



KINGSTOWN CO-OPERATIVE CREDIT UNION LTD

55TH ANNUAL GENERAL MEETING REPORTS AND ACCOUNTS 2016

MAKE APPOINTMENTS

OPEN ACCOUNTS

SEE REPORTS

“INNOVATIVE”

KINGSTOWN CO-OPERATIVE CREDIT UNION LTD

55TH ANNUAL GENERAL MEETING REPORTS AND ACCOUNTS 2016

Peace Memorial Hall - 8th May, 2017 - 4:30 p.m.

“INNOVATIVE”

BOARD OF DIRECTORS



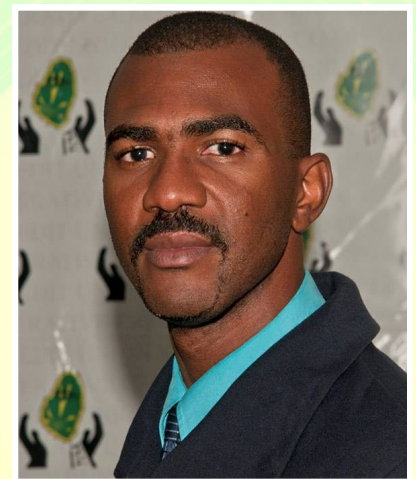
Phyllis Allen-James, President



Cynthia Hope-Browne,
Vice President



Jerome De Shong, Director



Gillon Frederick, Treasurer



Angelita Miller, Secretary



Elsworth Abbott, Director



Dominic White, Director

STANDING ORDERS

1. a. A member to stand when addressing the Chair.
b. Speeches to be clear and relevant to the subject before the meeting.
2. A member shall only address the meeting when called upon by the Chairman to do so, after which he/she shall immediately take his or her seat.
3. No member shall address the meeting except through the Chairman.
4. A member shall not speak on the subject twice except:
 - a. The Mover of a motion – who has the right to reply.
 - b. He/she rises to object or explain (with the permission of the Chair).
5. The Mover of a Procedural Motion – (Adjournment lay on the table, Motion to Postpone) to have no right to reply.
6. No speeches to be made after the “Question” has been put and carried or negated.
7. A member rising on a “Point of Order” to state the point clearly and concisely. (A “Point of Order” must have relevance to the “Standing Orders”).
8. a. Member should not “Call” another member “To Order” but may draw the attention of the Chair to a (“Breach of Order”).
b. In no event shall a member call the Chair to order.
9. A “Question” should not be put to the vote if a member desires to speak on it or move an amendment to it except, that a Procedural Motion, the “Previous Question”.
10. “Proceed to the next Business” or the Closure: “That the Question be Now Put”, may be moved at any time.
11. When a motion is withdrawn any amendment to it falls.
12. The Chairman to have the right to a “Casting Vote”.
13. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is “lost”.
14. Provision to be made for protection by the Chairman from vilification (Personal Abuse).
15. No member shall impute improper motives against another member.

NOTICE AND AGENDA OF THE 55TH ANNUAL GENERAL MEETING

Notice is hereby given that the 55th Annual General Meeting of the Kingstown Co-operative Credit Union Limited is scheduled to be held on Monday, May 8, 2017, at the Peace Memorial Hall, Kingstown at 4:30 pm.

AGENDA

OPENING SESSION

1. Ascertainment of Quorum
2. Call to Order and Welcome
3. Prayer
4. National Anthem
5. Credit Union Song
6. Apologies for Absence
7. Silent Tribute
8. Greetings

BUSINESS SESSION

1. Call to Order
2. Adoption of Standing Orders
3. Minutes of the 54th Annual General Meeting
 - (a) Amendments and Confirmation
 - (b) Matters arising from the Minutes
4. Reports – Presentation and Adoption
 - (a) Board of Directors
 - (b) Treasurer and Auditor
 - (c) Credit Committee
 - (d) Supervisory Committee
 - (e) Education Committee
5. Election of
 - (a) Officers
 - (b) Auditors
6. New Business
7. Resolution
8. Adjournment

Co-operatively yours



Sis. Angelita Miller
Secretary
Board of Directors

CREDIT UNION PRAYER

LORD, Make me an instrument of thy peace
Where there is hatred, Let me sow Love,
Where there is injury Pardon;
Where there is doubt Faith;
Where there is despair Hope;

Where there is darkness Light;
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;
It is in dying, that we are born to eternal life,

Bless, O Lord our deliberations and grant that
whatever
We may say and do will have Thy blessing and
Guidance through Jesus Christ our Lord.

Amen.

THE NATIONAL ANTHEM OF ST.VINCENT
AND THE GRENADINES

St Vincent, Land so beautiful
With Joyful hearts we pledge to thee
Our Loyalty and Love and Vow
To keep you ever free.

Hairoun Our fair and Blessed Isles
Your mountains high so clear and green
Are home to me though I may stray
A haven calm serene.

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

Refrain

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

BROTHERS IN CO-OPERATION

Men and Women of the nation,
Join us in co-operation
For our social elevation
Hasten to the call
The present is the time for action
Let no selfish class or faction
Here among you spread distraction,
Come one and all.

Refrain:

**Hand in hand on pressing,
All our wrongs redressing,
Work and we right soon shall see
Wide scattered many a blessing
Ernest true Co-operation,
Be our glorious aspiration
Till we see among the nation,
Love for one and all.**

Be our efforts never tiring,
Each success a new inspiring,
Here's a cause your aid requiring
Here's work for you.
Come and make each man a brother,
If you're strong come help another,
Strong and weak can aid each other
If their hearts be true.

See the banner waving o'er us,
Hear the men who've gone before us,
Sending back the shouting chorus
Keep the flag unfurled,
Their's the seed that now upspringing,
Hope to many a heart is bringing
All our moans we'll change to singing
Aye, throughout the world.

CORPORATE PROFILE

DATE OF REGISTRATION

12TH April 1958

REGISTERED OFFICE

K.C.C.U. Financial Centre
P.O Box 1533
Granby Street
Kingstown
St Vincent and the Grenadines

BOARD OF DIRECTORS

Sis.	Phyllis Allen-James	-	President
Sis.	Cynthia Hope-Browne	-	Vice President
Sis.	Angelita Miller	-	Secretary
Bro.	Gillon Frederick	-	Treasurer
Bro.	Jerome De Shong	-	Director
Bro.	Dominic White	-	Director
Bro.	Elsworth Abbott	-	Director

CREDIT COMMITTEE

Bro.	Bernard John	-	Chairman
Sis.	Marcelle Burgin	-	Secretary
Bro.	Osneth Cato	-	Member
Sis.	Kolene Thomas	-	Member
Bro.	Timothy Scott	-	Member

SUPERVISORY COMMITTEE

Bro.	Rohan Providence	-	Chairman
Sis.	Gale Thorpe	-	Secretary
Bro.	Franklyn Linley	-	Member
Bro.	Steve Millington	-	Member
Bro.	Alain Weekes	-	Member

EDUCATION COMMITTEE

Sis.	Juanika Joseph	-	Chairman
Sis.	Lucille Browne	-	Secretary
Sis.	Arlette Maloney	-	Member
Sis.	Joselle Joslyn-White	-	Member
Bro.	Javan John	-	Member

BANKERS

Bank of St. Vincent & the Grenadines

AUDITOR

Patterson & Co
Chartered Accountants

SOLICITORS

Saunders & Huggins

STAFF PROFILE

Mr. Clement Lynch - Chief Executive Officer
Mrs. Alice Adams/Francois - C.E.O. Secretary
Ms. Hadasha Butcher - Compliance Officer

CUSTOMER SERVICES AND ADMIN DEPARTMENT

Mr. Alonso Munroe - Head of Customer Service and Administration
Mrs. Clairiesa Anderson/Pierre - Customer Service Representative
Ms. Jaioni James - Customer Service Representative
Mrs. Michka Keizer - Receptionist
Ms. Senica Williams - Office Assistant

CREDIT DEPARTMENT

Mrs. Marcelle Alexander - Head of Credit
Ms. Sharlene Antoine - Senior Loans Officer
Ms. Sharol-Rose Gregg/Abbott - Loans Officer
Ms. Sherry-Ann Parsons - Loans Officer
Ms. Theresa John - Securities Officer
Ms. Reisa Daly - Filing Clerk

LOANS RECOVERIES DEPARTMENT

Ms. Judith Seaman - Senior Recoveries Officer
Ms. Makeda Frederick/Smith - Recoveries Officer

ACCOUNTS DEPARTMENT

Mr. Kemuel King - Accountant
Ms. Allisa Barnum - Senior Accounts Clerk
Ms. Koriene Chance - Accounts Clerk
Mrs. Monique Springer - Head Teller
Ms. Shana Cunningham - Teller
Ms. Makini St. Hilaire - Teller
Mr. Troy Bullock - Accounts Clerk

BRANCH OFFICES

MARRIAQUA

Ms. Cara Hunter
Mrs. Shaunda Bruce
Ms. Jasmine Woods
Ms. Rhonelle John
Mr. Carlos Ryan
Mr. Alex Caine

BEQUIA

Ms. Shemica Hazell
Mr. Jared James

UNION ISLAND

Ms. Rachel Phillips

CANOUAN

Ms. Shirlon Ashton
Mr. Victor Mitchell

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MINUTES OF THE 54th ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED (KCCU), HELD AT THE PEACE MEMORIAL HALL ON 24TH MAY, 2016 BEGINNING AT 5:00 PM.

OPENING SESSION

1. ASCERTAINMENT OF THE QUORUM

The Financial Services Authority (FSA) ascertained that there was a quorum and authorized the commencement of the meeting.

2. CALL TO ORDER AND WELCOME

Bro. Colin John, President, called the meeting to order and welcomed the membership.

3. PRAYER

The prayer was offered by Bro. Jerome De Shong.

4. NATIONAL ANTHEM AND CREDIT UNION SONG

The National Anthem of St. Vincent and the Grenadines was rendered by Sis. Judith Seaman, who was joined subsequently by Sis. Makeda Smith in a duet for the Credit Union song.

5. APOLOGIES FOR ABSENCE

No apologies for absences were received.

6. SILENT TRIBUTE

A one-minute silence was observed in memory of the following sisters and brothers who died:-

Paul Roberts	Florence London	Nicole Sylvester	Bernard Morris
Jozel Barker	Akisha Henson	Cameron Primus	Hamilton Spring
Ray La Borde	Winston W. Samuel	Margaret Fitzpatrick	Altimond A. Ferril
Darson G. John	Jacqueline M. Lewis	Nicholas Lewis	Rohan Morgan
Alascus Clarke	Dawn John	Allembay Gaymes	Natana A. Mc Lean
Jean Jack	Pearl Herbert	Ken Cato	Eunice Williams
Junelyn M. Saunders	Adwin O. Joseph	Hyacinth King	Tencka Browne
Francis A. Clarke	Berkley Carr	Patsy Haywood-Adams	Emiletha T. Lucas-Young
Winston English	Althea Chandler	William Thomas-Foster	Webster Barker
Gayorn A. Da Silva	Lillith Johnson	Arthur L. Doyle	Yvonne Young
William Mc Donald	Lucianne T. Phillips	Samuel M. Barnwell	Emeline Pompey
Shebby Loraine-John	Claudette Lewis-Durrant	Mary Wallace	
Alpheus S. Pompey	Lennox Craigg	Eunicie A. Thomas	

7. GREETINGS

Greetings were received from the following organizations that commended KCCU on its excellent performance and a successful Annual General Meeting:-

- SVG Co-operative Credit Union League
- General Employees Co-operative Credit Union Ltd.
- St. Vincent and the Grenadines Teachers Co-operative Credit Union Ltd.
- Financial Services Authority
- Police Co-operative Credit Union Ltd.

BUSINESS SESSION

8. CALL TO ORDER

The President, Bro. Colin John called the business session to order.

9. ADOPTION OF THE STANDING ORDER

A motion to adopt the standing orders was moved by Sis Gale Thorpe and seconded by Bro Nigel Weekes. The motion was carried.

10. MINUTES OF THE 54th ANNUAL GENERAL MEETING

(A) Amendment and Confirmation

A motion was moved by Bro. Cools Vanloo to confirm the minutes as read. The motion was seconded by Bro. Jerome De Shong and carried by the members.

Bro. Phillip Waldron moved a motion to adopt the minutes which was seconded by Bro. Ashwa Stewart and carried by the members.

(B) Matters Arising

Bro. Cools Vanloo requested an update on the matter relating to the fraudulent activities in the Union Island Branch Office. The President, Bro. Colin John responded that the matter was still under investigation by the police.

Bro. Reuben John enquired regarding the amount allegedly taken and the new measures put in place to prevent a recurrence of the fraud. The President, Bro. Colin John, replied that the amount was below one hundred thousand dollars and the measures included increased technological surveillance, real time transaction processing, together with more periodic direct on island control supervision.

Bro. Jerome De Shong congratulated KCCU on its performance for 2015. He enquired about Micro Finance Co-operative Limited (COMFI): (1) whether additional investments were made; and (2) the delinquency rate.

The President, Bro. Colin John, replied that an additional one hundred thousand (EC\$100,000) was invested during the year and the delinquency rate was 34%.

Bro. Michael John, the President of COMFI, commented that the success of COMFI was diminished due to the initial response of Credit Unions to the capitalization plan and further encouraged that additional financial support should be given to ensure its continuity.

Bro. Christo Primus questioned the unacceptably high level of COMFI's delinquency rate. He asked about the interest charged on loans. Bro. Colin John responded that the high delinquency rate was due primarily to the presence of a few large delinquent loans that were unpaid at the due dates. He commented that COMFI charged interest depending on the loan types and the associated risks.

Bro. Reuben John enquired about the Marriaqua Branch's performance and asked whether the monitoring of loans and deposits was being done to assess the branch's contribution to the Credit Union.

Bro. Clement Lynch, Chief Executive Officer (CEO), indicated that Marriaqua's performance was separately monitored. He indicated that accounting control procedures were significantly improved with the full integration of the Marriaqua's branch operations with the financial application and loan underwriting systems.

Bro. Jerome De Shong asked whether KCCU had received repayments from the Building and Loan Association. Bro. Colin John replied that about five hundred thousand was received with about seven hundred thousand dollars outstanding.

Sis. Louise Glasgow asked whether an investigation was carried out regarding amalgamation with Marriaqua Co-operative Credit Union and its liability possibilities.

Bro. Colin John stated that an assessment was done by an independent auditor and that the FSA approved the amalgamation.

Bro. Cools Vanloo suggested that a brief report on COMFI be included in the BOD report and inquired whether there was a referral system for business loans from KCCU to COMFI.

Bro. Colin John stated that inclusion of a report on COMFI was deemed unnecessary at this time because it was viewed as an investment in an associate. He confirmed that a referral process based on the member's preference was in place.

Bro. Reuben John stated that the Co-operatives Societies Act had been recently changed and inquired whether the Byelaws were updated to reflect the changes. Bro. Colin John indicated that a legal drafter was employed to complete this task.

Bro. William Anthony requested an update on the squatter situation in Canouan to which Bro. Colin John replied that it remained the same. He clarified that the squatter was on the government access road to the property and not on KCCU's property itself. The credit union therefore had no authority to move the squatter.

A motion was moved by Bro. Jerome De Shong and seconded by Bro. Peter Campbell for the adoption of the minutes. The motion was carried by the membership.

11. REPORTS – PRESENTATION AND ADOPTION

BOARD OF DIRECTORS REPORT

Bro. Colin John, the President, asked for a motion to be moved accepting the Board report as read. Bro. Rohan Providence moved the motion which was seconded by Sis. Annis Bailey-Providence. The motion was carried by the membership.

The President thanked the membership for their confidence in KCCU. He spoke of the efforts made to efficiently run the organization at all times and further stated that the Financial Services Authority's (FSA) examination of the credit union's operations revealed substantial compliance which earned an excellent grade.

The President continued by reporting on the operating performance of the credit union during the year. He emphasized these areas: financial, customer services, co-operative citizenry and public relations role; and product development initiatives.

He stated that the organization recorded net assets growth of 7% or EC\$ 5.5 Million (M) compared with the previous financial year; this resulted in total net assets valued at EC\$ 84 M for the current year. He further commented that our profit grew by 23% or EC\$271 thousand (K) to EC\$1,451K. The organization continued its efficient performance in the area of credit management and a delinquency rate of 3.65% was achieved. In this regard he commended the staff for their efforts and thanked members for fulfilling their loan obligations.

He elaborated that the improvement in performance was based on members growing participation in using the services and products; staff competence; and technological improvements; which all together provided the impetus for our success.

In the area of products, services and public relations, he mentioned that the KCCU-Go app was more than 50% completed and that our commitment to the development of our people and youths continued through the sponsorship of the Grammar School road relay, the KCCU Primary School Quiz and the KCCU National Dance Festival.

He stated that the organization recognized and honoured the invaluable contribution of those long standing senior members over the years and to this end we continued to proudly host the Senior Care Day.

He proposed to the membership dividend payments of: 5% on permanent shares; 1.6% on regular shares; and 4% interest rebate.

The President reiterated the Board of Directors commitment to good governance. He stated that every effort was made to ensure compliance with the regulatory and legislative frameworks in addition to adherence to policies, procedures, best practices, our mission, goals and objectives in governing the organization. He said that the organization continued to practice the credit union principles in the best interest of members and the credit union movement sustainability.

Discussion on BOD Report

Bro. Jerome De Shong commended KCCU on achieving an excellent performance and thanked the Board of Directors, committee and staff for their hard work. He inquired on the level of delinquency at the current date and requested an Automated Teller Machine (ATM) status update.

Bro. Colin John, the President, responded that the rate was 4%. Bro. Clement Lynch, the CEO, indicated that implementation of ATM services was delayed due the introduction of a modern centralized platform at the organization that was partnering with the Credit Union to provide this service.

Bro. Cools Vanloo inquired whether the financing of COMFI was by way of a loan or an investment and suggested that COMFI be reported on separately. Bro. Clement Lynch confirmed that COMFI's financing from KCCU was an investment in an associate, as disclosed in the notes to the financial statement.

Bro. Reuben John opined that the failure to adequately capitalize COMFI resulted in the level of losses being realized and unexpected poor performance.

Bro. William Anthony expressed concern that eight hundred thousand (EC\$800,000) was written off over 2 years from the COMFI investment thereby impacting adversely on the dividend payments which would have normally been due to KCCU members. He further inquired whether or not the credit union had explored other investment opportunities to generate income and improve dividend payout.

Bro. Michael John, President of COMFI, rose to explain and addressed the concerns expressed by the membership. He indicated that losses were projected for the first four years and that a further injection of capital would be the solution to COMFI's liquidity shortfall.

Sis. Peggy-Ann Nelson commented on the use of technology in future meetings. She suggested that the booklet be electronically distributed and the facility be made available for questions to be posted electronically to save answering time at the meeting. She congratulated the staff for their courtesy in the provision of service.

Bro. Reuben John commented on the strategic initiatives of KCCU, stating his uncertainty regarding the lack of specificity. He however suggested that more information be given in reporting the strategic path of the organization so that members would have a better view of the organization's direction. Bro. Colin John replied that specifics were not given to avoid weakening our competitive position by unwittingly providing information that could hinder our growth.

A motion was moved by Bro. Phillip Waldron for the adoption of the Board of Directors report and seconded by Sis. Euna Thompson. The motion was carried by the membership.

12. TREASURER AND AUDITOR'S REPORT

Mr. Arvid Shearman, BDO's auditor, gave the Auditor's report and apologized for the absence of partner, Mr. Floyd Patterson, and the Audit Manager, both of whom were overseas. He stated that the audit was done on the statement of financial position, statement of changes in equity, statement of profit and loss and other comprehensive income and statement of cash flows for the financial year ended December 2015. He affirmed that the audit was in compliance with international audit standards and that in the auditor's opinion the financial statements gave a true and fair view in all material respects of the financial position of the Kingstown Co-operative Credit Union Limited in accordance with international financial reporting standards.

Bro. Gillon Frederick, Treasurer, presented the Treasurer's report. He outlined that strong growth had been generated in assets, profitability and members' savings. He said that the proposed dividend payout will cost just over one million dollars. The Treasurer re-affirmed the Board's commitment to good governance and continuous improvement of the organization. He thanked the membership for their continued support and registered his appreciation of the contribution of each and every member in the success of KCCU.

Discussion on Treasurer and Auditors Report

Bro. Reuben John commended KCCU for its strong financial performance and noted that assets had more than doubled in the last ten years. He commented that companies in the banking sector, were undertaking de-risking initiatives by terminating accounts that could be redeposited with the credit unions. He enquired on the strategic response by KCCU to manage the increased liquidity. The Treasurer responded that it was a regional wide matter and better left to the governments, because there was little any one institution could do to resolve the issue.

Bro. Elvin Jackson requested reasons for membership losses during the period, specifically as it related to those persons who actually left. Bro. Gillon Frederick replied that based on his knowledge, supported by the AGM membership report, the members had in fact shown a net growth. He said that there were a number of reasons for persons to terminate membership and death and emigration were two that came immediately to mind.

Bro. Cools Vanloo enquired about the increase in staff cost. Bro. Gillon explained that it was the result of the addition of the Marriaqua staff and Bequia branch personnel.

In closing, Bro. Gillon Frederick thanked the members for the opportunity to serve. A motion for the adoption of the report was moved by Bro. Rohan Providence and seconded by Bro. Jerome De Shong. The motion was carried.

13. CREDIT COMMITTEE REPORT

Bro. Bernard John, the chairman of the credit committee presented the committee's report.

He reported that the year was challenging primarily because of competition from the banks through lower loan interest rates, and loss of employment suffered by some members. He encouraged members to immediately inform the credit union of adverse changes in their circumstances to avoid delinquency and to arrange and agree a plan until normalcy resumed. He advised that financial counselling be part of the plan to ensure that the member does not relapse into a similar situation.

He stated that the growth in loans had slowed down and he attributed that to competition and higher risked loans that were rejected. The credit union recorded a growth in loans of 1.28% for 2015. The total value of loans presented and reviewed in 2015 was EC\$26.3M, of this 77% was approved. The composition of these loans were mainly mortgages and consumer credit.

Bro. Bernard John thanked the membership for their continued patronage of KCCU and invited questions.

Discussion on Treasurer and Auditors Report

Bro. Cools Vanloo highlighted that whilst attendance was reported no mention was made of the number of meetings convened. Bro. Bernard John replied that twenty nine meetings were convened.

Bro. Elvin Jackson enquired whether members whose loans were not approved had terminated their membership. He further commented that there were instances of loans not approved at KCCU but were eligible at other institutions. Bro. Bernard John replied that he had no information on the former point and therefore he could make no comment. On the latter point he was not knowledgeable of other institutions criteria for underwriting loans.

Bro Reuben John asked whether the credit policy was documented and its last revision date. With regard to withdrawal of membership he suggested that an exit interview be conducted. Bro. Bernard John stated that the Loan Policy was revised in the previous year. Bro. Clement Lynch commented on the second point stating that the reasons for membership withdrawal were captured and a dialogue held with the individual member.

Bro. Cools Vanloo asked about KCCU's response to the competitive loan rates. Bro. Bernard John explained that the credit union through this committee focused on risks, rather than the rate itself, to ensure that the loans granted were sound and did not unduly expose the organization.

Bro. Peter Campbell moved a motion, seconded by Bro. Jerome De Shong, for the adoption of the Credit Committee report. The motion was carried.

14. SUPERVISORY AND COMPLIANCE COMMITTEE REPORT

A motion was moved by Bro. Phillip Waldron and seconded by Bro. Franklyn Linley for the report to be taken as read. The motion was carried. Chairman of the Supervisory and Compliance committee, Bro. Rohan Providence greeted the membership and invited questions and comments.

Discussion on Supervisory Report

Bro. Cools Vanloo enquired whether the activities listed under the work plan of the supervisory committee had all been executed to which Bro. Providence responded that they were.

Bro. Bernard John moved the motion, seconded by Bro. Reuben John, for the adoption of the Supervisory and Compliance Committee Report. The motion was carried.

15. EDUCATION COMMITTEE REPORT

Chairman of the Education Committee, Sis. Juanika Joseph, presented the Education Committee report. She stated that one member of the committee resigned during the year. She reported that the committee organized: the KCCU Scholarship Awards; Senior Care Day; Orientation Sessions; and The Annual Primary School Quiz. She also informed the membership that the KCCU National Dance Festival was scheduled to be held later in the year 2016.

Discussion on Education Report

Bro. Michael John commented that the committee comprised members of good caliber and this bode well for the continuity of the organization. He stated that two orientation sessions for the year were insufficient given the number of members joining the organisation. He asked whether the KCCU Youth Club was still in existence to which Sis. Juanika Joseph affirmed and mentioned that summer camps were done annually.

Bro. Reuben John commented that training was important and encouraged the education committee to become integrally involved with this aspect as part of their duties. He asked whether a marketing plan was done. Bro. Clement Lynch confirmed that the marketing plan formed part of the business plan. He further elaborated that several product marketing drives were done, covering design, promotion and pricing.

Bro. William Anthony asked whether the Education Committee still published the newsletter. Sis. Joseph confirmed that a newsletter was done and the intent was to continue its publication quarterly.

Bro. Cools Vanloo asked for the number of persons currently holding scholarships with the organization to which Sis. Joseph responded that there were thirty persons with scholarships.

Sis. Louise Glasgow asked for an explanation of the purpose of the Education Committee. Sis. Joseph outlined that the committee's principal role was to market the Credit Union in a positive way and detailed some of their functions as determining applicants' eligibility for sponsorships, donations and to execute corporate social responsibility in areas of youth development, education, sports and culture.

A motion for the adoption of the report was moved by Bro. Michael John and seconded by Bro. Rohan Providence. The motion was carried.

16. RESOLUTIONS

Resolution 1.

to enhance the Death Benefit of the Kingstown Co-operative Credit Union Ltd

AND WHEREAS there is an established death benefit product with terms and conditions operating at the Kingstown Co-operative Credit Union Ltd (KCCU).

AND WHEREAS the amount that is paid to the beneficiary of a deceased member of KCCU is five thousand Eastern Caribbean Dollars (EC\$5000).

AND WHEREAS the amount of the contribution to KCCU is twenty five Eastern Caribbean Dollars (EC\$25.00) and a share savings of not less than three hundred Eastern Caribbean Dollars (EC\$300.00) per annum.

AND WHEREAS the amount of five thousand Eastern Caribbean Dollars (EC\$5000) seems insufficient to cover the funeral expenses of the deceased member.

BE IT RESOLVED that this the fifty fourth (54th) Annual General Meeting held Tuesday May 24, 2016 amends the benefit payment to seven thousand five hundred Eastern Caribbean Dollars (EC\$7500.00) and the contribution be increased to fifty Eastern Caribbean Dollars (EC\$50.00) per annum.

Discussion on Resolution

Bro. Michael John queried how our death benefit product compared to other institutions, to which Director Sis. Hope/Browne confirmed it was on par.

There were no amendments to the resolution. A motion was moved by Bro. Elvin Jackson, seconded by Bro. Michael John. It was put to a vote by the show of hands. The FSA confirmed that thirty four (34) members voted in favour of the resolution and three (3) members against. Resolution 1 was accepted and carried.

Resolution 2.

to amend Article 10 Section 10.1 of the Bye-Laws to increase the number of members on the Nomination's Committee.

"WHEREAS Section 13 sub-section 4 (a) and (b) of the Co-operative Society Act No. 12 of 2012 gives a Co-operative Society the power to amend its Bye-Laws;

AND WHEREAS, the Co-operative Society amends its Bye-Laws for the benefit of its members and for the effective running of its operations;

AND WHEREAS, Article 10 Section 10.1 of the Bye-Laws stipulates that the Board of Directors not less than thirty (30) days prior each Annual General Meeting of the society may appoint a Nominations Committee of three (3) members of which not more than one (1) may be a member of the existing Board;

AND WHEREAS the Financial Service Authority (FSA) has issued new guidelines to Co-operative Societies to assist in guiding the process of “identifying, selecting and obtaining the most appropriate person within the membership of the Credit Union to serve on the Board of Directors (‘The Board’) and other Credit Union Committees (‘Committees’);

AND WHEREAS the Nominations Committee currently comprises of three (3) members;

BE IT RESOLVED that this Fifty Fourth (54th) Annual General Meeting held on Tuesday May 24, 2016 amends Section 10.1 of the Bye-Laws by deleting the words “three (3) members” and inserting the words “five (5) members”.

Article 10, Section 10.1 - The resolution was guided by the FSA to amend the byelaws to reflect an increase of the amount of members to serve on the nomination committee from 3 to 5 as the maximum that members that can serve.

Discussion on Resolution

Bro. Reuben John asked for the rationale behind the amendment stating that the amount should not be the issue but the quality of the members serving.

Bro. Colin John indicated it was presented based FSA nomination guidelines. He invited Mrs. Nyasha Browne, Manager Credit Unions from the FSA to comment. She indicated that the guideline was issued to standardize the nomination process throughout the movement.

There were no amendments to the resolution. A motion was moved by Bro. Rohan Providence, seconded by Bro. Edric Lewis. It was put to a vote by the show of hands. The FSA confirmed that eleven (11) members voted in favour of the resolution and twelve (12) members against. Resolution 2 was rejected.

17. ELECTIONS AND NOMINATIONS

The agenda was amended through a motion moved by Bro. Jules Anthony and seconded by Bro. Ashwa Stewart to have the elections done after the conclusion of the Treasurer’s and Auditor’s report. The motion was carried. The elections were supervised by Mr. Jimmy Black, representative of the Financial Services Authority.

Board of Directors Election

There were two places to be filled on the Board of Directors. Bro. Colin John retired at the current AGM and was not eligible for re-election. Bro. Terral Mapp resigned during the year 2015 and the vacancy was filled by Sis. Cynthia Hope/Browne.

Members nominated by the Nominations Committee:

Bro. Peter Campbell and Sis. Cynthia Hope/Browne. Bro. Campbell declined the nomination.

Members nominated from the floor:

Bro. Jerome De Shong was nominated from the floor by Sis. Susan De Shong and seconded by Bro. Errol Clarke.

A motion was moved and seconded to close the nominations. The motion was carried by the members.

The two positions were therefore filled by Sis. Cynthia Hope/Browne and Bro. Jerome De Shong serving for two and three years respectively.

Credit Committee Election

There was one place to be filled on the Credit Committee. Bro. Bernard John was retiring and was eligible for re-election.

Members nominated by the Nominations Committee:

Bro. Timothy Scott.

Bro. Bernard John.

Members nominated from the floor:

Nominated from the floor was Bro. Randy Lawrence.

Nominations were closed on a motion moved by Sis. Gale Thorpe and seconded by Bro. Rohan Providence. The motion was carried by the members.

The results of the voting were as follows:

Bro. Timothy Scott – 72 votes.

Bro. Bernard John – 70 votes.

Bro. Randy Lawrence – 40 votes.

Bro Bernard John and Bro. Timothy Scott were elected to serve on the Credit Committee for 3 years.

Auditors

Bro. Michael John enquired of how many years a firm could perform audit. Mr. Jimmy Black, the FSA’s representative, made reference to the Co-operatives Societies Act no. 12 of 2012, Section 135 sub section “c”. He stated that the auditor could serve for 5 consecutive years and BDO had one year remaining.

BDO was nominated and seconded by Sis. Marcelle Burgin.

KPMG was nominated and seconded. KPMG declined the nomination.

A motion was moved by Bro. Rohan Providence and seconded by Bro. Ashwa Stewart to close nominations. The motion was carried by the membership.

Result:

BDO was elected to serve as auditors.

Supervisory and Compliance Committee Election

Sis. Gale Thorpe retired from the committee at this AGM and was eligible for re-election.

Member nominated by the Nominations Committee:

Sis. Gale Thorpe.

Members nominated from the floor:

There were no nominations from the floor.

A motion was moved and seconded to close the nominations. The motion was carried by the members.

Result:

Sis. Gale Thorpe was elected to serve on the supervisory committee for 3 years.

18. OTHER BUSINESS

Bro. Cools Vanloo queried the legality of the deduction of monies from the member’s account to service loans without notice being given to the member.

Bro. Colin John indicated that the Co-operative Societies Act no 12 of 2012, section 114 authorized the transfer of funds. He stated that though courtesy calls were made for information purposes they were not mandatory. He highlighted that it was such robust action that gave KCCU good

delinquency rates and higher surpluses, as losses and bad debts were avoided.

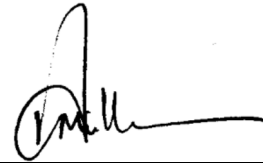
Bro. Reuben John made overall commendation of the meeting and performance of KCCU in the reporting period and thanked all committee volunteers for their hard work.

19. ADJOURNMENT OF MEETING

The motion to adjourn the meeting was made by Sis. Euna Thompson and seconded by Bro. Brent Cupid. The motion was carried by the membership. The President, Bro. Colin John, declared the meeting adjourned.



Sis. Phyllis Allen-James
President



Sis. Angelita Miller
Secretary

20. BOARD OF DIRECTORS REPORT TO THE 55TH ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

20.1 BACKGROUND AND INTRODUCTION

The Board of Directors of the Kingstown Co-operative Credit Union Ltd (KCCU) is pleased to report to the membership on the operations and performance of the Credit Union for the period of its tenure.

The requirement to achieve sustainability in these times of rapid changes, imposed on us many responsibilities not least of which is to have a full understanding of regional and international trends in order to position our Credit Union for success in the future. Global economic growth was projected to slowdown in 2016 to 3.1%, with slight recovery to 3.4% in 2017. Although growth differed pointedly across developed, emerging and developing countries, our main trading partners, in particular the USA, experienced a modest rate of 1.6% for 2016. The economic links with the USA was well known given the family connections, brought about by emigration and settlement of Vincentians abroad, which has resulted in remittances and indeed other financial services being used. The Eastern Caribbean Currency Union (ECCU) also recorded a general unevenness of economic growth across member states, with St Vincent and the Grenadines forecasted to achieve 2.9% in 2016. The main drivers of this growth were wholesale and retail, construction, transportation, tourism, agriculture and other services. KCCU supported these sectors with loan financing.

There were two major matters of international import that directly affected the credit union. First, the Foreign Accounts Tax Compliance Act of the USA has been fully implemented, by the local enabling Act, and provided for the transmission of individual member information, through the local Inland Revenue Department, to the US Inland Revenue Service. The Organisation for Economic Cooperation and Development has also created their Automatic Exchange of Information which has similar aims.

Second, De-risking referred to an initiative undertaken primarily by international financial organizations to curtail or cease relationships with local and regional respondent financial institutions to reduce or eliminate risks. The threat posed was mainly the possibility of severely limited access, or denial of access, to the international financial system. The adverse effects would be felt on remittances and or other services, for example foreign exchange, provided by local financial institutions.

KCCU's strategy focused on sustainability, service and growth. Its strategic imperatives provided the pillars for the achievement of these goals through: good governance practices; implementing sound up to date policies; the use of modern technology to deliver services and products; providing member education; upholding community responsibilities by supporting culture, sport and youth education; low environmental footprint; compliance with regulatory and legislative requirements; and the development of people to create the future for sustainable success.

At the sector level, the year was challenging given the strong competition in the financial services. For example, there was a non-traditional organization that provided financial services, as a relatively new entrant. The main competitive attack was done through pricing (interest) reductions and bundling of other services in the offerings. The Kingstown Co-operative Credit Union's 2016 performance, compared with 2015, was resilient in spite of the economic and competitive hurdles. The Credit Union grew revenue interest and investment income by 4.2% to EC\$6 million (M). Returns to members, in the form of interest and rebates/dividends totaled EC\$1.85M, an increase of 13% over the previous year.

The comprehensive income showed a reduction of 43.8% as a result of a combination of increased member payments, expenses and COMFI loss write off. The total assets grew by 9.1% to EC\$91.8 Million. Membership grew by 5.1% to 20,044.

20.2 BOARD OF DIRECTORS ELECTION AND MEETINGS

The 54th Annual General Meeting elected two new members to the Board of Directors. They were Sis. Cynthia Hope/Browne and Bro. Jerome De Shong. The Board of Directors held its inaugural meeting on the 24th May 2016 and filled the executive positions as follows: Sis. Phyllis Allen-James – President; Sis. Cynthia Hope-Browne – Vice President; Sis. Angelita Miller – Secretary; Bro. Gillon Frederick – Treasurer. The full Board of Directors comprised:

- Phyllis Allen-James – President
- Cynthia Hope/Browne – Vice President
- Angelita Miller – Secretary
- Gillon Frederick – Treasurer
- Dominic White – Director
- Elsworth Abbott – Director
- Jerome De Shong – Director

The Board held a total of twenty one meetings during its tenure. There were eleven scheduled Board meetings and ten additional special meetings. The attendance was as follows:

	Scheduled	Special	Total
Total	11	10	21
Phyllis Allen-James	11	10	21
Cynthia Hope/Browne	9	10	19
Angelita Miller	11	10	21
Gillon Frederick	10	10	20
Dominic White	10	10	20
Elsworth Abbott	11	10	21
Jerome De Shong	11	10	21

20.3 FINANCIAL PERFORMANCE

Total **assets** grew by EC\$7.7M or 9.1% to EC\$91.8M in 2016 compared with 2015. This growth was attributed mainly to: an increase of 7.2% or EC\$4.3M in loans; and an increase in cash of 49% or EC\$4.1M.

The **loans** growth was driven primarily by the mortgage product (increased by 10%) and consumer credit to a lesser extent. The portfolio was 63% skewed towards mortgages, an increase from 60%. Despite the higher returns from consumer loans, the increased investment in mortgages reflected a planned course of action that favored solid security against the risk from high rate consumer loans. Moreover, mortgages would provide a steady comparatively low risked future income flow and strategically give a better base for the sustainability of the organization.

The control and management of bad debts or **delinquency** remained a priority and the rate was 3.2%. We continued with our methods of effective monitoring, follow ups, counselling and negotiating with members who might have experienced an adverse change in their circumstances. The control of delinquency was critical in the generation of income and cash and we are committed to achieving the best possible rate. We take this opportunity to thank the members for honoring their obligations to repay their loans in a timely manner.

The increase in **cash resources** has contributed significantly to the strengthening of our liquidity position. The legislative requirements and prudential guidelines mandated a level (15% of unencumbered savings and current liabilities) of liquidity that must be available for day to day operational business. Note that KCCU's bank deposits attracted an effective rate of 2.28% which compared reasonably well with the official savings rate.

The 34% reduction in **investment securities** showed the continued repayment of long outstanding amounts due from the Building and Loan Association. Investment opportunities in bonds and treasury bills were examined during the period but were not acceptable at the time. We gave preference to investment in loans to members at a comparatively better rate. No additional investments were made during the year.

Total **comprehensive Income** for the year was EC\$0.66M and was lower than the previous year by 43.8% principally due to increased costs for COMFI losses, member returns and rebates, and administration expenses; offset by growth in income.

The Board of Directors sought to achieve a balance in the **dividend** payout decision by taking into consideration, among others: members expectation of a reasonable return on their investments; the legislative requirement for capital adequacy; the need for funding future projects; and the economic and competitive environment. The Board proposes to pay the following:

Permanent Shares	5.00%
Redeemable Shares	1.75%
Rebates on Loan interest	4.25%

20.4 MEMBERSHIP

The membership was 20,044 and grew by 972 for the year, an increase of 5.1%. The new members comprised 43% below 20 years of age; 31% between 21 and 30 years of age; and the other 26% over 30 years old. This reflected a continued demand for and confidence in our brand from new predominantly young persons. We continuously strive for excellent customer services and by and large that was achieved, however there were instances of a minority of inadvertent substandard performance that arose and immediate steps were taken to rectify. The **KCCU-Go** mobile app provided a range of functionalities for members to contact, obtain information and receive services from the Credit Union.

Membership terminations were reviewed to ascertain the reasons for withdrawal from the Credit Union and the result showed: 41% due to death; 13% due to emigration; 3% for medical; 3% dissatisfaction; 24% no reason; and 6% for loan not approved.

In spite of our growth in membership, the matter of dormancy still has not been fully addressed. Further work will be done to encourage the usage of those accounts that have fully qualifying paid-up shareholding. Of the total dormancy, two thousand two hundred and forty (2240) have not paid up the full qualifying shares of one hundred dollars (EC\$100).

We thank the members for their ownership, loyalty and use of the services of the Credit Union. We strive at all times to provide excellent services to delight you as we work in the best interest of the organization.

20.5 HUMAN CAPACITY BUILDING

KCCU recognized the immediate and strategic importance of an appropriately trained staff, management committees, and members in order to deliver a sustainable organization. Opportunities were taken, subject to limiting factors of costs and availability of the courses, to secure the acquisition and or upgrading of the skills needed to deliver on our goals.

Through our Education committee we embraced the membership training in orientation sessions and financing workshops. The committee also organized the KCCU Annual School Quiz that trained primary school participants in education and introduced Credit Unionism in a fun way.

Management committee training was provided through the annual Caribbean Confederation of Credit Unions Conventions (CCCU) and Organization of Eastern Caribbean States (OECS) Credit Union summit. These meetings offered a wealth of contacts and ideas for solving common challenges. An extended delegation was sent to the OECS convention that was held in St.Vincent and the Grenadines last September 2016. The Credit Union also held a “mini general meeting” in Bequia to connect and update members on the performance of the organisation. The latest 2015 AGM booklet was discussed and members interacted on other matters of their choice.

Staff training continued both In-House with the one-stop employee program and our participation in the ECHMB residential underwriter accreditation courses. Other training was encouraged and various Professional accredited and UWI degree programs were progressed. Ms Makeda Frederick-Smith successfully completed her Bachelors of Science degree in Management from the University of the West Indies, bringing the total number of Associate, full degrees graduates and professionally qualified persons on staff to eight. The annual productivity staff awards ceremony continued with the objective of recognizing the employees' contribution and motivating everyone to strive for higher levels of excellence and teamwork. The awardees recognized were: Clairiesa Pierre for customer service; Makeda Frederick-Smith for educational development; Sherry-Ann Parsons for loans sales; and Judith Seaman for effective credit management.

The Kingstown Co-operative Youth Club (KCYC) aimed to provide a pool of young members for the Credit Union. There were KCYC summer camps in Kingstown and Canouan targeting children ages 3 to 16.

20.6 PRODUCTS AND SERVICES

The **KCCU-Go** mobile App was launched on September 27, 2016. It is a free App downloadable from google play and the App store. The app was one component of our strategy to deliver on the mission to "provide high quality financial services". The needs of our membership has evolved and the App provided the opportunity for a small bridge to the future where services can be accessed remotely.

The young prospective and existing (about 40% of membership below 30 years of age) members continued to indicate the need for mobile services. With a smart phone and data or WIFI, the **KCCU-Go** placed convenience at the members fingertips from anywhere in the world. In summary, the functionalities allow the member to: book a loan appointment; complete applications; and view our annual AGM reports; contact us via the app; and assess individual financial wellness.

It has been a frustrating experience trying to bring the Automated Teller Machine and debit card services to the membership. We were told by our Banking Partner in a meeting late last year, that was attended by another Credit Union that is also waiting, that the platform and other related matters would have been ready in the first quarter of 2017, but the disappointing delay continued. Our commitment is unwavering and we will continue to pursue this matter in the best interest of our membership.

20.7 CORPORATE GOVERNANCE

The Board of Directors is committed to good governance. The Board continued to apply the co-operative principles in its operations underpinned by values of honesty, equality, professionalism and probity. The Board is dedicated to compliance with appropriate policies, best practices, legislation, regulation and bye-laws. Compliance has been, and continues to be, an integral part of our day to day operations and strategic imperatives.

The Supervisory and Compliance Committee and the Compliance Officer monitored and reported on our compliance at all levels of the organization.

The PEARLS standard is a widely used international benchmark for assessing the performance of Credit Unions. KCCU has attained, and in some cases surpassed, all but one of the benchmarks. The standard not achieved showed that our average rate of return on the portfolio has fallen, suggesting that interest rates were reduced. The rates have been lowered or flexed particularly on mortgages to respond to competitive poaching as we strive to protect and win market share. The report captioned “PEARLS RATIOS” refers.

The Occupational Safety and Health Bill is before Parliament and KCCU is in the process of preparing for its eventual approval as Law. Our responsibilities under the Bill are onerous and we endeavor to be ready by taking a proactive approach. During the year we selected a Health and Safety Committee and crafted a policy statement. Staff and management committee training was done and continues. In this set-up phase, we have engaged the skills of a consultant in the field of occupational health and safety to guide, compile the procedural manuals and provide the training.

20.8 BRANCHES

KCCU operates branches in Marriacqua, Bequia, Union and Canouan.

The facility in Mespo is being renovated to better serve members of the Marriacqua Valley and to protect the assets of the credit union. We anticipate completion by June 2017.

In the Grenadine island of Canouan there was an attempted robbery during 2016 that thankfully did not result in injury to staff or members. KCCU did not suffer any losses. The perpetrator was apprehended and charged. Steps were taken to further improve security by having two persons at the offices. A KCYC summer camp was held in Canouan.

A “mini general meeting” was held in Bequia on July 16, 2016 to connect with the membership and to give information on the performance of the Credit Union.

Branch membership totals 4404 persons who accessed loans to the value of EC\$3.1M.

20.8 CO-OPERATIVE MOVEMENT

The sectors comprised of four Credit Unions and KCCU continued to play a meaningful developmental role. KCCU was involved in the activities of the St Vincent and the Grenadines League, The Co-operative Department and the Financial Services Authority. Externally we participated in the wider credit union development through the OECS summit and CCCU convention. KCCU was represented at the Board level in The St. Vincent and the Grenadines League and The SVG Small Business and Micro Finance Co-operative Ltd (COMFI).

The Credit Union Movement took the decision to discontinue COMFI’s operations in the best interest of members. The concept that created that organization was sound. However, since its inception unforeseen low economic growth, fierce competition, constricting market space, timing and resourcing requirements were daunting and ultimately lead to the bold and strong decision by the shareholders to place the organization into receivership in October 2016. The Credit Unions recovered loan assets from COMFI. KCCU recovered assets with a carrying value of EC\$ 296,766. The table below details the financial participation of KCCU in COMFI from 2011 to 2016:

	EC\$
Capital	639,411
Deposits	100,000
Sub-total	739,411
Impairment Write offs	(504,134)
Net	235,277

Note that the organization has been placed under the control of the liquidator, KPMG, who was in the process of completing the winding up task. The figures (recovered assets and net investment) quoted above are provisional and may differ, though not materially, from the liquidator’s statement of affairs when it is filed.

20.9 COMMUNITY DEVELOPMENT

KCCU’s social responsibilities required continued support of our communities and nation building. The policy and practice of the organization was to focus on these key areas of youth development namely education, culture and sports.

In education, our annual national school quiz provided a forum for the nation’s young children to compete and was won by the C.W. Prescod Primary school. The KCCU scholarship program awarded two academic and two socio-economic scholarships yearly and this aid has contributed tremendously to members by supporting economically challenged families. Four scholarships were awarded in 2016 bringing the total to thirty.

One of our cultural flagship events, the biennial KCCU National Dance Festival was held in 2016 recording twenty six years of our commitment to dance and cultural development.

Our sporting contribution continued with the strengthening of the relationship with the St. Vincent and the Grenadines Grammar School and Girls High School road relay. Additionally, assistance was given to the Thomas Saunders Secondary School to help with their participation in the Penn State Games.

KCCU also supported small groups, organizations and special schools with funding for humanitarian and other worthwhile social causes.

20.10 STRATEGIC AGENDA

The Board is pleased to report another successful year of our rolling three year strategic plan. The Credit Union is focused on long term growth and sustainability, whilst maximizing short term efficiencies, with an unwavering commitment to satisfy the needs of our membership.

KCCU's strategic priorities include: excellent member services; technological enablement; good governance; high level development of our human resources; meaningful community responsiveness; continued support of and participation in the Credit Union movement .

20.11 CONDOLENCES

KCCU extends deep sympathies and condolences to all bereaved members whose loved ones passed away. May they rest in peace.

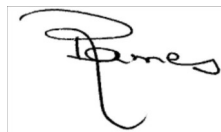
20.12 ACKNOWLEDGEMENTS

The Board herewith extends its appreciation to the membership, management committees, staff, and other volunteers past, present, recognized and unsung, for their creativity, assiduous and invaluable work that contributed to another successful year 2016.

We would also like to register our thanks for the professional and supportive relationships with the Registrar and staff of the Financial Services Authority; The Co-operative Department; The Credit Union League; Credit Unions; Co-operatives; the Auditors; and all stakeholders.

The Board thanks the membership for the opportunity to serve during the year and looks forward to the 60th anniversary and continued strengthening of our Credit Union. May God bless you.

Presented by and on behalf of the Board of directors.



Phyllis Allen-James

President

21. TREASURER’S REPORT TO THE 55TH ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

21.1 INTRODUCTION

It is with great pride that the treasurer’s report of the Kingstown Co-operative Credit Union Limited (KCCU) is presented for the financial year ended December 31,2016.

The Kingstown Co-operative Credit limited continued to demonstrate resilience despite the challenges that remain in the financial sector. Moreover, the Credit Union remains relevant to the needs of members, the evidence of which was manifested in the steady upward growth in assets over the past five years averaging 8%.

21.2 FINANCIAL RESULTS - SUMMARY

Kingstown Co-operative Credit Union Limited performed comparatively well financially despite the challenges. The organization continued to record operating income surpluses.

The following are key financial performance indicators for the financial year ended December 31, 2016 with comparison to the 2015 financial year.

Assets

		2016	2015	Difference	Change
		EC\$ 000,s	EC\$ 000,s	EC\$000,s	%
1	Total Assets	91,847	84,194	7,653	9%
2	Loans (Net)	63,970	59,672	4,298	7%
3	Cash Resources	12,487	8,359	4,128	49%
4	Investment Securities	1,913	2,828	915	32%

There was an increase of 9% in the total assets in 2016 which was driven largely by growth in the loans portfolio and cash resources of 7% and 49% respectively. Members demand for loans continued to grow to the level where the loan portfolio is EC\$ 64 Million(M) comprised primarily of mortgage loans (63%). In addition, members continued to show confidence in KCCU with a significant increase in cash resources driven by shares and term deposits increases during the period.

The reduction in the investment securities by 32% was as a result of: delayed repayment of matured fixed deposits valued at \$918K held at the St Vincent Building and Loan Association Ltd; and a substantial impairment write down of EC\$ 189K from COMFI investment.

Financing

	Share Capital and Members Deposits	2016	2015	Difference	Change
		EC\$ 000,s	EC\$ 000,s	EC\$ 000,s	%
1	Share Capital	2,417	2,183	234	11%
2	Members` Share Savings	44,219	41,770	2,449	6%
3	Deposits	28,437	24,135	4,302	18%

Members continued to demonstrate great confidence in the Kingstown Co-operative Credit Union Ltd by providing the institution with a steady source of funds for investment in permanent shares, redeemable shares and deposits. The result of this confidence is reflected in the growth of these products as shown in the table above. The highest growth was achieved in deposits, where the change was an increase of 18% in 2016 compared to 7% for the previous year. The related return associated with members' investment in these products was included in rebates and dividends which grew by EC\$ 132K or 15% compared with the previous year. We thank members for their unwavering demonstration of trust and confidence in this progressive institution.

Statement of Income

	Revenue and Expenses	2016	2015	Difference	Change
		EC\$ 000,s	EC\$ 000,s	EC\$ 000,s	%
1	Loan and Investment Income	5,983	5,781	202	4 %
2	Interest Expense	863	788	76	9 %
3	Dividends and Rebates	990	857	133	15 %
4	Impairment Allowance	270	180	90	50 %
5	General Admin and Selling Expenses	3,531	3,223	308	10 %

Comprehensive income for 2016 was EC\$0.662M. It was EC\$0.518M lower than the previous year.

Revenue income growth was suppressed due to the requirement to introduce competitive measures to retain and improve market share in the face of lower rates from other financial institutions.

Throughout the year we continued our efforts to control costs to minimize increases without jeopardizing the operations of the organization. The following highlight the significant movement of expenses during the period:

Staff cost grew as a result of; negotiated bargaining unit cost-of-living increases, performance increases, staff training; and retirement payment for a staff member from the Marriaqua branch.

Communication expenses increased as further work was done to link the branches more efficiently by providing more reliable network and upgrading obsolete equipment.

Selling expenses grew by EC\$ 82K or 38 % due primarily to our continued support for our flagship biennial event, KCCU National Dance Festival.

Impairment loss of EC\$ 189K from investments in associate (COMFI)

Dividends and Rebates

The following dividends and rebates rates are being proposed for the financial year:

<i>Permanent Shares</i>	<i>: 5.00 %</i>
<i>Redeemable Shares</i>	<i>: 1.75 %</i>
<i>Rebates on loan interest</i>	<i>: 4.25 %</i>

21.3 CONCLUSION

The Kingstown Co-operative Credit Union limited performed well financially during the year 2016 as shown in the financial statements presented. The organisation financial position showed increased strength, evidenced by the growth in assets, in spite of the challenges experienced in the operations as reflected in the statement of profit or loss and other comprehensive income.

The Board of Directors, supported by management and staff, have shown resolute commitment to good corporate governance. The results were illustrated in the strong financial performance for 2016. This solid performance, given the challenges of the year, would not have been possible without the steadfast support of the many loyal and committed members. We thank you and ask for your continued contribution as we progress from strength to strength.



Gillon Frederick

Treasurer

**Kingstown Co-operative Credit
Union Limited**
Financial Statements
Year Ended December 31, 2016

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REGISTERED OFFICE

Granby Street
Kingstown
St. Vincent and the Grenadines

BOARD OF DIRECTORS

Mrs. Phyllis Allen-James - President
Mrs. Cynthia Hope-Browne - Vice President
Mr. Gillon Frederick - Treasurer
Mr. Dominic White
Mr. Elsworth Abbott
Mr. Jerome De Shong

SECRETARY

Ms. Angelita Miller

SOLICITORS

Saunders & Huggins

BANKERS

Bank of St. Vincent and the Grenadines Limited

AUDITORS

Patterson & Co
Chartered Accountants
Sergeant-Jack Drive
Arnos Vale
St. Vincent



Patterson & Co

Chartered Professional Accountants

P O Box 35
Sergeant Jack Drive
Arnos Vale
Kingstown
St Vincent

Tele: 784 456 2300
Fax: 784 456 2184
info@fapcpa.com

INDEPENDENT AUDITORS' REPORT

To the Members of
Kingstown Co-operative Credit Union Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Kingstown Co-operative Credit Union Limited**, which comprise the statement of financial position as at December 31, 2016, and the statement of changes in equity, statement of profit or loss and other comprehensive income, and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Kingstown Co-operative Credit Union Limited** as at December 31, 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in St. Vincent and the Grenadines, and we have fulfilled our ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

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 the IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

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



Patterson & Co

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Chartered Professional Accountants

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

The Engagement Partner on the audit resulting in this independent auditors' report is Floyd A. Patterson.

April 19, 2017

Kingstown Co-operative Credit Union Limited

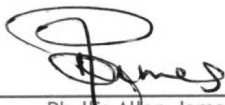
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Statement of Financial Position
As of December 31, 2016
(in Eastern Caribbean dollars)

	Notes	2016 \$	2015 \$
ASSETS			
Cash resources	8	12,487,807	8,359,730
Investment securities	9	1,913,570	2,827,883
Investment in associate	10	235,277	324,880
Loans to members	11	63,970,393	59,671,530
Other receivables	12	164,819	297,068
Investment properties	13	3,533,254	3,533,254
Property, plant and equipment	14	9,541,382	9,179,735
Total Assets		91,846,502	84,194,080
LIABILITIES AND MEMBERS' EQUITY			
Liabilities			
Accounts payable and accrued liabilities		255,031	263,916
Interest payable		489,258	465,428
Deposits	15	28,437,269	24,135,232
Dividends and rebate payable		1,225,440	1,066,618
Redeemable member shares	16	44,218,870	41,769,790
Total Liabilities		74,625,868	67,700,984
Members' Equity			
Share capital	16	2,416,885	2,183,153
Statutory reserve	17	4,254,614	3,765,858
Development fund	18	15,359	15,359
Accumulated other comprehensive income	19	5,955,263	5,955,263
Retained earnings		4,578,513	4,573,463
Total Members' Equity		17,220,634	16,493,096
Total Liabilities and Members' Equity		91,846,502	84,194,080

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

APPROVED ON BEHALF OF THE BOARD: -



Phyllis Allen-James
President



Gillon Frederick
Treasurer

Kingstown Co-operative Credit Union Limited

Statement of Changes in Equity
For the Year Ended December 31, 2016
(in Eastern Caribbean dollars)

	Note	Share Capital	Statutory Reserve	Development Fund	Accumulated Comprehensive Income	Other Income	Retained Earnings	Total
		\$	\$	\$	\$	\$	\$	\$
Balance as of December 31, 2014		1,921,052	3,252,344	10,359	5,955,263	0	3,908,112	15,047,130
Profit for the year		0	0	0	0	0	1,179,600	1,179,600
Issuance of shares		262,101	0	0	0	0	0	262,101
Appropriation of development fund		0	0	5,000	0	0	(5,000)	0
Appropriation of statutory reserve		0	509,249	0	0	0	(509,249)	0
Entrance fees		0	4,265	0	0	0	0	4,265
Balance as of December 31, 2015		2,183,153	3,765,858	15,359	5,955,263	0	4,573,463	16,493,096
Profit for the year		0	0	0	0	0	662,200	662,200
Dividends declared		0	0	0	0	0	(171,954)	(171,954)
Issuance of shares		233,732	0	0	0	0	0	233,732
Appropriation of development fund		0	0	5,000	0	0	(5,000)	0
Statutory development contribution funds paid		0	0	(5,000)	0	0	5,000	0
Appropriation of statutory reserve	17	0	485,196	0	0	0	(485,196)	0
Entrance fees		0	3,560	0	0	0	0	3,560
Balance as of December 31, 2016		2,416,885	4,254,614	15,359	5,955,263	0	4,578,513	17,220,634

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

Kingstown Co-operative Credit Union Limited

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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended December 31, 2016
(in Eastern Caribbean dollars)

	Notes	2016 \$	2015 \$
Income			
Interest on loans	20	5,654,987	5,523,406
Investment income	21	327,584	257,392
		5,982,571	5,780,798
Interest Expense			
		863,432	787,640
Rebates and Interest to Members			
		989,885	857,389
Net Interest Income			
		4,129,254	4,135,769
Allowance for impairment on loans	11.2	270,000	180,000
Allowance for impairment on interest receivable	11.3	99,999	99,999
		3,759,255	3,855,770
Rental income		244,425	244,473
		4,003,680	4,100,243
Selling Expenses			
	22	296,125	214,620
General and Administrative Expenses			
	23	3,235,673	3,008,685
		471,882	876,938
Other Income			
Income on death benefit plan - net	24	84,677	128,564
Commissions and miscellaneous income		295,244	258,418
		379,921	386,982
Operating Profit			
		851,803	1,353,920
Share of loss in associated company accounted for using the equity method	10	(189,603)	(84,320)
Net Profit for the Year being Total Comprehensive Income			
		662,200	1,179,600
The following expenses are included in the foregoing:-			
Depreciation		345,634	333,406
Staff cost		1,321,595	1,221,526

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

Kingstown Co-operative Credit Union Limited

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Statement of Cash Flows

For the Year Ended December 31, 2016

(in Eastern Caribbean dollars)

	2016 \$	2015 \$
Operating Activities		
Net profit for the year	662,200	1,179,600
Adjustments for		
Depreciation	345,634	333,406
Appreciation in investments	(42,381)	0
Interest capitalized on investments	(21,985)	(10,483)
Share of loss in associated company	189,603	84,320
Net Profit before Changes in Operating Assets and Liabilities	1,133,071	1,586,843
Decrease in other receivables	132,249	24,375
Increase in loans to members	(4,298,863)	(4,491,151)
(Decrease) increase in accounts payable and accrued liabilities	(8,885)	56,341
Increase (decrease) in interest payable	23,830	(289,455)
Increase in deposits	4,302,035	1,559,104
Increase in dividends and rebates payable	158,822	173,974
Net Cash Generated from (Used in) Operating Activities	1,442,259	(1,379,969)
Investing Activities		
Additions to property, plant and equipment	(707,281)	(228,453)
Proceeds from liquidation of investment securities	978,679	605,232
Purchase of investment securities	0	(441,180)
Investment in associated company	(100,000)	0
Net Cash Generated from (Used in) Investing Activities	171,398	(64,401)
Financing Activities		
Proceeds from issuance of shares	233,732	262,101
Net increase in redeemable member shares	2,449,082	2,588,440
Dividends declared	(171,954)	0
Entrance fees received	3,560	4,265
Net Cash Generated from Financing Activities	2,514,420	2,854,806
Net Movement in Cash Resources	4,128,077	1,410,436
Cash Resources - Beginning of Year	8,359,730	6,949,294
Cash Resources - End of Year	8 12,487,807	8,359,730

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

Kingstown Co-operative Credit Union Limited

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1. Legal Status

The Kingstown Co-operative Credit Union Limited was registered on April 12, 1958, as a Co-operative Society. The Credit Union's operations are subject to the Co-operative Societies Act 2012 of St. Vincent and the Grenadines and the supervision of the Financial Services Authority.

2. Date of Authorisation

These financial statements were authorised for issue by the Board of Directors on April 12, 2017.

3. Principal Activities

The Credit Union's principal activities are to promote thrift among its members, to receive the savings of and to provide a source of credit to members.

4. Basis of Preparation

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

Statement of Compliance

The financial statements of the Credit Union have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), under the historical cost convention unless otherwise stated.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Credit Union's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Credit Union's accounting policies, management has made various judgments. Those which management has assessed to have the most significant effect on the amounts recognised in the non-consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Credit Union based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Credit Union. Such changes are reflected in the assumptions when they occur.

The Credit Union carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in Other Comprehensive Income (OCI). The Credit Union engaged an independent valuation specialist to assess fair value for investment property.

Change in Accounting Policies

a. *New Standards, Interpretations and Amendments Effective from January 1, 2016*

The Credit Union has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2016:

IFRS 11 - Accounting for Acquisitions of Interest in Joint Operations

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

4. Basis of Preparation (Cont'd)

Change in Accounting Policies (Cont'd)

a. *New Standards, Interpretations and Amendments Effective from January 1, 2016 (Cont'd)*

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

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

IAS 27 - Equity Method in Separate Financial Statements

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

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

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

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

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

IAS 1 - Disclosure Initiative

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

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

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

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

4. Basis of Preparation (Cont'd)

Change in Accounting Policies (Cont'd)

b. *New Standards, Amendments and Interpretations not yet Effective and have not been Early Adopted*

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

IFRS 9 - Financial Instruments

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

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

IFRS 15 - Revenue from Contracts with Customers

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

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

5. Summary of Significant Accounting Policies

a. **Cash, Cash Equivalents and Short-term Investment Securities**

Cash equivalents include highly liquid investments with insignificant interest rate risk and original maturities of ninety (90) days or less at the date of purchase. Investments with maturities between ninety (90) days and one year at the date of purchase are considered to be short-term investment securities. Short-term investment securities consist primarily of investment grade commercial paper, bankers acceptances, and certificates of deposit.

b. **Loans to Members and Allowance for Impairment**

Loans to members are initially recognised at amortized cost using the effective rate method.

Subsequently loans are carried at amortized cost less allowance for impairment. The allowance for impairment is based on an annual appraisal of loans. Specific and general allowance for loan impairment is based on the reporting date appraisal of loans. The specific element relates to identified loans whereas the general element relates to latent bad and doubtful loans which are present in any loan portfolio but have not been specifically identified. Loans are written down to estimated realisable value when the normal financing relationship with the member has ceased; interest on the loan up to that time is credited to operations and allowance is made where appropriate.

c. **Interest Income and Expense**

Interest income and expense are recognized in the statement of profit or loss for all instruments measured at amortized cost using the accrual method, except for held-to-maturity investments, which used the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability when calculated. When calculating the effective interest rate, the Credit Union estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or discounts received between parties to the contract that are an integral part of the effective interest rate.

5. Summary of Significant Accounting Policies (Cont'd)

d. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

e. Revenue on Non-Productive Loans

Revenue is recognised on loans categorised as non-productive only to the extent that interest payments have been received or where receipt is probable.

f. Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less depreciation except land and building which are stated at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Increases in the carrying amount arising on revaluation of land and buildings are included in other comprehensive income and ultimately credited to revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to the statement of profit or loss.

Land is not depreciated. Depreciation of other assets is calculated using a straight line method as to allocate their cost less their residual values over their estimated useful lives, as follows:-

Furniture and equipment	-	10 - 20%
Building	-	2%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other income/expenses in the statement of profit or loss. Any gains or losses arising on the remeasured value of the Credit Union's property are included in other comprehensive income.

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

g. Investment Properties

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

h. Borrowings

Borrowings are recognized initially at fair value, net of transaction cost incurred. Borrowings are subsequently stated at amortized cost and any difference between the net proceeds and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

i. Borrowing Cost

Generally, borrowing cost is recognised as an expense in the period in which it is incurred; except where such cost is directly attributable to the acquisition, production or construction of an asset which takes a substantial period of time to get ready for its intended use.

j. Foreign Currency Translation

These financial statements are expressed in Eastern Caribbean dollars, which is the Credit Union's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security.

5. Summary of Significant Accounting Policies (Cont'd)

j. Foreign Currency Translation (Cont'd)

Translation differences related to changes in the amortised cost are recognised in the statement of profit or loss, and other changes in the carrying amount are recognised through other comprehensive income.

Translation differences on non-monetary items, such as equities held at fair value are recognised through statement of profit or loss, and are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value in other comprehensive income and ultimately accounted for under reserves in equity.

k. Financial Assets

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

- (i) financial assets at fair value through profit or loss;
- (ii) loans and receivables;
- (iii) held-to-maturity investments; and
- (iv) available-for-sale financial assets.

a. Classification:

i) *Fair Value through Profit or Loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

ii) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Credit Union's loans and receivables comprise 'other receivables', 'loans to members' and 'cash resources' in the statement of financial position.

iii) *Held-to-Maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Credit Union's management has positive intention and ability to hold to maturity. If the Credit Union were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be reclassified as available for sale.

iv) *Available-for-Sale Financial Assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

b. Recognition and Measurement

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the Credit Union commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss and initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Credit Union has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'impairment of investment' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss as part of investment income when the Credit Union's right to receive payments is established.

5. Summary of Significant Accounting Policies (Cont'd)

k. Financial Assets (Cont'd)

b. Recognition and Measurement (Cont'd)

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of profit or loss as 'impairment of investment'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of profit or loss as part of investment income. Dividends on available-for-sale equity instruments are recognised in the statement of profit or loss as part of investment income when the Credit Union's right to receive payments is established.

l. Impairment of Financial Assets

Assets Carried at Amortised Cost

The Credit Union assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

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

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

The Credit Union first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Credit Union determines that no objective evidence of impairment exist for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are included in a collective assessment for impairment.²

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Credit Union may measure impairment on the basis of an instrument's fair value using an observable market price.

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

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

5. Summary of Significant Accounting Policies (Cont'd)

l. Impairment of Financial Assets (Cont'd)

Assets Carried at Amortised Cost (Cont'd)

The Credit Union assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the statement of profit or loss.

Renegotiated Loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due on the basis of the renegotiated terms and conditions.

m. Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

n. Share Capital

Share Capital Costs

The proceeds from the issue of new shares, except shares redeemable at the option of the holder, are accounted for as equity, net of transaction costs. Shares which are redeemable at the option of the holder are accounted for as financial liabilities.

Dividends

Dividends on shares, other than those redeemable at the option of the holder, are recognised in equity in the period in which they are approved by the directors. Dividends on shares, which are redeemable at the option of the holders, are accounted for as a charge in profit or loss in the period they are approved by the directors.

6. Financial Risk Management**a. Financial Risk Factors**

The Credit Union's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Credit Union's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Credit Union's financial performance. The Credit Union has not entered into forward contracts to reduce its risk exposure.

i) Credit Risk

The exposure to credit risk is dependent on the degree of failure of counter-parties, including its customers, banks and other debtors, to honour their obligations to the Credit Union. The Credit Union's credit risk is spread primarily over a diversity of private customers, commercial entities, and government securities.

The following summarizes the maximum credit risk:-

	2016	2015
	\$	\$
Loans and advances	63,970,393	59,671,530
Other receivables	293,032	297,068
Deposits with commercial banks	12,288,924	8,183,929
Investment securities	1,871,189	2,827,883
	<u>78,423,538</u>	<u>70,980,410</u>

ii) Liquidity Risk

In order to manage liquidity risks, management seeks to maintain sufficient levels of cash to meet its short-term obligations. Undisbursed loans are monitored closely on a monthly basis.

iii) Market Risks**a. Foreign Exchange Risk**

This is the risk of an investment's value changing due to changes in the currency exchange rates. Investments held in a foreign currency are retranslated at the reporting date using prevailing foreign exchange rates.

b. Price Risk

This is the risk that foreign investments held by the Credit Union will change in value due to changes due to a fall in market price. The company has hedged against this risk by diversifying its portfolio of securities.

c. Fair value and Cash Flow Interest Rate Risk

The Credit Union's interest rate risk arises from long-term borrowings. Borrowings issued at fixed rates expose the group to fair value interest rate risk. The Credit Union has opted to keep all borrowings down to a minimum.

b. Fair Value of Financial Assets and Liabilities

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by quoted market value, if one exists.

The Credit Union's financial assets and financial liabilities as disclosed in the statement of financial position approximate their fair value.

7. Critical Accounting Estimates and Judgments

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Credit Union makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. Estimated Impairment of Assets

The Credit Union tests annually whether assets have suffered any impairment in accordance with the accounting policy stated in significant accounting policies section. The recoverable amounts of some assets have been determined based on value-in-use calculations. These calculations require the use of estimates.

b. Valuation of Property

The Credit Union utilizes professional valuers to determine the fair value of its properties. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumption chosen.

c. Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The shares held in St. Vincent Co-operative Credit Union League, classified as available-for-sale financial assets, are not traded in active markets. The carrying amount of the available-for-sale financial assets would be estimated using the value of the members' equity in the audited financial statements of St. Vincent Co-operative Credit Union League.

8. Cash Resources

	2016	2015
	\$	\$
Cash on hand	198,883	175,801
Demand deposits	0	565,170
Short-term bank deposits	12,288,924	7,618,759
	<u>12,487,807</u>	<u>8,359,730</u>

The effective interest rate on short-term bank deposits is 2.28% (2015: 2.18%).

All cash deposits are denominated in Eastern Caribbean currency.

Cash on hand and bank deposits include the following for the purpose of the cash flow statement:

	2016	2015
	\$	\$
Cash resources	<u>12,487,807</u>	<u>8,359,730</u>

Notes to the Financial Statements
For the Year Ended December 31, 2016
(in Eastern Caribbean dollars)

9. Investment Securities

	2016 \$	2015 \$
Securities held-to-maturity		
7.5% Government of St. Vincent and the Grenadines amortising bonds, repayable in 19 equal instalments maturing August 2016	0	24,642
8% Government of St. Vincent and the Grenadines amortising bonds, repayable in 14 equal instalments maturing March 2016	0	35,715
5% St. Vincent and the Grenadines Credit Union League Term Deposits	667,289	645,305
St. Vincent and the Grenadines Credit Union League 4% Central Finance Facility Deposit	14,510	14,510
3.50% St. Vincent Building and Loan Association Special Deposit, maturing August 31, 2017	161,180	161,180
3.50% St. Vincent Building and Loan Association Special Deposit, maturing February 28, 2016	0	252,238
3.50% St. Vincent Building and Loan Association Special Deposit, maturing August 31, 2016	0	303,133
3.50% St. Vincent Building and Loan Association Special Deposit, maturing February 28, 2016	0	172,062
3.50% St. Vincent Building and Loan Association Special Deposit, maturing August 31, 2016	0	190,888
	842,979	1,799,673
Securities available-for-sale		
British American 8.5% Corporate Savings Contract, maturity October 24, 2009	100	100
Eastern Caribbean Co-operative Central Limited	10,000	10,000
FirstCaribbean International Bank (Barbados) Limited - 70,000 common shares, at fair value	210,017	182,696
Shares in Credit Union League - 20,000 shares, at fair value	607,616	607,616
East Caribbean Home Mortgage Bank Shares - 133 shares, at fair value	13,300	13,300
Bank of St. Vincent and the Grenadines - 3,000 common shares	40,981	25,920
St. Vincent Building and Loan Association, permanent shares	188,578	188,578
	1,070,591	1,028,210
Total Investment Securities	1,913,570	2,827,883

The effective interest rates at reporting date were as follows: -

	2016 %	2015 %
Government of St. Vincent & the Grenadines bonds	7.95	7.95
St. Vincent and the Grenadines Credit Union League	3.34	2.02
St. Vincent Building and Loan Association	3.30	3.82

	Available for sale \$	Held to maturity \$	Total \$
At January 1, 2016			
Additions	1,028,210	1,799,673	2,827,883
Appreciation in value	42,381	0	42,381
Disposal/redemption	0	(978,679)	(978,679)
Interest capitalized	0	21,985	21,985
At December 31, 2016	1,070,591	843,079	1,913,570
At January 1, 2015	1,028,210	1,953,242	2,981,452
Additions	0	441,180	441,180
Disposal/redemption	0	(605,232)	(605,232)
Interest capitalized	0	10,483	10,483
At December 31, 2015	1,028,210	1,799,673	2,827,883

9. Investment Securities (Cont'd)

On September 1, 2013, the St. Vincent Building and Loan Association implemented a capitalisation plan which aims at improving its solvency and liquidity positions. As of reporting date, the Credit Union held Building & Loan Association certificates of deposits having a nominal value of \$161,180 (2015: \$1,268,079).

The Credit Union's investment securities currency holdings denominations are as follows: -

	2016	2015
	\$	\$
Eastern Caribbean currency	1,703,553	2,645,187
Barbados currency	210,017	182,696
	<u>1,913,570</u>	<u>2,827,883</u>

10. Investment in Associate

The Credit Union holds a seat on the Board and 27.6% of the outstanding shares of SVG Small Business and Micro Finance Co-operative Limited (COMFI).

	2016	2015
	\$	\$
Investments at the beginning of the year	324,880	409,200
Additions	100,000	0
Share of losses	(189,603)	(84,320)
	<u>235,277</u>	<u>324,880</u>

The investment was initially recognised at \$634,311.

As at reporting date, the net asset value of the associated company was as follows:-

	2016	2015
	\$	\$
SVG Small Business and Micro-Finance Cooperative Limited (COMFI)	763,672	1,112,852

During the year SVG Small Business and Micro-Finance Co-operative Limited (COMFI) was placed in voluntary liquidation. The liquidation is yet to present the company's statement of affairs. Consequently, the Credit Union is unable to assess whether its investment is subject to further impairment.

11. Loans to Members

	2016	2015
	\$	\$
Loans partially secured by shares	22,199,452	21,185,472
Micro loans	248,599	233,974
Mortgage loans	41,160,248	37,254,198
Student loans	2,021,994	2,973,371
	<u>65,630,293</u>	<u>61,647,015</u>
Allowance for loan losses (Note 11.2)	(1,781,697)	(2,201,980)
	<u>63,848,596</u>	<u>59,445,035</u>
Interest receivable net	121,797	226,495
	<u>63,970,393</u>	<u>59,671,530</u>

The effective interest yield during the year on loans to members was 9% (2015: 9%).

11.1. Loans to Members Impairment Analysis

Loans and advances are summarised as follows:

	2016	2015
	\$	\$
Neither past due nor impaired	63,575,923	59,396,326
Past due but not impaired	684,017	100,905
Impaired	1,370,353	2,149,784
Gross	<u>65,630,293</u>	<u>61,647,015</u>
Less: allowance for impairment (Note 11.2)	(1,781,697)	(2,201,980)
	<u>63,848,596</u>	<u>59,445,035</u>
Interest receivable, net	121,797	226,495
	<u>63,970,393</u>	<u>59,671,530</u>

Notes to the Financial Statements
For the Year Ended December 31, 2016
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11. Loans to Members (Cont'd)

Loans to Members Past Due but not Impaired

Loans and advances less than 180 days past due are not considered impaired, unless other information is available to indicate the contrary. The gross amount of loans to members that were past due but not impaired was as follows:

	2016	2015
	\$	\$
Past due up to 30 days	398,964	27,617
Past due 31 - 60 days	169,610	56,749
Past due 61 - 180 days	115,443	16,539
Total	<u>684,017</u>	<u>100,905</u>

11.2. Allowance for Impairment on Loans

The reconciliation of allowance account for losses on loans to members is as follows:

	2016	2015
	\$	\$
Balance at the beginning of the year	2,201,980	2,519,422
Charge for the year	270,000	180,000
Write off	(690,283)	(497,442)
Balance at end of the year	<u>1,781,697</u>	<u>2,201,980</u>

All loans to members are denominated in Eastern Caribbean currency.

11.3. Allowance for Impairment on Loan Interest Receivable

	2016	2015
	\$	\$
Balance at the beginning of the year	476,800	376,801
Charge for the year	99,999	99,999
Balance at the end of year	<u>576,799</u>	<u>476,800</u>

12. Other Receivables

	2016	2015
	\$	\$
Interest receivable	64,171	125,216
Prepaid expenses	44,537	48,867
Other accounts receivable	56,111	122,985
	<u>164,819</u>	<u>297,068</u>

13. Investment Properties

	2016	2015
	\$	\$
Carrying value at beginning of year	3,533,254	3,533,254
Carrying value at end of year	<u>3,533,254</u>	<u>3,533,254</u>

On May 27, 2015, the Credit Union's investment properties were valued by Edric Lewis and Associates, independent valuers, on an open market basis. The directors adopted the combined appraisal value of \$3,533,254 in the Credit Union's records in December 2014.

Notes to the Financial Statements
For the Year Ended December 31, 2016
(in Eastern Caribbean dollars)

14. Property, Plant and Equipment

	Land \$	Building \$	Furniture & Equipment \$	Total \$
At January 1, 2015				
Cost or valuation	2,361,273	6,359,223	1,789,272	10,509,768
Accumulated depreciation	0	(9,979)	(1,215,101)	(1,225,080)
Net book amount	2,361,273	6,349,244	574,171	9,284,688
Year Ended December 31, 2015				
Opening net book amount	2,361,273	6,349,244	574,171	9,284,688
Additions	0	42,840	185,613	228,453
Depreciation charge	0	(132,043)	(201,363)	(333,406)
Closing net book amount	2,361,273	6,260,041	558,421	9,179,735
At December 31, 2015				
Cost or valuation	2,361,273	6,402,063	1,974,885	10,738,221
Accumulated depreciation	0	(142,022)	(1,416,464)	(1,558,486)
Net book amount	2,361,273	6,260,041	558,421	9,179,735
Year Ended December 31, 2016				
Opening net book amount	2,361,273	6,260,041	558,421	9,179,735
Additions	0	392,879	314,402	707,281
Depreciation charge	0	(135,799)	(209,835)	(345,634)
Closing net book amount	2,361,273	6,517,121	662,988	9,541,382
At December 31, 2016				
Cost or valuation	2,361,273	6,794,942	2,289,287	11,445,502
Accumulated depreciation	0	(277,821)	(1,626,299)	(1,904,120)
Net book amount	2,361,273	6,517,121	662,988	9,541,382

On May 27, 2015, the Credit Union's land and building were valued by Edric Lewis and Associates, independent valuers, on an open market basis; the directors adopted the combined appraisal value of \$8,411,148 in the Credit Union's records in December 2014. The excess of appraised value over cost was credited to revaluation surplus.

Depreciation expense of \$345,634 (2015: \$333,406) was charged to general and administrative expenses.

15. Deposits

	2016 \$	2015 \$
Members' demand deposits	16,629,059	12,772,462
Building capitalisation fund shares	11,808,210	11,362,770
	28,437,269	24,135,232

The building capitalization fund shares have varying maturity dates.

The effective interest rates at the reporting date were as follows: -

	2016 %	2015 %
Members' demand deposits	2.73	2.70
Building capitalisation fund shares	4.08	4.74

All deposits are denominated in Eastern Caribbean currency.

Notes to the Financial Statements
For the Year Ended December 31, 2016
(in Eastern Caribbean dollars)

16. Share Capital

Issued Share Capital

	2016 Share Numbers	2015 Share Numbers
Redeemable \$5 par value member shares	8,843,774	8,353,958
Non-redeemable fully paid \$5 par value member shares	466,070	419,342
	2016	2015
	\$	\$
Paid-up Capital		
Reported as Financial Liabilities		
Redeemable \$5 par value member shares	44,218,870	41,769,790
Reported as Equity		
Non-redeemable fully paid \$5 par value member shares	2,330,350	2,096,710
Subscription for non-redeemable \$5 par value member shares	86,535	86,443
	2,416,885	2,183,153
	46,635,755	43,952,943

Each member, notwithstanding the number of shares held, is entitled to one vote. Further, each member is required to hold a minimum of 20 non-redeemable \$5 par value shares.

The Credit Union shall not pay a dividend if its institutional capital is less than 10% of its assets.

17. Statutory Reserve

Article 16.1 of the Credit Union's By-Laws provides that, entrance fees and fines collected from members, and at least 20% of net profits, shall be credited to a Reserve Fund. The Reserve Fund may be used to meet bad debts and other extraordinary losses. The Reserve Fund shall be maintained in a liquid form to satisfaction of the Registrar.

	2016 \$	2015 \$
Balance - beginning of year	3,765,858	3,252,344
Entrance fees	3,560	4,265
Appropriation for year	485,196	509,249
Balance - end of year	4,254,614	3,765,858

18. Development Fund

	2016 \$	2015 \$
Balance - beginning of year	15,359	10,359
Utilization for the year	(5,000)	0
Appropriation	5,000	5,000
Balance - end of year	15,359	15,359

Pursuant to section 125 of the Co-operative Societies Act 2012, the Credit Union shall appropriate such sums, not exceeding ten percent, of net profit to a Development Fund for the development of registered societies. The development fund is not maintained in a segregated fund.

19. Accumulated Other Comprehensive Income

	Revaluation Surplus \$	Unrealized Gain on Investments \$	Total \$
Balance as of December 31, 2015	5,480,157	475,106	5,955,263
Balance as of December 31, 2016	<u>5,480,157</u>	<u>475,106</u>	<u>5,955,263</u>

20. Interest on Loans

	2016 \$	2015 \$
Mortgage loans	3,080,378	2,835,732
Consumer loans	2,031,644	2,146,376
Vehicle loans	330,197	337,101
Education loans	212,251	202,513
Non-productive loans	517	1,684
	<u>5,654,987</u>	<u>5,523,406</u>

21. Investment Income

Investment income comprises:

	2016 \$	2015 \$
Interest on bank deposits and fixed deposits	262,092	245,575
Interest on held to maturity securities	2,816	5,430
Appreciation in available for sale securities	42,381	0
Dividends	20,295	6,387
	<u>327,584</u>	<u>257,392</u>

22. Selling Expenses

	2016 \$	2015 \$
Bad debts (recoveries)	(9,987)	0
Donations	42,556	39,509
Publicity, promotions and sponsorship	221,356	130,511
Scholarship funds	42,200	44,600
	<u>296,125</u>	<u>214,620</u>

Notes to the Financial Statements
For the Year Ended December 31, 2016
(in Eastern Caribbean dollars)

23. General and Administrative Expenses

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

	2016 \$	2015 \$
Agency expenses	0	1,800
Annual general meeting expense	35,305	36,132
Annual licence fee	42,310	43,958
Audit and accounting fees	54,500	53,418
Bank charges	3,366	8,054
Board and committee meetings	129,485	120,332
Cash shorts (overs)	18,123	3,498
Conventions and summits	53,894	30,344
Depreciation expense	345,634	333,406
Electricity	90,911	83,466
General insurance	55,394	53,424
Health and safety	29,042	0
Insurance on loans and shares	359,152	340,595
League dues	63,120	68,636
Professional fees	2,543	55,400
Rates and taxes	6,138	4,606
Repairs and maintenance	58,771	47,788
- building		
- equipment	78,373	60,209
Rental expense	54,900	52,200
Security	99,441	71,403
Staff costs	1,321,595	1,221,526
Stationery and office supplies	121,440	131,287
Communication expenses	179,500	136,977
Travel	13,327	12,810
Water	19,409	16,280
Withholding tax	0	21,136
	<u>3,235,673</u>	<u>3,008,685</u>

24. Income on Death Benefit Plan - Net

	2016 \$	2015 \$
Death benefit contributions	245,010	224,555
Death benefit claims paid	(160,333)	(95,991)
	<u>84,677</u>	<u>128,564</u>

25. Staff Cost

	2016 \$	2015 \$
Bonus	44,359	38,177
Staff medical insurance	26,670	25,056
National Insurance contributions	50,421	48,424
Salaries and wages	1,069,378	1,064,602
Staff training and education	38,343	23,385
Staff uniform	29,757	21,882
Retirement gratuity	62,667	0
	<u>1,321,595</u>	<u>1,221,526</u>
Number of employees at reporting date	<u>35</u>	<u>32</u>

26. Related Party Transactions

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

Directors, committee members and management staff of Kingstown Co-operative Credit Union Limited are considered as related parties.

Loans and Deposits

a. Loans

	2016	2015
	\$	\$
Directors and volunteers	1,066,028	834,438
Staff	1,616,663	1,460,357
	<u>2,682,691</u>	<u>2,294,795</u>

b. Deposits

	2016	2015
	\$	\$
Directors and volunteers	210,633	202,858
Staff	666,897	555,862
	<u>877,530</u>	<u>758,720</u>

c. Key Management Compensation

	2016	2015
	\$	\$
Salaries and wages	556,300	535,035
National Insurance contributions	19,395	19,344
	<u>575,695</u>	<u>554,379</u>

27. Income Tax

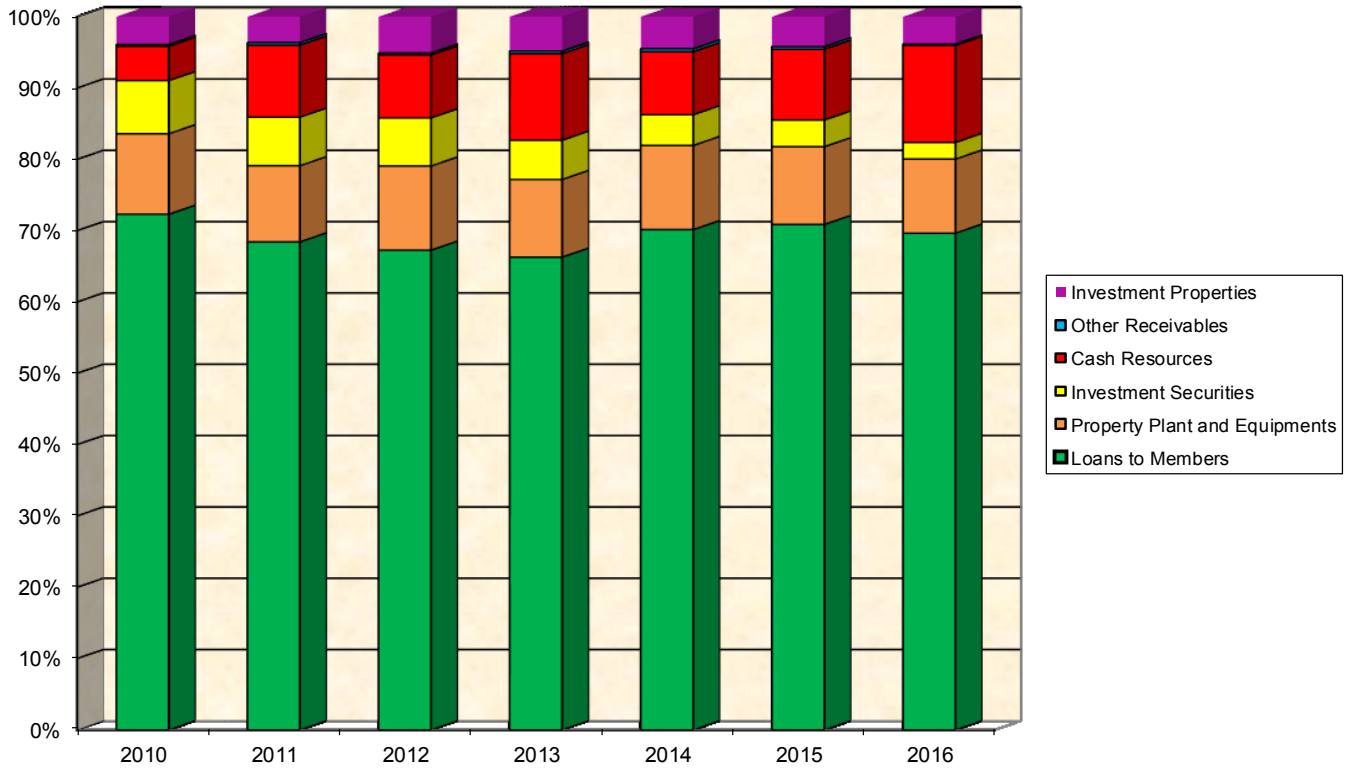
Section 25 (1) (n) of the Income Tax Act exempts Co-operative Societies from income tax.

28. Commitments

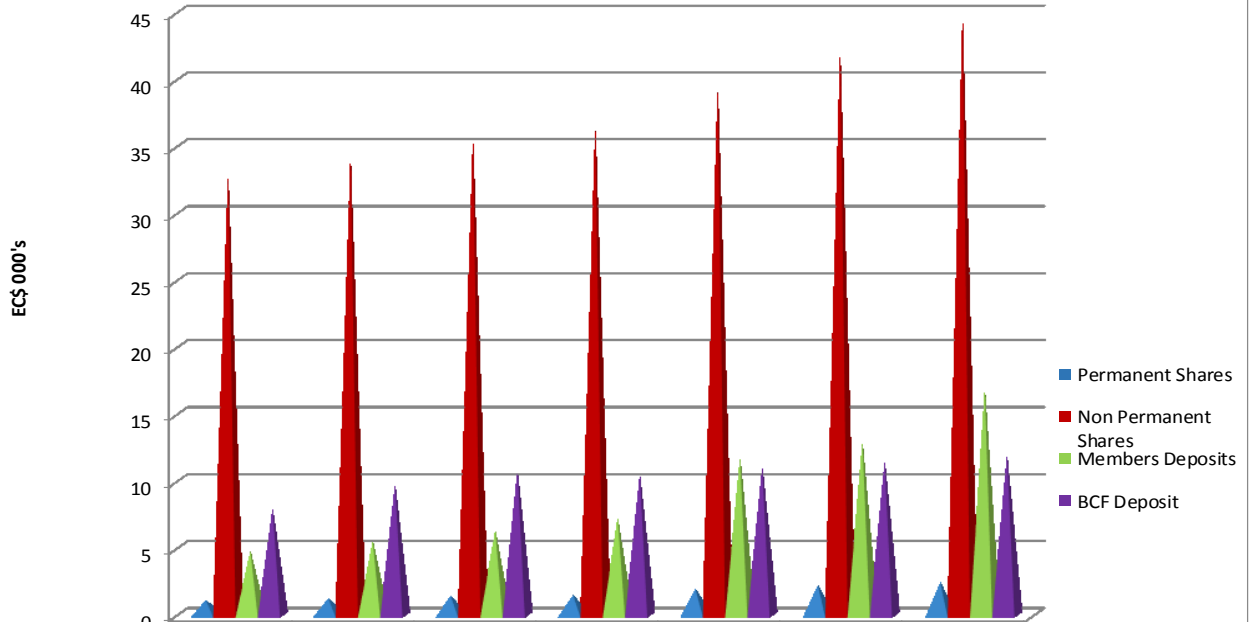
The Credit Union is committed to a monthly rental of \$4,950 for premises under an operating lease.

PEARLS RATIO				
	Financial Ratios	Actual 2015	Actual 2016	Standard
P1	<u>Allowance for loan Losses</u> Delinquency >12mths	102%	130%	100%
E1	<u>Net Loan</u> Total Assets	71%	70%	70-80%
E3	<u>Financial Investment</u> Total Assets	4%	2%	<10%
A1	<u>Total Loan Delinquency</u> Total Loan Portfolio	3.6%	3.2%	<=5%
A2	<u>Non Earning Assets</u> Total Assets	4.6%	3.7%	<=5%
R1	<u>Net Loan Income</u> Average Net Loan Portfolio	9.3%	8.5%	10%
R9	<u>Operating Expense</u> Average Total Assets	4%	4%	5.0%
L1	<u>Net Liquidity</u> Savings	12%	16%	>15%
S9	<u>Increase in Loans</u> Total Loan portfolio of Previous Year	7%	6%	Not Specified
S10	<u>Increase in Total Assets</u> Total Assets of Previous year	7%	9%	Not Specified

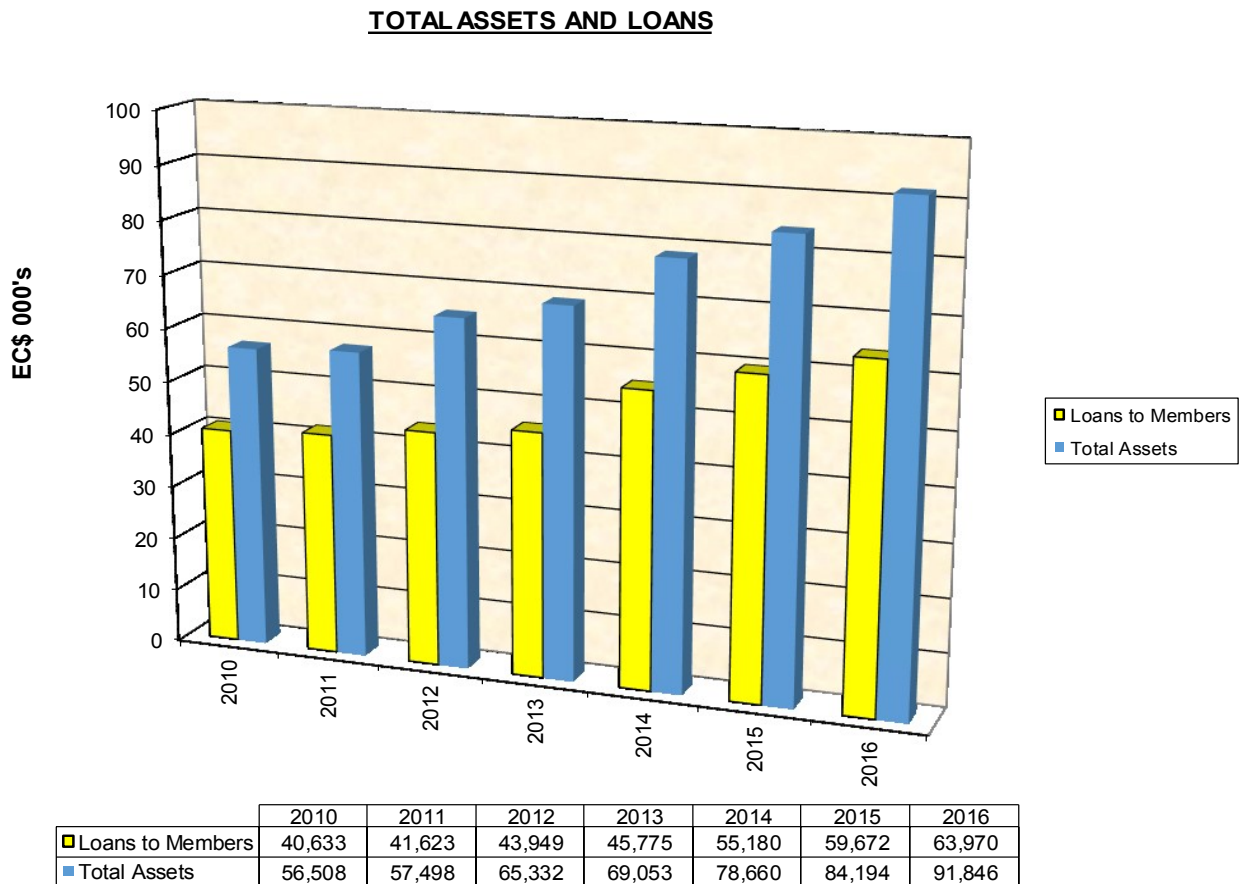
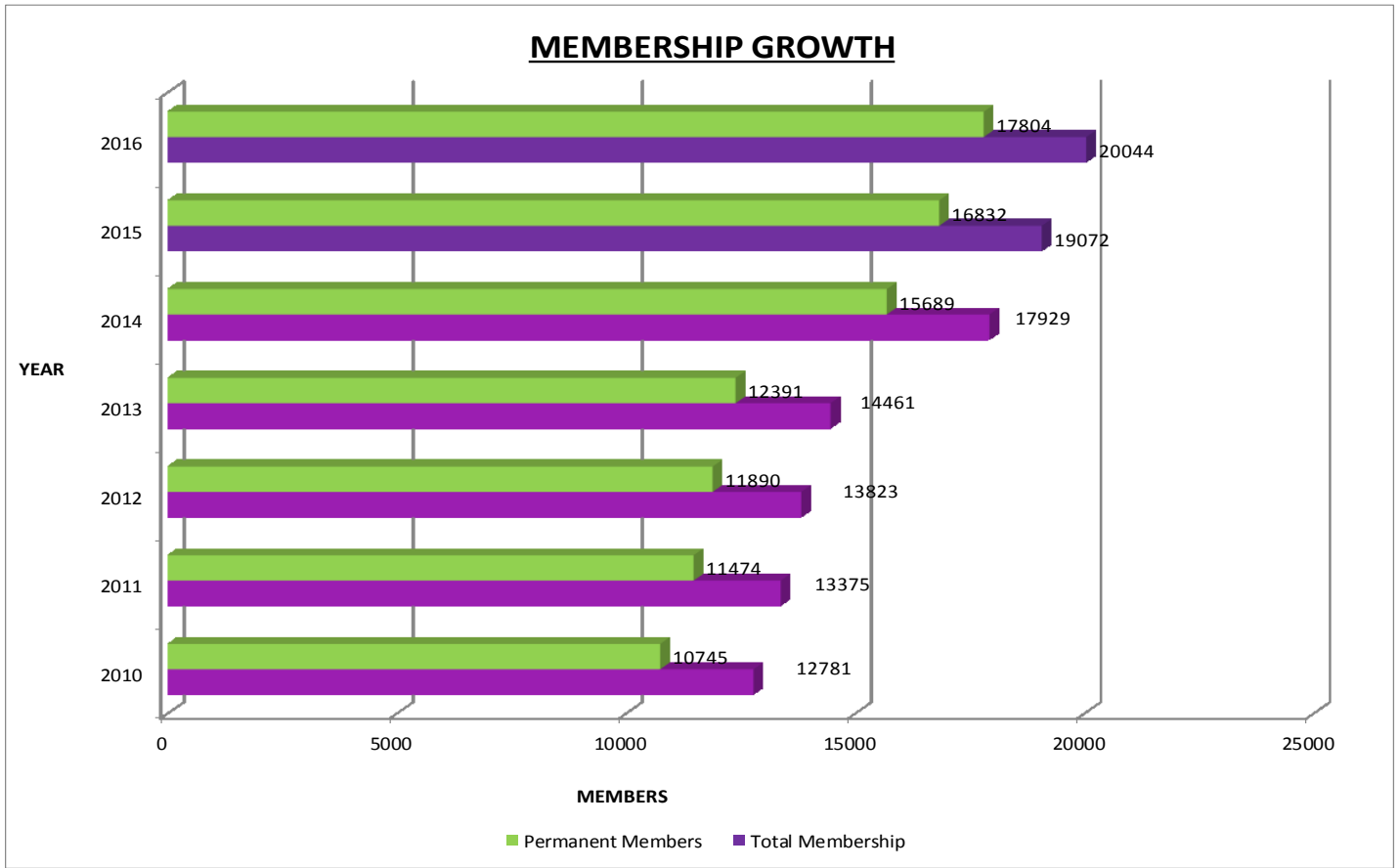
ASSETS



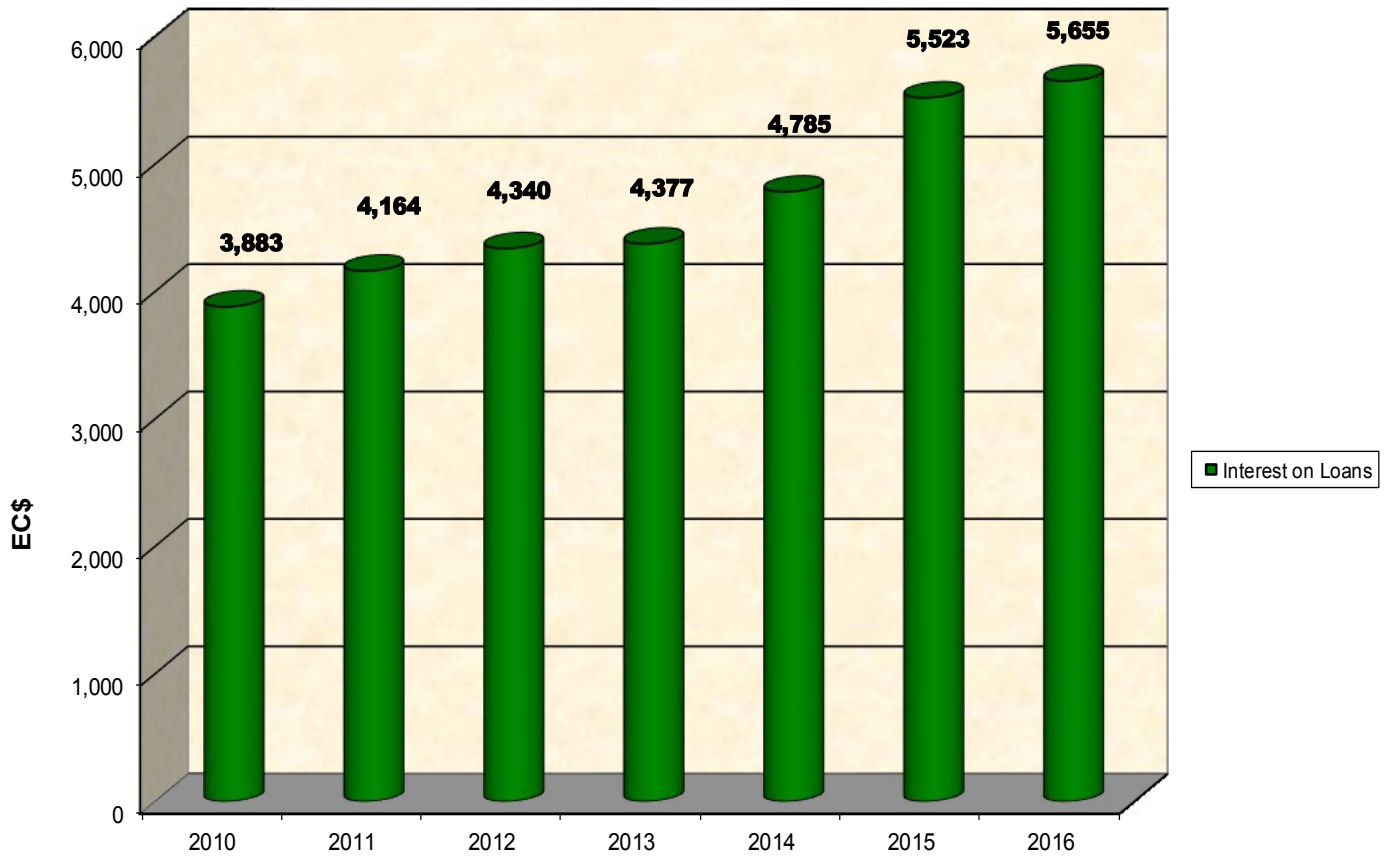
SHARE CAPITAL AND MEMBERS' DEPOSIT



	2010	2011	2012	2013	2014	2015	2016
Permanent Shares	1,079	1,200	1,403	1,457	1,921	2,183	2,416
Non Permanent Shares	32,606	33,795	35,168	36,191	39,181	41,770	44,218
Members Deposits	4,719	5,447	6,265	7,186	11,627	12,772	16,629
BCF Deposit	7,883	9,635	10,664	10,339	10,949	11,363	11,808



INTEREST INCOME ON LOANS



22. CREDIT COMMITTEE REPORT TO THE 55TH ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

22.1 INTRODUCTION

It is with pleasure that the Credit Committee presents this report to the members of the Kingstown Co-operative Credit Union having served you during the year 2016.

The following persons were elected to the Credit Committee at the 54th Annual General Meeting of the Kingstown Co-operative Credit Union which was held on 24th May 2016 at the Peace Memorial Hall.

<u>NAME</u>	<u>POSITION</u>
Bro. Bernard John	Chairperson
Sis. Marcelle Burgin	Secretary
Sis. Kolene Thomas-Williams	Member
Bro. Osneth Cato	Member
Bro. Timothy Scott	Member

The Committee met at its first meeting and Bro. Bernard John and Sis. Marcelle Burgin were elected Chairperson and Secretary respectively.

A total of 40 meetings were held for the year and the attendance was as follows:

<u>NAME</u>	<u>ATTENDANCE</u>
Bro. Bernard John	39
Sis. Marcelle Burgin	37
Sis. Kolene Thomas-Williams	34
Bro. Osneth Cato	40
Bro. Timothy Scott	24

22.2 FUNCTIONS AND OPERATIONS OF THE CREDIT COMMITTEE

The Credit Committee plays a pivotal role in the operations of the Credit Union. The duties of the Committee are stipulated in the Co-operatives Society Act and the KCCU Bye Laws. The Credit Committee meets every Tuesday at 5pm to review loans beyond the threshold of the internal management; and or interview or provide financial counselling to members experiencing financial difficulties. The Committee also conducts periodic checks on loans granted by the internal management to ensure that we are in compliance with the lending regulations and the Credit Union's loan policies approved by the Board.

At each monthly Board meeting, the Chairperson of the committee would table a report on the activities of the previous month.

22.3 OVERVIEW

The year 2016 proved to be rather challenging for the Credit Committee, the members and for the credit union on a whole. Like 2015, the demand for loan products and the servicing of loans continued to be hampered as a result of the challenging economic times being experienced locally and internationally. Additionally, other financial institutions in the market continued to operate with a fierce competitive spirit. Consequently, a few loans (mainly mortgages) were taken over by other institutions that offered a lower interest rate on similar loan products; members also opted for loan consolidation packages by other institutions that improved their financial position. However, having considered the changing economic times, the Credit Union adjusted in order to serve the members even better.

The Credit Committee reviewed a number of loan requests by members who were experiencing high debt service ratios (in excess of 95%) and were still attempting to borrow, thus continually worsening their financial position, especially in cases where consolidation proved to be difficult. The year under review indicated that there is a need for increased financial counselling to members.

The members of KCCU would come to realize that the Credit Union is like family and that no member should be reluctant to communicate with loan officers, management, committees, the Board when experiencing financial difficulties. It is through the constant communication and accurate disclosure of information that the Credit Union is able to provide the necessary solution that is mutually beneficial to KCCU and the members, in line with established loan policies by the Board of Directors and in compliance with the local regulators.

22.4 LOAN APPLICATION AND APPROVALS

Loans reviewed decreased from **3310** in 2015 to **2854** in 2016, which represents a decline in the number of loans by 456 or 13.8%.

Loans approved for the year 2016 totaled **2745**, a fall off by 13.9% when compared to 2015.

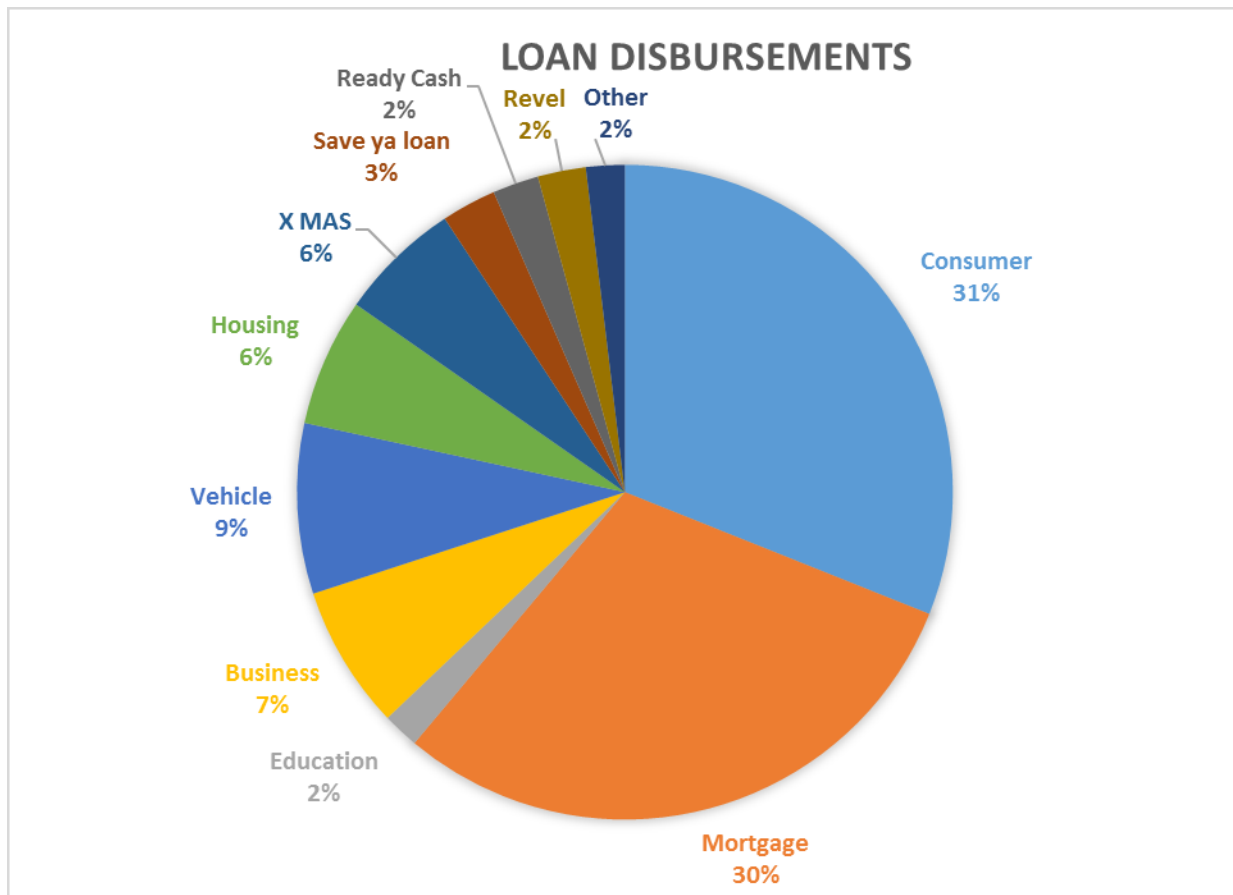
The value of loan applications reviewed in 2016 amounted to \$22.99 million, a 12.7% decrease compared to the \$26.34 million in 2015. Of this \$22.99 million in 2016, 74.6% or \$17.56 million was approved.

22.5 LOAN ANALYSIS

<u>Year</u>	<u>Loans Reviewed</u>	<u>Loans Approved</u>	<u>Value Reviewed</u>	<u>Value Approved</u>
2016	2854	2745	\$22,992,032.00	\$17,561,851.00

22.6 LOAN DISBURSEMENTS

For the year under review, the bulk of the loans disbursed were in consumer loans and mortgages, which accounted for 31% and 30% respectively. Vehicle loans accounted for 9%, Business loans 7%, Housing 6%, and X MAS 6%.



22.7 DELINQUENCY

The delinquency rate as at December, 2016 stood 3.1%, an improvement from the 3.65% rate as at December, 2015.

The Credit Committee would like to use this medium to praise the staff of KCCU as they were able to maintain a low level of delinquency for the period under review.

22.8 ACKNOWLEDGEMENTS

On behalf of KCCU, the Credit Committee would like to thank all members for their continued business with the credit union. We acknowledge your efforts made to honour your commitments with the credit union, whether it may be through the repayment of loans or your personal continuous savings, which aids in making KCCU and on a whole, the credit union movement in St. Vincent and the Grenadines, strong. Members who continue to disclose accurate information, we commend you. Members who are having difficulties meeting commitments, we also commend you for sharing this information with us so that we are more equipped to serve you.

We also take this opportunity to thank the management and staff, other committees and the Board of Directors for their unwavering support.

The Credit Committee looks forward to serving you the members of KCCU for another year with pride and dignity.



Bernard John
Chairperson



Marcelle Burgin
Secretary

23. SUPERVISORY COMMITTEE REPORT TO THE 55TH ANNUAL GENERAL MEETING OF THE KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

23.1 Introduction

At the 54th Annual General Meeting, in keeping with Section 8.1 & 2 of the By-Laws of the KCCU, no new members were elected to the Supervisory Committee as there were no retiring members. The committee comprised of the following persons and their attendance:

<u>Name</u>	<u>Position</u>	<u>Regular meetings</u>	<u>Joint meeting/Seminars</u>
Rohan Providence	Chairman	30	3/5
Gale Thorpe	Member	21	3/4
Steve Millington	Secretary	30	3/3
Franklyn Linley	Member	22	3/2
Allain Weekes	Member	26	3/2

The Supervisory Committee met thirty (30) times for the year, this consisted of Sixteen (16) regular meeting and fourteen (14) review sessions . The Committee was involved in three joint meetings with the Board, attended three league meetings/seminars and the OECS Credit Union Summit. We convened our first meeting on June 8 2016, and elected our Chairman and Secretary in accordance with Section 8 of the KCCU By-Laws.

23.2 SCOPE

In accordance with the KCCU By-Laws section 8.10, the Supervisory Committee monitored all aspects of the Credit Union’s activities. It is charged with the responsibility of ensuring that the Credit Union is prudently managed and members’ assets are safeguarded. This responsibility includes, but is not limited to the following:

- Examining the books of the Society
- Scrutinizing and appraising the policies and operating procedures;
- Confirming cash instruments, property and securities of the Society;
- Confirming the shares, deposits and other balances or holdings of members;
- Monitoring the management of the Society
- Liaising with the Compliance Officer
- Auditing the functions of the management and staff;
- Auditing the asset-liability management and liquidity of the credit union
- Focusing on the risk management of the credit union;
- Verifying of the assets of the society to determine whether they were properly protected

- Investigating complaints made by members affecting the proper management of the credit union;
- Random verification of a sample of members' pass books and records/accounts held at the Credit Union;
- Ensuring that all advances, loans, deposits, other transactions and decisions involving Directors, Committee members and employees are in compliance with the Co-operatives Societies Act 2012, Regulations, By-Laws and Policies of the Credit Union.

23.3 PERFORMANCE

The Supervisory Committee met in June 2016 and developed a work plan in order to fulfill its responsibilities, obligations and monthly duties. It was decided that the committee would meet three Wednesdays per month at 5:00pm.

The Supervisory Committee continued its effort to comply with KCCU's By-Laws, rules and Regulations. We evaluated and addressed the issues and lessons learnt from the operations of the previous Supervisory Committees. We also looked at the safety and security of staff, property and document storage. In addressing the various issues, the members undertook several site visits to all our branches.

Three Committee members attended the 14th Annual OECS Credit Union Summit which was held in St. Vincent at the Buccament Bay Resort September 14th to 18th 2016 under the theme 'Strengthening OECS Credit Union Co-operation, Integration and innovation'. The summit highlighted a number of issues that are affecting the credit union movement as well as potential challenges. Among these are the issues of de-risking and the loss of CBR and the absence of an Advocacy Committee or Council to negotiate with regulators and other parties on behalf of the movement regionally and in local jurisdictions.

The Committee also attended monthly meetings of the Board and was present at several meetings of the Credit Committee in keeping with its mandate. The Committee met with the Board twice during the period. During these meetings with the Board, We highlighted our ongoing review of the 2015 audit report that was conducted by the FSA, and conducted follow up on the Board's implementation of the FSA recommendations.

23.4 HIGHLIGHTS

Internal Audit and Controls

The Compliance Officer has been performing at an above acceptable level the role as laid out in Section 67 of the Co-operative societies act 2012, with regular reports being presented to the Board. The Committee has highlighted the need for continued training in the area of AML and CTF for the officer and staff in keeping with the Financial Services Authority (FSA) review report dated February 2016. Key areas were audited, to ensure compliance with internal and administrative controls:

- All Branch operations
- Cashier operations and Cash Security
- Loans and Delinquency
- Bank Reconciliations
- Anti – Money Laundering and Counter Terrorism Financing

In light of the above, reviews were conducted on the various activities, Board and Committee minutes were reviewed to assess whether actions were taken with respect to recommendations from the compliance officer, the Supervisory Committee and the FSA. We are pleased to report that the Management and Board has been endeavoring to implement the recommendations and in some cases are reviewing the necessary action to improve performance, internal controls and transparency of the Credit Union.

Corporate Governance

The Supervisory Committee continuously monitors and reviews the activities of the Board and its Management. We completed review of the Board minutes and submitted our recommendations and guidance in accordance with the Credit Union’s guiding principles.

The Credit Union, for all intent and purposes, may be deemed a public interest entity and professional and ethical attitudes, behavior and considerations should always dictate its dealings with its many stakeholder internally and externally, inclusive of its member-owners. The Board and Management in the estimation of the Committee has in most cases exhibited these commendatory qualities of good corporate governance. This conclusion was arrived at from the constant review of the day to day operations as we consulted with and provided advice on the effective implementation and development of the operational plans and procedures of the Credit Union. Coupled with the fact that the credit union management so ably achieved a substantial quantity of its performance indicators.

The Committee also reviewed personnel files and have found no matters to cause undue concerns that would infringe on or impede the internal controls in place to protect members, as well as, the KCCU.

Management has also been seeking to implement the recommendations from the FSA, the Compliance Office and the Supervisory Committee in the effective management of the Credit Union. We express with confidence, that nothing has come to our attention that would lead us to believe that the controls in place are inadequate to protect the assets and members of the KCCU.

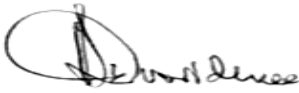
The Committee further encourages continuous reviews and improvement of the internal controls, ensuring the highest level of integrity and a sustainable future for the KCCU and its member-owners.

Information Technology

The credit union is successfully utilizing the developments in technology in promoting and encouraging and at the same time attracting business. Not only has management developed and operate a fully functional website , the Credit Union saw the launching of its mobile app. These two developments places the Credit Union in a strong marketing and portfolio development position, solidified by it strong customer friendly user interface. They have placed KCCU in a competitive position within the industry with the provision of these online services.

23.5 ACKNOWLEDGEMENTS

The members of the supervisory Committee express our gratitude to the members of the Credit Committee, the Education Committee, the Compliance Officer, the Board of Directors, Management and staff of the Credit Union for the assistance and support provided during the period under review. Your input, advice and guidance was greatly appreciated. We thank you the member-owners for granting us the opportunity to serve the Credit Union.



Rohan E. Providence
Chairman



Steve Millington
Secretary

24. EDUCATION COMMITTEE REPORT TO THE 55TH ANNUAL GENERAL MEETING OF THE KINGS TOWN CO-OPERATIVE CREDIT UNION LIMITED

24.1 INTRODUCTION

The Education Committee is pleased to present this report to the 55th Annual General Meeting on the activities accomplished for the year 2016.

24.2 MEMBERSHIP

The following members were appointed by the Board of Directors to serve on the Education Committee following the 54th Annual General Meeting:

Sis. Juanika Joseph	Chairperson
Sis. Lucille Browne	Secretary
Bro. Javan John	Member
Sis. Arlette Maloney	Member
Sis. Joselle White	Member

24.3 MEETINGS

The Committee established that three (3) meetings will be held per month which were scheduled for the first, second and last Mondays. However, considerations would have been made to hold additional meetings when needed in order to fully plan and execute important matters or specific activities.

24.4 YEAR IN REVIEW

The main focus for the period under review consists of the KCCU Secondary School Scholarship Awards, the National KCCU Dance Festival, the KCCU Senior Care Day, the KCCU Annual Primary School Quiz, newsletter and orientation sessions.

24.5 ORIENTATION SESSIONS

One of the aims of orientation is to sensitize new Members about the difference between Credit Unions and Banks. Members are introduced to the Co-operative Philosophy and History, Principles and Values, and are given information on how they can benefit from KCCU's financial services.

During the period under review, one orientation session for new members was held in the Reuben John Development Centre at the Headquarters in Kingstown. The sessions featured presentations from Committee Members, the Chief Executive Officer, and other members of the Senior Management team of KCCU. Financial management was a key presentation that was very interactive and well received by members present at sessions. Members' feedback has revealed great appreciation for KCCU's 'personal touch' and willingness to educate the masses.

Seasoned Members who would like to be 're-oriented' on the Credit Union Affairs can attend!

24.6 SPONSORSHIP AND DONATIONS

The KCCU continued to extend financial and other support to many entities as part of its Corporate Social Responsibility. Sponsorships were extended to support various activities, groups, institutions, programmes and individuals. These include but are not limited to:

- St. Vincent Grammar School & Girls' High School Road Relay
- KCCU Dance Festival (biennial event)

24.7 KCCU SECONDARY SCHOOL SCHOLARSHIP

The 2016 KCCU Scholarship holders were as follows:

Academic Scholarship Recipients:

- Anju Dowers
- Eduardo Gibbons

Socio Economic Scholarship Recipients:

- Zavorn Campbell
- Ronaldo Knights

Bursaries:

- Academic: Reynold Williams
- Socio-Economic: Maurissa Durrant

The Award Ceremony took place at The Frenches House on July 21, 2016 and Justene Farrell was the featured speaker.

The Education Committee is pleased to report that the scholarship holders are maintaining acceptable averages. The Committee continues to meet with students whose grades dwindled slightly in an effort to encourage them to improve their performances, and will continue to monitor their progress closely to ensure they maintain the standards set by the organisation.

24.8 KCCU ANNUAL PRIMARY SCHOOL QUIZ

Eighteen schools registered and took part in the preliminary that was held at the St. Vincent Grammar School on November 19, 2016. The finals of the 2016 KCCU Annual Primary School Quiz was held on November 26, 2016 at the Reuben John Development Centre. The competition of the finals consists of three rounds: multiple choice, close ended and buzzer. Students were quizzed on varying questions from five (5) categories: Credit Union Affairs, Current Affairs, General Knowledge, History and Sports. The six schools that advanced to the finals were:

- | | |
|-------------------------------|---------------------------------|
| Kingstown Government School | C.W Prescod Primary School |
| Biabou Methodist School | Calliaqua Anglican School |
| Fitz Hughes Government School | Pamelus Burke Government School |

Overall Winners		
1st	C.W. Prescod Primary School	Zachary Henry and Darryl King
2nd	Calliaqua Government School	Joshua Wills and Nequest John
3rd	Kingstown Anglican School	Ronicia Duncan and Fennique Pitt

24.9 SENIOR CARE DAY

The Education Committee in conjunction with the Board of Directors, Management and Staff hosted another successful day for senior members on October 29, 2016. The event took place at the Rawacou Recreational Park with over 110 seniors in attendance and included a presentation on Sexual Health: "Erectile Dysfunction and Menopause, blood pressure and sugar tests, massages and manicures, ring games, dominoes, karaoke and arts and craft. Seniors were also given the opportunity to share testimonies to express how they benefited significantly from being members of the Credit Union.

24.10 CONCLUSION

The Education Committee wishes to express its sincerest thanks to the Board of Directors, Chief Executive Officer, other Committees, the Staff and the General Membership for their untiring support throughout the period.



Juanika Joseph
Chairperson



Lucille Browne
Secretary

2016 IN REVIEW

SENIOR CARE DAY



DANCE FESTIVAL



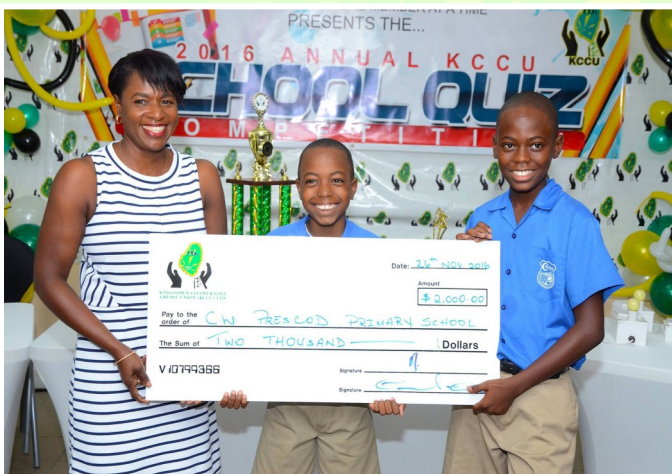
KCYC SUMMER CAMP-CANOUAN



KCYC SUMMER CAMP-CANOUAN



ANNUAL PRIMARY SCHOOL QUIZ



ANNUAL PRIMARY SCHOOL QUIZ



2016 IN REVIEW

KCYC SUMMER CAMP-KINGSTOWN



BEQUIA GENERAL MEETING



SVG GRAMMAR SCHOOL ROAD RELAY



GIRLS HIGH SCHOOL ROAD RELAY



KCCU MOBILE APP LAUNCH



ORIENTATION SESSION



2016 IN REVIEW

OECS CREDIT UNION SUMMIT



OUTREACH PROGRAMME



MARRIAQUA BUILDING CONSTRUCTION



STAFF AWARDS



STAFF AWARDS



STAFF AWARDS



2016 IN REVIEW

FUN DAY



CUSTOMER SERVICE



CUSTOMER SERVICE



TRAINING



SCHOLARSHIP AWARD CEREMONY



CUSTOMER SERVICE







KINGSTOWN CO-OPERATIVE CREDIT UNION LIMITED

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Website: www.kingstowncreditunion.com

Business Hours

Monday-Friday 8:00 am—4:00 pm

Saturday: 9:00 am—12:00 noon

KCCU-Go MOBILE APP



KCCU

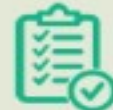
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