
<i>To be reclassified to profit or loss in subsequent periods</i>			
Fair value increase/(decrease) in investments at FVTOCI	22	307,527	10,247
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,888,150	4,986,834

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

Laborie Co-operative Credit Union Limited

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Statement of Cash Flows

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

	Notes	2024 \$	2023 \$
Cash Flows from Operating Activities			
Net income for the year		7,580,623	4,976,587
Adjustments for:			
Depreciation	11	436,195	432,984
Amortization	12	265,119	243,026
Provision for loan losses	10	1,049,005	1,690,226
Impairment losses/(recoveries) in other receivables and other assets	9	(754)	11,862
Loss on disposal of assets	11	2,429	10,892
Interest income on loans and advances to members		(24,427,193)	(22,048,115)
Investment income		(1,548,990)	(1,229,162)
Interest expense on lease liability		82,323	83,781
Interest expense		11,744,019	11,076,805
Operating loss before changes in operating assets and liabilities		(4,817,224)	(4,751,114)
Increase in other receivables and other assets		1,821,795	(1,311,374)
Increase in loans and advances to members		(35,913,552)	(22,223,258)
Increase in other payables and accruals		(237,330)	300,293
Increase in deposits and shares from members		42,173,583	48,482,731
Entrance fees		30,330	32,520
Cash generated from operations		3,057,602	20,529,798
Interest received from members'		24,427,193	22,048,115
Interest expense paid		(11,744,019)	(11,076,805)
Net cash generated used in operating activities		15,740,776	31,501,108
Cash Flows from Investing Activities			
Interest received		1,548,990	1,229,162
Decrease in AFS investments at FVTPL		-	-
Purchase of investment securities		(2,567,459)	(18,349,084)
Deferred equipment cost		(318)	(6,714)
Purchase of property and equipment	11	(47,996)	(124,113)
Net cash generated used in investing activities		(1,066,783)	(17,250,749)
Cash Flows from Financing Activities			
Principal payment on lease liabilities		(300,000)	(300,000)
Increase in share capital	17	2,539,628	4,090,203
LCCU Loan Protection Fund		470,719	320,637
Dividends and patronage refund		(2,563,059)	(2,131,668)
Net cash provided by financing activities		147,288	1,979,172
Increase in Cash		14,821,281	16,229,531
Cash - Beginning of Year		31,753,867	15,524,336
Cash - End of Year		46,575,148	31,753,867
Represented by:			
Cash in hand		2,543,186	2,036,339
Cash at bank	7	44,031,962	29,717,528
		<u>46,575,148</u>	<u>31,753,867</u>

The accompanying notes form an integral part of these financial statements

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in Eastern Caribbean Dollars)

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Laborie Co-operative Credit Union Limited

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

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 June 14, 2025.

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 International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) as at December 31, 2024 (the reporting date).

(b) Basis of Preparation

The preparation of financial statements in conformity with International Financial Reporting 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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

3. Material Accounting Policy Information (Cont'd)

(b) Basis of Preparation (Cont'd)

Amendments to International Financial Reporting Standards effective in the 2024 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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

3. Material Accounting Policy Information (Cont'd)

(b) Basis of Preparation (Cont'd)

Amendments to International Financial Reporting Standards effective in the 2022 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 Company's separate 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 Credit Union's financial statements.

- IFRS 9, 'Financial Instruments' was amended regarding the classification and measurement of financial instruments in May 2024, applicable for annual periods beginning on or after January 1, 2026.
- IFRS 18, 'Presentation and Disclosures in Financial Statements', was amended in April 2024, applicable for annual periods beginning on or after January 1, 2027.

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

3. Material Accounting Policy Information (Cont'd)**(b) Basis of Preparation (Cont'd)**

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.

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) 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 did not restate comparative information for the 2022 reporting period, as permitted under the specific transition provisions in the standard. The impact of the adoption of this new standard on the Credit Union's financial statements is described below.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

3. Material Accounting Policy Information (Cont'd)

(d) 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".

(e) 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.

(f) 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.

(g) 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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

3. Material Accounting Policy Information (Cont'd)**(f) Financial Assets (Cont'd)*****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.

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

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.

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:

Stage 1: 12-months ECL

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Impairment of financial assets (Cont'd)

Stage 2: Lifetime ECL-not credit impaired

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).

Stage 3: Lifetime ECL- credit impaired

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 than 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.

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Impairment of financial assets (Cont'd)

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 an 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.

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Impairment of financial assets (Cont'd)

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.
- 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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Impairment of financial assets (Cont'd)

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in Eastern Caribbean Dollars)

3. Significant Accounting Policies (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 Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease liabilities

At the commencement date, the Company 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 Company'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 Company 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) 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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

3. Material Accounting Policy Information (Cont'd)

(p) 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.

(q) 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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

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

4.2. Estimates and assumptions

The fair values of financial assets and liabilities as at December 31, 2024 and 2023 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.

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 2024 and 2023.

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

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:

	2024	2023
	\$	\$
Credit risk exposure relating to on-statement of financial position items: -		
Cash at bank	44,031,962	29,718,244
Financial investments	47,307,618	44,432,632
Other receivables and assets	1,698,110	3,519,810
Loans and advances to members	361,678,944	326,814,397
	<u>454,716,634</u>	<u>404,485,083</u>
Credit risk exposure relating to off-statement of financial position items: -		
Loans commitments	23,071,830	15,839,375
	<u>477,788,464</u>	<u>420,324,458</u>

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 and advances to members at the reporting date by category was: -

	2024	2023
	\$	\$
Personal 1	954,289	253,528
Business	936,750	1,229,625
Land	3,457,938	1,108,175
Mortgage	8,049,501	6,508,696
Kwedi Alez	0	502,151
Agriculture	0	4,300
Education	588,404	840,363
BUST	0	2,435
Housing	2,160,615	450,690
Vehicles	1,279,847	441,549
Line of credit	322,563	7,173
Comfort for life	395,680	1,198,642
Dream maker	2,029,169	2,598,815
Mix & Match	2,897,075	693,232
	<u>23,071,830</u>	<u>15,839,375</u>

Laborie Co-operative Credit Union Limited

Notes to the Financial Statements
 For the Year Ended December 31, 2024
 (Expressed in Eastern Caribbean Dollars)

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:

	2024 \$	2023 \$
Neither past due nor impaired	356,465,915	318,242,497
Past due but not impaired	186,695	164,448
Impaired but not deemed total loss	1,326,217	2,430,167
Impaired	9,461,652	11,270,499
Gross	367,440,479	332,107,611
Allowance for impairment losses	(5,924,803)	(5,463,803)
Net	361,515,676	326,643,808

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

	Stage 1		Stage 2		Stage 3		Total	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Gross	356,652,610	318,406,944	1,326,217	2,430,167	9,461,652	11,270,499	367,440,479	332,107,611
Less allowance for impairment on loans and advances	(745,124)	(717,711)	(3,662)	(623,014)	(5,176,017)	(4,123,078)	(5,924,803)	(5,463,803)
	355,907,486	317,689,233	1,322,555	1,807,153	4,285,635	7,147,421	361,515,676	326,643,808

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

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

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:

	2024	2023
	\$	\$
Past due up to 30 days	186,695	164,448
Past due 31 - 60 days	1,153,356	2,218,934
Past due 61 - 89 days	172,861	211,233
	<u>1,512,912</u>	<u>2,594,615</u>

(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.

	2024	2023
	\$	\$
Individually Impaired loans		
Stage 3	9,461,652	11,270,499
Total	<u>9,461,652</u>	<u>11,270,499</u>

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
 For the Year Ended December 31, 2024
 (Expressed in Eastern Caribbean Dollars)

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, 2024										
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, 2023										
Individually impaired loans	2,039,647	384,017	2,818,971	728,139	23,850	599,229	320,043	406,298	2,141,460	9,461,652

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 \$4,407,734 (2023: \$9,021,515).

(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, 2024.

Laborie Co-operative Credit Union Limited

Notes to the Financial Statements
 For the Year Ended December 31, 2024
 (Expressed in Eastern Caribbean Dollars)

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, 2024 and 2023:

	Receivables - Bonds \$	Receivables - Deposits \$	Receivables - Treasury bills \$	Total \$
As at December 31, 2024				
CariBBB to CariBBB+	2,002,000	-	22,106,577	24,108,577
Unrated	-	21,173,694	-	21,173,694
Total	2,002,000	21,173,694	22,106,577	45,282,271
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

Laborie Co-operative Credit Union Limited

Notes to the Financial Statements
For the Year Ended December 31, 2024
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5. Financial Risk Management (Cont'd)

(b) 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, 2024						
Lease liabilities	1,731,245	112,518	115,045	256,965	1,166,685	80,031
Other payables and accruals	483,466	483,466	-	-	-	-
Deposits from members	281,907,372	203,993,023	77,914,349	-	-	-
Withdrawable shares	115,178,636	115,178,636	-	-	-	-
	<u>399,300,719</u>	<u>319,767,643</u>	<u>78,029,395</u>	<u>256,965</u>	<u>1,166,685</u>	<u>80,031</u>
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	-	-	-	-
	<u>357,659,577</u>	<u>277,618,993</u>	<u>78,309,339</u>	<u>227,564</u>	<u>814,414</u>	<u>689,267</u>

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

5. Financial Risk Management (Cont'd)

(c) 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, 2024						
Financial Assets						
Cash at bank	44,031,962	-	-	-	-	44,031,962
Financial investments	-	3,606,973	39,673,297	2,002,000	2,025,347	47,307,618
Other receivables and assets	-	-	-	-	1,698,110	1,698,110
Loans and advances to members	-	3,012,062	1,769,845	362,658,571	163,268	367,603,747
Financial Liabilities						
Other payables and accruals	-	-	-	-	483,466	483,466
Deposits from members	(277,623,834)	-	-	-	-	(277,623,834)
Withdrawable shares	(115,178,636)	-	-	-	-	(115,178,636)
Total interest sensitivity gap	(348,770,508)	6,619,036	41,443,143	364,660,571	4,370,191	68,322,432

Laborie Co-operative Credit Union Limited

Notes to the Financial Statements
 For the Year Ended December 31, 2024
 (Expressed in Eastern Caribbean Dollars)

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, 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

Laborie Co-operative Credit Union Limited

Notes to the Financial Statements
 For the Year Ended December 31, 2024
 (Expressed in Eastern Caribbean Dollars)

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: -

	2024 \$	2023 \$
Financial Assets		
Financial investments	45,847,962	43,280,504
Loans and advances to members	367,440,479	332,107,610
	<u>413,288,441</u>	<u>375,388,114</u>
Financial Liabilities		
Deposits from members	277,623,834	251,517,430
Withdrawable shares	115,178,636	99,111,458
	<u>392,802,471</u>	<u>350,628,888</u>

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

	2024 %	2023 %
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
<u>2024</u>			
Cash at bank	±0.50%-	220,160	220,160
Investment securities	±0.50%-	236,538	236,538
Loans and advances to members	±0.50%-	1,808,395	1,808,395
Members deposits	±0.50%-	1,388,119	1,388,119
<u>2023</u>			
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

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in Eastern Caribbean Dollars)

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, 2024				
Financial Assets measured at fair value				
Securities available-for-sale - Listed	-	827,751	-	827,751
Securities available-for-sale - Unlisted	-	-	631,905	631,905
	-	827,751	631,905	1,459,656
Financial Assets for which fair values are disclosed				
Securities - Financial Investments	-	-	45,847,962	45,847,962
Loan and advances to members	-	-	355,245,900	355,245,900
	-	-	401,093,862	401,093,862
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

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
For the Year Ended December 31, 2024
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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	
	2024	2023	2024	2023
	\$	\$	\$	\$
Investment Securities				
Financial Investments	45,847,962	43,280,504	42,105,547	41,443,430
Financial assets				
Loans and advances to members	361,515,676	326,643,808	355,245,900	319,698,481

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:

	2024	2023
	\$	\$
Minimum capital requirement	39,501,728	35,329,861

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
For the Year Ended December 31, 2024
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6. Capital Risk Management (Cont'd)

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:

	2024	2023
	\$	\$
Minimum capital requirement	46,411,715	41,403,271

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.
- Transitional Capital: Education Fund, Development Fund, Disaster Fund, Funeral and Burial Benefits Scheme and Fair Value Reserve.

	2024	2023
	\$	\$
Institutional capital		
Share capital	26,293,931	23,754,303
Retained earnings	21,880,844	19,137,467
Statutory reserve	15,856,265	13,930,779
Total institutional capital	64,031,040	56,822,549
Transitional capital		
Revaluation reserve	1,668,477	1,668,477
Employment benefit fund	1,738,385	1,359,354
Disaster relief fund	50,000	50,000
LCCU Loan protection fund	1,294,197	823,478
Fair value reserve	317,774	10,247
Total transitional fund	5,068,833	3,911,556
Total regulatory capital	69,099,873	60,734,105

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

	2024	2023
	\$	\$
Cash on hand	2,543,186	2,036,339
Cash at bank	44,031,962	29,717,528
	46,575,148	31,753,867

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
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(Expressed in Eastern Caribbean Dollars)

8. Financial Investments

	2024		2023	
	Cost	Carrying Value	Cost	Carrying Value
	\$	\$	\$	\$
<u>Fair value through other comprehensive income (FVOCI):</u>				
Listed				
-Eastern Caribbean Financial Holding Limited 85,393 ordinary shares at \$7.00 (2023 - \$3.75)	-	597,751	-	320,224
-St. Lucia Electricity Services Ltd. 10,000 ordinary shares at \$23.00 (2023 - \$20.00)	-	230,000	-	200,000
Unlisted				
-St. Lucia Co-operative League shares 100,021 ordinary shares at \$5.00 (2023 - \$5.00)	500,105	500,105	500,105	500,105
-Laborie Fishers & Consumers Co-operative 6,000 ordinary shares at \$5.00 (2023 - \$5.00)	30,000	30,000	30,000	30,000
-1st National Bank St. Lucia Limited 10,556 ordinary shares at \$9.64 (2023 - \$9.64)	101,800	101,800	101,800	101,800
Total FVOCI Investments	-	<u>1,459,656</u>	-	<u>1,152,129</u>
<u>Amortised cost</u>				
St. Lucia Government Bonds	-	2,002,000	-	2,002,000
St. Lucia Government Treasury Bills	-	18,102,577	-	19,975,276
St. Lucia Government Treasury Note	-	4,004,000	-	4,004,000
	-	<u>24,108,577</u>	-	<u>25,981,276</u>
Fixed Deposits				
Bank of Saint Lucia Limited	-	2,756,557	-	2,722,525
First Citizens Investment Services	-	14,204,396	-	10,000,000
Capita Financial Services Inc	-	3,376,796	-	3,278,181
St. Lucia Co-operative League	-	835,945	-	813,571
	-	<u>21,173,694</u>	-	<u>16,814,278</u>
Interest Receivable	-	<u>565,691</u>	-	<u>484,950</u>
Total Amortised cost Investments	-	<u>45,847,962</u>	-	<u>43,280,504</u>
Less Allowance for ECL impairment	-	-	-	-
	-	<u>45,847,962</u>	-	<u>43,280,504</u>
Total Financial Investments	-	<u><u>47,307,618</u></u>	-	<u><u>44,432,632</u></u>

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in Eastern Caribbean Dollars)

9. Other Receivables and Other Assets

	2024	2023
	\$	\$
Due from A&C Limited (Western Union Agent)	923,758	871,514
Other	780,551	2,659,498
	1,704,309	3,531,012
Allowance for impairment loss	(6,199)	(11,862)
	<u>1,698,110</u>	<u>3,519,150</u>

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

	2024	2023
	\$	\$
Allowance for impairment		
Balance - beginning of the year	11,862	47,071
Write offs	(4,909)	(47,071)
Impairment losses/recoveries	(754)	11,862
	<u>6,199</u>	<u>11,862</u>

10. Loans and Advances to Members

	2024	2023
	\$	\$
Loans	176,449,392	151,129,762
Mortgages	190,991,087	180,977,849
	367,440,479	332,107,611
Interest receivables	163,268	170,589
	367,603,747	332,278,200
Allowance for impairment	(5,924,803)	(5,463,803)
	<u>361,678,944</u>	<u>326,814,397</u>

Movement of allowance for impairment:

	2024	2023
	\$	\$
Opening balance	5,463,803	5,708,856
Loan impairment (recoveries)/additions	1,049,005	1,690,226
Loans written off	(588,004)	(1,935,279)
Closing balance	<u>5,924,803</u>	<u>5,463,803</u>

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in Eastern Caribbean Dollars)

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

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, 2023	602,822	3,353	5,102,681	5,708,856
Credit loss expense	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
Credit loss expense	27,413	(619,352)	1,640,943	1,049,004
Loans written off	-	-	(588,004)	(588,004)
Expected Credit Loss Allowances as at December 31, 2024	745,124	3,662	5,176,017	5,924,803

Regulation 30- Provisioning

Period Overdue Loans	Delinquent Loans	Collateral	Net Loans Delinquent	Loss Exposure %
Less than 3 months	\$ 1,512,912	\$ 1,049,653.75	\$ 463,258	0
3 months < 6 months	\$ 1,563,324	\$ 741,165	\$ 822,159	25
6 months < 9 months	\$ 1,577,086	\$ 540,671	\$ 1,036,415	50
9 months < 1 year	\$ 1,513,199	\$ 651,067	\$ 862,133	75
1 year and over	\$ 4,808,043	\$ 2,474,805	\$ 2,333,239	100
Totals	\$ 10,974,564	\$ 5,457,361	\$ 5,517,203	
	2024	2023		
	Provision	Provision		
Less than 3 months	\$ -	\$ -		
3 months < 6 months	\$ 205,540	\$ 191,430		
6 months < 9 months	\$ 518,208	\$ 414,610		
9 months < 1 year	\$ 646,599	\$ 412,907		
1 year and over	\$ 2,333,239	\$ 1,857,453		
Totals	\$ 3,703,585	\$ 2,876,399		

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
For the Year Ended December 31, 2024
(Expressed in Eastern Caribbean Dollars)

11. Property and Equipment

	Land	Freehold Buildings	Leasehold Improvements	Furniture and Equipment	Computer Hardware and Software	Total
	\$	\$	\$	\$	\$	\$
At December 31, 2022						
Cost	187,225	4,459,000	746,698	1,346,863	611,483	7,351,269
Accumulated depreciation	-	-	(192,714)	(815,700)	(441,690)	(1,450,104)
Net book value	187,225	4,459,000	553,984	531,163	169,793	5,901,165
Year ended December 31, 2023						
Opening net book value	187,225	4,459,000	553,984	531,163	169,793	5,901,165
Additions	-	5,283	4,204	72,117	42,509	124,112
Disposals: Cost				(50,524)	(12,201)	(62,725)
Disposals: Acc Depreciation				39,637	12,196	51,834
Depreciation charge (Note 24)	-	(111,549)	(149,478)	(119,272)	(52,685)	(432,984)
Closing net book value	187,225	4,352,734	408,709	473,121	159,612	5,581,401
At December 31, 2023						
Cost	187,225	4,464,283	750,901	1,368,455	641,791	7,412,656
Accumulated depreciation	-	(111,549)	(342,192)	(895,335)	(482,179)	(1,831,255)
Net book value	374,450	8,593,919	667,940	826,969	266,539	5,581,401
Year ended December 2023						
Opening net book value	187,225	4,352,734	408,709	473,121	159,612	5,581,401
Additions	-		13,256	23,126	11,614	47,996
Disposals: Cost				(4,946)		(4,946)
Disposals: Acc Depreciation				2,516		2,516
Depreciation charge (Note 24)	-	(111,607)	(146,784)	(125,537)	(52,267)	(436,195)
Closing net book value	187,225	4,241,127	275,182	368,280	118,958	5,190,773
At December 31, 2024						
Cost	187,225	4,464,283	764,157	1,386,635	653,405	7,455,707
Accumulated depreciation	-	(223,156)	(488,975)	(1,018,356)	(534,447)	(2,264,934)
Net book value	187,225	4,241,127	275,182	368,280	118,958	5,190,773

Laborie Co-operative Credit Union Limited

Notes to the Financial Statements
 For the Year Ended December 31, 2024
 (Expressed in Eastern Caribbean Dollars)

11. Property and Equipment (Cont'd)

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 indicated in Note 23.

Loss on Disposal

	Cost	Accumulated Depreciation	Net Book Value	Proceeds	Loss
	\$	\$	\$	\$	\$
31-Dec-24					
Furniture and equipment	3,600	(1,172)	2,428	-	2,428
Computer hardware	1,346	(1,345)	1	-	1
	<u>4,946</u>	<u>(2,516)</u>	<u>2,429</u>	<u>-</u>	<u>2,429</u>

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, 2023	2,165,141	2,165,141
Additions	-	-
Balance at December 31, 2023	<u>2,165,141</u>	<u>2,165,141</u>
Balance at January 1, 2024	2,165,141	2,165,141
Additions	-	-
Disposals	-	-
Balance at December 31, 2024	<u>2,165,141</u>	<u>2,165,141</u>
Accumulated Amortisation		
Balance at January 1, 2023	(243,026)	(243,026)
Amortisation for the year (Note 24)	-	-
Balance at December 31, 2023	<u>(243,026)</u>	<u>(243,026)</u>
Balance at January 1, 2024	(243,026)	(243,026)
Amortisation for the year (Note 24)	(265,119)	(265,119)
Eliminated on disposals	-	-
Balance at December 31, 2024	<u>(508,145)</u>	<u>(508,145)</u>
Carrying Amounts		
31-Dec-23	<u>1,922,115</u>	<u>1,922,115</u>
31-Dec-24	<u>1,656,996</u>	<u>1,656,996</u>

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
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(Expressed in Eastern Caribbean Dollars)

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

	2024 \$	2023 \$
Accruals	263,633	320,370
Other payables	219,933	400,425
	<u>483,566</u>	<u>720,795</u>

14. Deposits from Members

	2024 \$	2023 \$
Members fixed deposits	175,282,106	167,504,319
Members regular deposits	102,341,728	84,013,111
Member's withdrawable shares	115,178,636	99,111,458
	<u>392,802,471</u>	<u>350,628,888</u>

Members fixed deposits are payable on demand and has effective interest rates ranging from 3.5% to 4.5% (2023: 3.5% - 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:

	2024 \$	2023 \$
Between 1 and 2 years	484,529	445,241
Between 2 and 5 years	1,166,685	814,414
Greater than 5 years	80,031	689,267
	<u>1,731,245</u>	<u>1,948,922</u>

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

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
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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	2024 \$	No. of Shares	2023 \$
Ordinary Shares				
Balance - beginning of year	4,750,861	23,754,303	3,932,820	19,664,102
Issued	904,253	4,521,263	964,772	4,823,858
Withdrawn	(396,327)	(1,981,636)	(146,731)	(733,657)
Balance - end of year	5,258,786	26,293,931	4,750,861	23,754,303

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

	2024 \$	2023 \$
Balance - beginning of year	13,930,779	12,651,551
Allocation from retained earnings	1,895,156	1,246,709
Entrance fees	30,330	32,520
Balance - end of year	15,856,265	13,930,779

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.

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
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21. LCCU Loan protection fund

	2024	2023
	\$	\$
Balance - beginning of year	823,478	502,841
Deposits	605,588	539,141
Payments	(134,870)	(218,504)
Balance - end of year	<u>1,294,197</u>	<u>823,478</u>

22. Fair Value Reserve

	2024	2023
	\$	\$
Balance - beginning of year	10,247	-
Fair value increase in investments at FVTOCI	307,527	10,247
Balance - end of year	<u>317,774</u>	<u>10,247</u>

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

	2024	2023
	\$	\$
Balance - beginning of year	1,668,477	1,668,477
Increase/(decrease) in Asset Value	-	-
Balance - end of year	<u>1,668,477</u>	<u>1,668,477</u>

24. Investment Income

	2024	2023
	\$	\$
Interest on fixed deposits	485,241	230,083
Interest on government bonds and treasury bills	1,063,748	999,079
	<u>1,548,990</u>	<u>1,229,162</u>

25. Other Operating Income

	2024	2023
	\$	\$
Loan fees, photocopies and service fees	804,558	539,052
Dividends received	71,038	63,999
Commission	306,280	288,110
Sundry	115,037	141,076
	<u>1,296,914</u>	<u>1,032,237</u>

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

26. Operating and Administrative Expenses

	2024	2023
	\$	\$
Annual general meeting	40,186	37,089
ATM expenses	15,230	19,214
Audit	108,078	114,661
Board of director expenses	13,359	13,931
Depreciation	436,195	432,984
Donations and Scholarships	190,961	177,080
Education and training	132,977	152,654
Honorarium	28,500	27,125
Insurance	76,128	66,555
League dues	75,000	75,000
Rent	240,192	240,192
Amortization of right-of-use asset (Note 12)	265,119	243,026
Interest expense on lease (Note 15)	82,323	83,781
Legal and professional fees	13,469	13,978
Loss on disposal of property and equipment	2,429	10,892
Member relations	53,845	64,186
Marketing	133,654	201,196
Office supplies and stationery	216,519	254,397
Other expenses	444	1,089
Property tax	3,477	3,477
Repairs and maintenance	247,384	213,391
Salaries, benefits, and allowances	3,275,975	3,045,859
Security services	212,567	205,553
Special Events	60,648	86,211
Staff and officers' appreciation	46,677	49,392
Utilities	420,985	398,805
	<u>6,392,323</u>	<u>6,231,719</u>

Laborie Co-operative Credit Union Limited

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Notes to the Financial Statements
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27. Staff-related Expenses

Included in operating and administrative expenses are the following: -

	2,024	2,023
	\$	\$
Senior Management		
Salaries	601,204	503,267
National Insurance contributions	18,000	15,000
Medical	9,040	6,243
Travelling	61,698	74,914
Uniforms, other	32,520	15,240
	<u>722,462</u>	<u>614,663</u>
Other Staff Costs		
Salaries and wages	2,298,042	2,182,402
National Insurance contributions	113,301	108,401
Travelling	40,035	59,341
Other allowances	20,401	2,378
Medical	37,716	31,748
Uniforms	6,101	13,111
Insurance- staff	37,918	33,815
	<u>2,553,513</u>	<u>2,431,196</u>
	<u>3,275,975</u>	<u>3,045,859</u>

The total number of administrative staff as at December 31, 2024 was 65. (2023 -64).

28. Related Party Transactions

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

	2024	2023
	\$	\$
Shares and deposits	1,873,550	1,943,706
Loans and advances	7,992,534	6,180,037
Remuneration for directors	28,500	27,125

29. 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.

Laborie Co-operative Credit Union Ltd.



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