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16th ANNUAL GENERAL MEETING

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30TH APRIL 2019
3:00PM

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STANDING ORDER

- 1) *a. A member is 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 chairperson to do so, after which he/she shall immediately take his/her seat.*
- 3) *No member shall address the meeting except through the chair.*
- 4) *A member shall not speak on the subject 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 have no to reply).*
- 6) *No speeches to be made after the "Question" has been put and carried or postponed.*
- 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 order)*
- 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- 11) *When a motion is withdrawn any amendment to it falls.*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 amendment, and if the chairman does not exercise his/her casting vote, the amendment Is "lost".*
- 14) *Provision to be made for protection by the chairperson from Vilification (Personal Abuse).*
- 15) *No member shall impute improper motives against another member.*

CREDIT UNION PRAYER

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

*O Divine Master,
Grant that i may not so much seek to be consoled,
as to console;
To be understood, as to understand;
To be loved, as to love;
For it is in giving, that we receive;
It is pardoning, that we are pardoned;
And it is in dying, that we are born to eternal life,
Bless, o lord our deliberations and grant that
whatever
we may say and do will have thy blessing and guid-
ance through Jesus Christ our lord. Amen!*

Prayer of St. Francis of Assisi

THE NATIONAL ANTHEM

*Saint 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 Isle,
Your mountains high, so clear and green,
Are home to me, though I may stray,
A haven, calm serene.*

BROTHERS IN COOPERATION

*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,
there's the seed that now up- springing, Hope to many
a heart is bringing, all our moans we'll change to
singing Aye, throughout the world.*

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

REFRAIN:

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

Words By: Phyllis Punnett

Music By: Joel Miguel

CORPORATE INFORMATION

REGISTERED OFFICE

Police Headquarters
Central Police Station
P O Box 835
Kingstown

DATE OF REGISTRATION

January 16th 2003

BOARD OF DIRECTORS

Bro.	Horace	Williams	President
Bro.	Richard	Browne	Vice President
Sis.	Kathleen	Nanton-Davis	Secretary
Bro.	Michael	Charles	Treasurer
Bro.	Cecil	Straker	Assistant Secretary/Treasurer
Bro.	Junior	Simmons	PRO (Resigned during the year)
Bro.	Randolph	Rogers	Director (Resigned during the year)
Sis.	Antonio	John	Director (Replacement)
Sis.	Ruth	Jacobs	Director (Replacement)

GENERAL MANAGER

Sis.	Ayanna	Samuel	Manager
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CREDIT COMMITTEE

Bro.	Timothy	Hazelwood	Chairman
Bro.	Levon	Murray	Secretary
Bro.	Angus	Morris	Member
Bro.	Enville	Williams	Member
Bro.	Elton	Jackson	Member

SUPERVISORY & COMPLIANCE COMMITTEE

Bro.	Kenroy	Boucher	Chairman
Sis.	Antoino	John	Chairperson (Resigned during the year)
Bro.	David	Wright	Member
Sis.	Heather	Williams	Member
Sis.	Lovitha	Boyea	Member

EDUCATION & MARKETING COMMITTEE

Sis.	Esther	Mc Barnette	Chairperson
Sis.	Nikeshia	Layne	Member
Sis.	Racquel	Holder	Member
Bro.	Dexter	Sutherland	Member
Sis.	Lanique	Providence	Chairperson (Resigned during the year)
Sis.	Karla	Timm	Member (Resigned during the year)

BANKERS

Bank of St. Vincent & the Grenadines

AUDITOR

BDO Eastern Caribbean

REGULATOR

Financial Services Authority (F.S.A)

SOLICITORS

Ranelle L.K Roberts-Williams

STAFF PROFILE

Mrs.	Ayanna	Samuel	Manager
------	--------	--------	---------

Administration Department

Mr.	Carlton	Thomas	I. T Technician
Ms.	Bria	Williams	Administrative Secretary
Ms.	Nazinga	Harry	Receptionist
Mrs.	Mary	Jack	Office Attendant / Cleaner

Loans Department

Mr.	Ivan	Vaughan	Loans Supervisor
Ms.	Resa	Mc Millan	Recoveries/Securities Officer
Ms.	Curlene	Ackie	Loans Officer
Ms.	Kathleen	Jack	Loans Officer

Accounts Department

Mrs.	Devon	Wright-Caine	Accountant (Ag)
Ms.	Sophia	Mc Fee	Senior Accounts Clerk
Mr.	Dilshorn	Peters	Accounts Clerk (Study Leave)
Mr.	Akiki	John	Junior Accounts Clerk (Left during the year)
Ms.	Subrina	Richards	Junior Accounts Clerk
Mr.	Dale	King	Cashier (Yes Worker) (Left during the year)
Mr.	Lee	Bullock	Cashier
Ms.	Denisha	Young	Cashier (Left during the year)
Mrs.	Nadine	Foster	Cashier



Employee of the Year 2018

Ms. Bria Williams, Administrative Secretary

NOTICE & AGENDA OF THE 16TH ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of the St. Vincent and the Grenadines Police Co-operative Credit Union Limited is scheduled to take place on Tuesday, 30th April 2019 at 3.00 pm, third floor at the SVG Police Credit Union Building, Bay Street, Kingstown.

AGENDA

Opening Sessions

1. Call to Order
2. Prayers/National Anthem/Credit Union Song
3. Apologies for Absence
4. Minute of silence for deceased
5. Greetings - Fraternal Organizations
6. Vote of Thanks

Business Sessions

7. Adoption of Standing Orders
8. Ascertainment of Quorum
9. Minutes of the 15th Annual General Meeting
10. Correction/ Amendment and Confirmation of the Minutes
11. Matters Arising from the Minutes of Last A.G.M

12. Reports:

- ◆ Board of Director's
- ◆ Auditor's
- ◆ Credit Committee's
- ◆ Supervisory & Compliance Committee's
- ◆ Education & Marketing Committee's

13. Elections:

- ◆ Board of Directors
- ◆ Credit Committee
- ◆ Supervisory & Compliance Committee
- ◆ Auditor

14. New Business

- ◆ Loan Insurance
- ◆ Resolution for Capital Restructuring

15. Any other Business

16. Adjournment

Co-operatively yours


Sis. K. Nanton-Davis
Secretary

Minutes of the 15th Annual General Meeting of the St. Vincent and the Grenadines Police Co-operative Credit Union Limited (SVGPCCU) held on Tuesday 5th June, 2018 at the SVG PCCU third floor.

1. Call to Order

The opening session of the Fifteenth (15th) Annual General Meeting (AGM) of the St. Vincent and the Grenadines Police Co-operative Credit Union Limited (SVGPCCU Ltd.) was called to order at 2.22 pm and chaired by Bro. Randolph Rogers, Director. Bro. Rogers welcomed all to the meeting.

2. Prayers

Prayer was offered by Sis. Kathleen Nanton-Davis.

National Anthem

The National Anthem was rendered on pan by Bro. Delano Bristol, a member of the R.S.V.G Police Force Band.

Credit Union Song

Bro. Curtis Clarke led the meeting into the singing of the Credit Union song.

3. Apologies for Lateness/Absence

Apologies were made for executive members who were late or absent.

4. Minute of Silence for deceased

Bro. Danroy Cozier

Bro. Conroy John

Bro. Worrel Mapp

5. President's Message

Bro. Horace Williams delivered the President's message. He welcomed the members to the SVGPCCU 15th AGM. The President stated that the year in review was an eventful and challenging one, but SVGPCCU continued to focus on the "People over Profit" philosophy. The President further stated that what makes SVGPCCU different are its members.

The President highlighted the activities which the Credit Union has embarked on during the year. In this regard, he mentioned SVGPCCU's partnering with Global Integrated FinTech Solutions (GIFTS) for the installation of an Automated Teller Machine (ATM) which would be placed at the entrance of the office on the PCCU's ground floor. He concluded by thanking everyone who contributed to the SVGPCCU in 2017.

6. **Greeting from Fraternal Organizations**

Greetings were brought from sister organizations by the following representatives:

Jozelle White	-	KCCU
Suzan Clarke	-	SVG Co-operative League
Brenford Findlay	-	SVG Teachers Credit Union
Gary Matthias	-	GECCU
Mikous Augustus	-	SVG Automotive Co-operative Society
Nyasha Browne	-	FSA

Vote of Thanks

Sis. Resa McMillan, Recoveries Officer, gave the vote of thanks in which she thanked Mr Delano Bristol for rendering the National Anthem. She also thanked representatives from fraternal organizations for their words of encouragement and the general membership for attending the opening session of the fifteenth (15th) AGM of SVGPCCU.

7. **Business Session**

The business session of the fifteenth (15th) Annual General Meeting was called to order and chaired by Bro. Randolph Rogers.

8. **Adoption of the Standing Orders**

The Standing Orders were adopted on a motion moved by Bro. Brenton Smith and seconded by Sis. Catherine Cuffy.

Amendment of Agenda.

On a motion moved by Bro. Elton Jackson and seconded by Bro. Timothy Hazelwood, the agenda was amended to have reports of the committees followed immediately by elections of the said committees.

9. **Minutes of Fourteenth Annual General Meeting**

The minutes of the 14th AGM were perused by members.

10. **Corrections/Amendments**

The minutes of the fourteenth (14th) Annual General Meeting were corrected and amended by the general membership.

11. Confirmation of Minutes

On a motion moved by Bro. David Wright and seconded by Bro. Henry Delplesche, the minutes of the fourteenth 14th Annual General Meeting, held on the third floor of SVGPCCU on June 5th, 2018, were confirmed.

The motion was put to a vote and carried unanimously unopposed from the floor.

12. Matters Arising from the Minutes of the last AGM

There were no matters arising from the minutes of the last AGM.

13. Reports

13.1 Board of Directors

The President, Bro. Horace Williams presented the report and it was accepted as read.

The Board of Directors (BOD) reported on the year in review. In that said year two (2) directors resigned: Bro. Jovarni Browne and Sis. Catherine Cuffy. Two members filled those vacant positions — Bro. Randolph Rogers and Sis. Kathleen Nanton-Davis.

Membership

SVGPCCU's membership for the year 2017 stands at 2,604. There was an increase of 399 members or 18% growth when compared to 2016.

The President stated that the Junior Savers Account had an increase of 201 - 567 members in 2016 as compared to 768 in 2017.

Delinquency

SVGPCCU's delinquency rate remains constant at 3%.

Sponsorship/Donation

SVGPCCU continues to fulfill its corporate social responsibility and embraces new avenues to assist individuals.

PCCU's Scholarship

Regarding the granting of scholarship, the President informed the membership that the initiative began in 2015. In 2017, three (3) more scholarships were awarded to successful CPEA students who hold accounts at the Credit Union. They are as follows: Allister Forbes, Khamala Mars and Steven Millington. These scholarships are for a period of seven (7) years. SVGPCCU now has a total of nine (9) scholarship holders.

Insurance

The SVGPCCU continues to explore various avenues of loans insurance which are feasible for the Credit Union and its members. To this end, SVGPCCU has solicited the expertise of Mr. Royron Adams of Adams Insurance Brokers to look at the coverage of loans for members.

Training for Staff and Committee Members

The Board of Directors and Committees were engaged in training organized by the Co-operative League. In addition, the staff accessed training on IFRS 9 and the management continues to offer in-house training for all staff members.

Condolences

The Board of Directors, Committees, Management and Staff extend condolences to the families and friends of members who died during the year.

Deaths in 2017

- Bro. Danroy Cozier
- Bro. Conroy John
- Bro. Worrel Mapp

Interest & Dividend

Due to the loss experienced this year, no dividend will be paid on Equity Shares and Preference shares. The Board of Directors however proposes a 1.5% interest on members' shares and deposit for 2017.

The Way Forward

- ◆ ATM and Online Banking Services
- ◆ Fulfill members' needs
- ◆ Recruit new members
- ◆ Re-Activate dormant accounts
- ◆ Risk management
- ◆ Human Resource capacity building

- ◆ Strengthen the relationship between members, management and staff
- ◆ Continue fulfilling Corporate Social responsibilities
- ◆ Increase Financial wealth that can be passed on to members

Appreciation

The Board of Directors acknowledges the dedicated staff and management for their continuous hard work. The BOD also acknowledges the contribution of the volunteers on the Board of Directors, Credit Committee, Supervisory and Compliance Committee; and Education and Marketing Committee.

In addition, the Board of Directors wishes to thank the FSA, the SVG Co-operative Credit Union League and our sister Credit Unions for the roles they have played in assisting the SVGPCCU during the year under review.

Questions

Bro. Kenroy Boucher asked about the loss that the SVGPCCU experienced for the year under review.

The President informed him that the Treasurer will explain the loss in his report.

Bro. Collin May asked about the resignation and present position of Sis. Kathleen Nanton-Davis to the Board of Directors. He noted that she was nominated for the Supervisory and Compliance Committee at the last Annual General Meeting. He enquired as to what measures were taken and if someone can move from one Committee to the next and on whose recommendation.

The President answered by pointing members to Section 46 (1) of the Bye-Laws. This section speaks of how a person can become directors if someone resigns; once there is a quorum of directors, they can select a person to fill any vacant position.

Sis. Neva Cordice of the FSA informed the meeting that Sis. Kathleen Nanton-Davis resigned from her position on the Supervisory and Compliance Committee.

Bro. Brenton Smith commented on the ATM; he said concerns were raised before in terms of fraud and theft. He asked what measures if any will be put in place for the implementation of an ATM.

The President informed the members that through dialogue with Global Integrated FinTech Solutions (GIFTS) those things were mentioned and assurance were given that the system was secured against fraud and theft.

The President thanked everyone for their attendance and participation.

14. Treasurer's Report & Auditor's Report

Bro. Michael Charles delivered the Treasurer's Report for the year ending December 31st 2017, and asked that it be taken as read. He noted that the SVGPCCU has faced many financial challenges for the year under review but it remains financially stable in spite of these challenges.

Bro. Charles noted on to the Financial Analysis. He noted that total assets increased by \$2,423,092 or by 16%. This he attributed to the increase in cash resources and the loans portfolio. Loans to members grew by 15% and the increase demand for loans was evident in personal and vehicle loan categories. There were significant increases in the cash resources in 2017; \$1,023,145 or 68% over 2016. Bro. Michael Charles invited the Auditor, Mr. Reuben John of BDO, to present the Financial Statements.

Mr. Reuben John greeted the meeting. He referred to the Auditors report and stated that it is done in conjunction with the Treasurer's report. He emphasized that it was a new approach and also noted that another auditing firm KDLT had audited the credit union in 2016.

Mr. Reuben John gave the Auditors Report which was issued in May 31st, 2018. He explained that the audit was done in accordance with the International Standards on Auditing (ISAs). He also mentioned that an unqualified opinion was given on the report. This means that, there were no material misstatements in the financial statements. He noted that the SVGPCCU's building among others were restated and is reflected in the report to bring the statements in compliance with IFRS. He explained that there was an increase in the mortgage loan category by 10%, motor vehicle loans by 53% and personal loans by 20%, members quick cash by 71%, Junior Savers by a significant 162%. He however stated that ordinary deposit declined by 4%.

Mr. John concluded by stating that one can see what it takes to own and run a Credit Union. He said everything must be in keeping with IFRS.

Questions

Bro. Anthony Arrindel enquired if the figures are yearly for the telephone cost and the license software.

Mr. Reuben John replied yes and noted that the Software to run the loans management system is paid on a yearly basis as you get the anti-virus treatment and protective security. The telephone cost includes a new telephone system.

Bro. Kenroy Boucher questioned the increased figures under administrative and general expenses; he asked if the figures included upgrades.

Mr. Reuben John replied in the affirmative, stating that it does include upgrades. He also noted that the treasurer had pointed out the expenses which increased in the year.

Bro. Collin May stated that the Auditors did a good job with the presentation and that the PCCU has done well overall.

Bro. Randolph Rogers thanked Bro. Michael Charles and the Auditors of BDO, represented by Mr. Reuben John.

A motion was moved by Bro. Collin May and seconded by Bro. Cecil Straker to adopt the Treasurer's, Auditor and Board of Directors' Reports.

15. Elections for Board of Directors

Bro. Jimmy Black, representative of the FSA, introduced himself and stated that he would be conducting the elections for members to serve on the Board of Directors, Credit Committee, Supervisory and Compliance Committee, and an Auditor for the next financial year.

Board of Directors

There were four (4) vacancies to be filled on the Board of Directors. Members nominated by the Nominations Committee were:

- Bro. Horace Williams
- Bro. Randolph Rogers
- Sis. Kathleen Nanton-Davis
- Bro. Cecil Straker

Member nominated from the floor:

- Bro. Jeffery Laborde

Nominations were closed on a motion moved by Bro. Elton Jackson and seconded by Sis. Lovita Boyea.

The results were as follows:

- | | |
|------------------------------|-----|
| • Bro. Horace Williams | -37 |
| • Bro. Randolph Rogers | -44 |
| • Sis. Kathleen Nanton-Davis | -40 |
| • Bro. Cecil Straker | -40 |
| • Bro. Jeffery Laborde | -18 |

Mrs. Nyasha Browne from the FSA cautioned the meeting that as much as persons would like their friends to be elected, one should be responsible and put in place someone who has the capability to manage the affairs of the Credit Union.

Bro. Jimmy Black thanked Bro. Curtis Clarke for his dedicated service to the Credit Union after serving on the Board of Directors for two consecutive terms.

16. Nominations for Auditors

The floor was opened for nominations for an Auditor. Mr. Black noted that the current Auditor (BDO) can be nominated.

BDO was nominated from the floor by Bro. Collin May and seconded by Bro. Anthony Arrindell.

There were no other nominations from the floor.

Nominations were closed, on a motion moved by Bro. Collin May and seconded by Bro. Jeffery Laborde.

BDO was nominated as Auditor unopposed.

Bro. Jimmy Black stated that BDO will be the auditing firm; employed for the financial year 2018.

Question

Bro. Anthony Arrindell asked if SVGPCCU had extended an invitation to other auditors to attend the AGM.

The President informed the meeting that notices were placed in the newspapers.

17. Credit Committee's Report

Bro. Timothy Hazelwood, Chairman of the Credit Committee, presented the report. He asked that the report be accepted as read. He informed the meeting that for the year under review the Committee has deliberated on over one thousand eight hundred and fifty (1,850) loan applications.

Bro. Timothy Hazelwood acknowledged the members of his team and thanked them for their hard work for the SVGPCCU and its members. He also made reference to their attendance as shown in the report, which speaks to the committee's dedication.

Bro. Hazelwood noted that although things are challenging, SVGPCCU continues to help in the advancement of its members.

Bro. Hazelwood highlighted the SVGPCCU's delinquency rate which remains at 3% as of 2017 and pledged that they will continue to strive to maintain it, as it remains under the 5% threshold.

The Chairman further stated that the Recoveries Department has shown some improvements; doing a good job under the guidance of the Loans Supervisor.

Bro. Hazelwood concluded by stating that the members of the Credit Committee will continue to do what they are mandated to do in order to meet the request of SVGPCCU's brothers and sisters and to meet the request of the Credit Union in response to the growth of membership and assets. He acknowledged the Management and Staff for their continuous hard work. Finally, he thanked Executive Members and most importantly all Members of the SVGPCCU.

Questions

Bro. Collin May commended the Credit Committee on their attendance record and their hard work. He stated that in respect of rejected loans the figures are very high for a small Credit Union. He quoted figures from the booklet of one hundred and fifty-four (154) for the year under review and when compared to 2016 a figure of eighty-seven (87), he sought clarity on this from Bro. Hazelwood.

Bro. Hazelwood stated that the SVGPCCU has introduced a new loan product for its members which is the Bundle Loan, it is helping members tremendously on a monthly basis and it is because of this loan members has seen a reduction.

Bro. Hazelwood noted that the Credit Committee follows guidelines, and that failure to do so can result in caution from the FSA. He emphasized that if members do not meet the requirements their loans may be rejected.

A motion was moved to adopt the Credit Committee's report by Sis. Kathleen Nanton-Davis and seconded by Bro. Brenton Smith.

Elections for Credit Committee

Members nominated by the Nominations Committee:

- Bro. Timothy Hazelwood
- Bro. Enville Williams

Member nominated from the floor by Bro. Jeffrey Laborde and seconded by Sis. Lanquie Providence:
Bro. Collin May

Nomination was closed on a motion moved by Bro. Curtis Clarke and seconded by Bro. Levon Murray.

The results as follows:

- Bro. Collin May - 6
- Bro. Timothy Hazelwood - 43
- Bro. Enville Williams - 41

18. Supervisory and Compliance Committee's Report

Bro. David Wright, Chairman presented the report on behalf of the Committee.

He stated that the Committee remains committed to its function as an independent committee guided by Section 66 of the Co-operative Society Act No. 12 of 2012 and Sections 71 to 76 of the Bye-Laws.

He further noted that the Committee is generally satisfied with the overall operations of the SVGPCCU as it relates to the Co-operative Societies Act and the Bye-Laws. He also said loans continued to be disbursed in accordance with the Bye-Laws and the Loan Policy, as the Committee continues to carry out inspection on files and accounts of the SVGPCCU.

He concluded by congratulating Bro. Grafton Samuel for his six (6) years of service to the Committee and to the SVGPCCU. He also extended congratulations on a job well done for the year under review to the Board of Directors, other Committees, management and staff.

Questions

Bro. Collin May questioned the absence of highlights of the Committee's findings upon examinations of records, and why nothing was reflected in the report. Secondly, he stated that there should be a table showing short term goals if any were achieved.

Bro. Wright replied that he does not agree that findings from examination of records should be reflected in the report.

Bro. May explained that just the findings and short comments should have been in the report.

A motion was moved to adopt the Supervisory and Compliance Committee's report by Sis. Nikesha Layne and seconded by Sis. Lovitha Boyea.

Elections for Supervisory and Compliance Committee

Bro. Black informed the meeting that there were three (3) vacancies to be filled on the Committee.

Members nominated by the Nominations Committee:

- Sis. Lovitha Boyea
- Sis. Antonio John

Members nominated from the floor:

- Bro. Kenroy Boucher
- Sis. Cecile Samuel

A motion was moved to close nominations by Bro. Curtis Clarke and seconded by Bro. Jeffrey Laborde.

The results as follows:

- Sis. Lovitha Boyea - 39
- Sis. Antonio John - 39
- Bro. Kenroy Boucher - 38
- Sis. Cecile Samuel - 27

19. Education and Marketing Committee Report

Sis. Lanique Providence presented the report on behalf of the Committee to the meeting.

Sis. Providence stated that the Committee's main focus for the year under review was to market the Credit Union. She informed the meeting that Bro. Hawkins Nanton and Sis. Lovitha Boyea left the committee during the year because of other obligations and that they were replaced by Sis. Esther McBarnette and herself.

Sis. Providence noted that under sponsorship & donations, the SVGPCCU sponsored the Clinchers 20\20 Softball Cricket Tournament in Richland Park and the winners of this competition was the Sion Hill Tallawas.

It was further explained that the SVGPCCU assisted with payment of medical expenses for a number of persons. In addition, it provided sponsorship to the RSVG Police Christmas Caroling Contest during the year.

Sis. Providence thanked the Board of Directors, the other Committees, Management and Staff and the general membership for their continuous support throughout the year.

Questions

Bro. Collin May commented on the aspect of the report which dealt with rescheduling of meetings. He wanted to know if the Committee was dormant.

Sis. Nikesha Layne assured Bro. May that the committee was not dormant and further stated that the committee met in December and as recent as two (2) weeks ago.

Bro. Timothy Hazelwood questioned how the goals of the Committee were achieved when meetings had to be rescheduled. He emphasized the importance of the Education and Marketing Committee to the development of the Credit Union. Bro. Hazelwood recommended that the next report should reflect the meetings held by the Committee.

Sis. Nyasha Browne, (FSA) agreeing with Bro. Hazelwood, stating that all committee members were advised to get familiar with the Act and the Bye-Laws and encouraged them to be more knowledgeable about their committees. Such knowledge can be enhanced by exposure to training she said. She further stated that committee members need to get more involved in the matters of SVGPCCU.

20. Destruction of Ballots

Following the elections, Bro. Jimmy Black sought permission from the meeting to destroy the ballots that were casted. This decision was consented unanimously by the members.

A motion was moved by Bro. David Wright and seconded by Sis. Catherine Cuffy for the destruction of the ballots.

Bro. Randolph Rogers thanked the representatives from the FSA for performing their duties at the AGM and expressed appreciation for their guidance and assistance. He further thanked all the members present for attending the 15th AGM and congratulated those who were elected.

21. New Business

Bro. Jeffrey Laborde requested that for future meetings and elections, persons should introduce themselves to the general membership present at the meeting .

A motion was moved by Bro. Jeffrey Laborde and seconded by Bro. Timothy Hazelwood for persons to do an introduction of themselves upon nomination and prior to election.

22. Adjournment

The Fifteenth (15th) AGM of the SVGPCCU was adjourned at 5:28 pm on a motion moved by Sis. Catherine Cuffy and seconded by Bro. Olson Rodney.

Minutes recorded by:


Sis. K. Nanton-Davis

Confirmed this _____ day of _____, 2019 on motion by

_____ and seconded by _____.



Bro. Horace Williams
President



Bro. Richard Browne
Vice President



Sis. Kathleen Nanton-Davis
Secretary

BOARD OF DIRECTORS



Bro. Junior Simmons
PRO



Bro. Cecil Straker
Assistant Secretary/Treasurer



Randolph Rogers

Directors



Bro. Michael Charles
Treasurer

**REPORT OF THE BOARD OF DIRECTORS
TO THE 16TH ANNUAL GENERAL MEETING OF THE SVGPCCU LTD FOR
THE YEAR ENDING DECEMBER 31ST, 2018**

Introduction

The Board of Directors of the SVG Police Co-operative Credit Union Ltd (PCCU) is pleased to report on the performance of the Credit Union for the financial year ending December 31st, 2018.

This year SVGPCCU is celebrating its 16th Anniversary . The theme chosen for the AGM is “Join today for financial growth tomorrow“. At sixteen (16) years, one can say that this institution is undoubtedly growing and is positively impacting the lives of our members and persons that have received assistance from SVGPCCU.

In this challenging economic time, SVGPCCU remains dynamic and resolute and continues to adhere and adapt to the changes in the financial reporting standards such as IFRS9. In a continuing effort to enhance our corporate governance, SVGPCCU has designed a Strategic Plan. This plan covers 2018-2020 which aids as a guide for the Credit Union. It brings to light interventions and realistic goals and the implementation of such for the stability of the organization.

One has to adhere to the call of our members. There is the need for upgrade to meet the demands of the new age in technology and the quick availability of finance for our members. We are pleased to say that we are on the move and in the process of the implementation of our Automated Teller Machine. This will allow our valued members to conduct their business in minutes at any hour.

Though, SVGPCCU has encountered challenges, we remain focus driven and will continue to be flexible and competitive, delivering the highest quality service.

Board Meeting and Attendance

Composition of the Board of Directors:

Horace Williams	-	President
Richard Browne	-	Vice President
Michael Charles	-	Treasurer
Kathleen Nanton-Davis	-	Secretary
Cecil Straker	-	Asst Secretary/Treasure
Junior Simmons	-	PRO (Resigned during the year)
Randolph Rogers	-	Director (Resigned during the year)
Ruth Jacobs	-	Director (Replacement in 2019)
Antonio John	-	Director (Replacement in 2019)

The Board of Directors met once per month for regular meetings and from time to time for special meetings. During the period under review, there were twelve (12) scheduled meetings and thirteen (13) unscheduled meetings.

Names	Scheduled Meetings-12	Unscheduled Meetings-13	Absent/Excused
Horace Williams	12	13	0
Richard Browne	12	11	2
Michael Charles	10	13	2
Kathleen Nanton-Davis	12	13	0
Randolph Rogers	6	8	3
Junior Simmons	6	1	10
Cecil Straker	6	6	0

All Committee Meetings

Four All Committee meetings were held for the year 2018. At each meeting, each committee presented reports on their activities and plans for the future. The BOD expresses gratitude for the attendance and continuous participation of each committee.

Membership

During the period under review one hundred and thirteen (113) new members joined the Credit Union. At December 31st, 2018 the membership of the Credit Union stood at one thousand, eight hundred and eleven (1811).

Loan Delinquency

SVGPCCU delinquency stood at 4.5% as at December 31st, 2018. We continue to monitor the delinquency situation. We must commend the Loans Supervisor and his team for their efforts towards managing the delinquency level. Also, the Loans Department have taken a step further to recover monies from delinquent members. The introduction of the use of the Small Claims Court. Through this medium, we are seeing persons adhering to the terms and conditions of their loans agreement.

Training and Development

It is said that for any organization to grow, its employees must be satisfied, highly-motivated and loyal employees; they represent the basis of any competitive organization. The growth of satisfaction is to be reflected in increase productivity. To this end, the human resource aspect is very important. The staff of SVGPCCU continues to work diligently and effortlessly in rendering the best possible service to all members.

Staff Training

The staff of SVGPCCU continues to embark on obtaining higher level of education which will benefit them as individuals and the Credit Union by extension. The staff received training in the following areas:

- Knowledge of legal documents
- Compliance and KYC
- Office Procedures

- Product knowledge
- Customer Service
- Risk Management Workshop
- IFRS 9
- Loans

Staffing

The SVGPCCU has been fortunate to acquire its own building and with such the staffing has increased. The present complement of staff as of December 31st 2018 stood at fifteen (15) employees.

Condolences

Sincere condolences are extended to all bereaved family members of our deceased members:

Bro. Eardley Prescott
Bro. Desmond Samuel
Sis. Wendy De Freitas
Sis. Pamela Ferdinard

Interest & Dividend

Interest was paid twice in the year 2018, first in June for 2017 and then in December for 2018 at an interest rate of 1.5%. However, the Credit Union can not propose/pay any dividend for the financial year 2018, since we are not in compliance with the institutional capital criteria of 10%. Therefore, to have this matter resolved, some resolutions will be presented to the AGM to restructure our capital.

Financial Performance

The following analysis will provide an overview of the key indicators attributing to the financial performance of the Credit Union for 2018. SVGPCCU endeavours to remain compliant with IFRS reporting in the presentation of the financial statements.

Loans to Members

Our loan portfolio grew by 21% over 2017. SVGPCCU continues to maintain and manage its delinquency while adhering to the new reporting standard - IFRS 9. The Credit Union has been taking the necessary steps to integrate changes in policies and procedures to ensure relevance in relation to the prevailing standard. Additionally, training will be done to provide awareness and strengthen compliance in that area. We advise members to get on board as we promote membership education initiatives with regards IFRS 9.

Investment

SVGPCCU has been investing in short-term investments, mainly Treasury Bills (T-Bills). We consider this a safe investment and in consideration of our size and liquidity, short-term investments are ideal. In 2018, our investments grew by 248% over 2017, representing an increase by \$701,719.

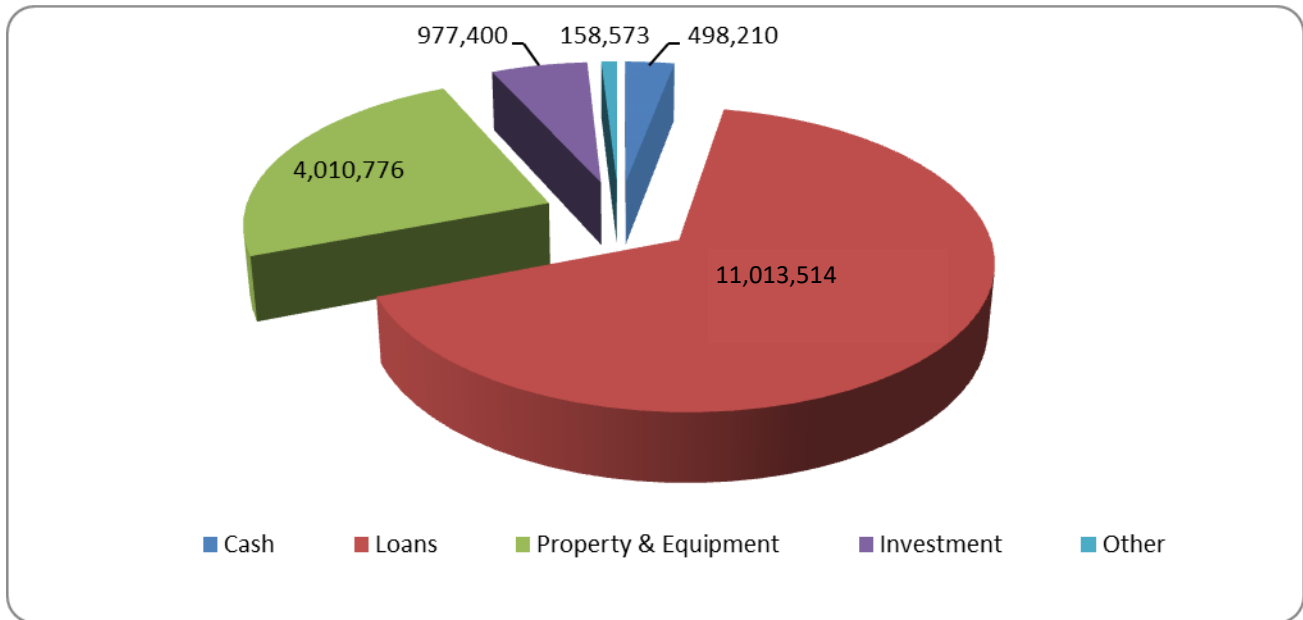
Property and Equipment

For the year 2018, SVGPCCU invested in a few capital projects attributing to the small increase in the property and equipment.

Other: Intangible Asset and Receivables/Prepayments

Intangible asset and receivable/prepayments increase by \$93,920 or 150% over 2017. This is attributed to the new software for the ATM and the IFRS 9.

Asset Mix for 2018



Liabilities and Members' Equity

Accounts Payable and Accrued Liabilities

These liabilities showed an increase of \$122,523 for 2018 when compared to 2017. This is mainly accredited to the outstanding payments in relation to COMFI and the amounts due to the software providers (payments are done in instalment at different stages in the projects).

Members' Regular Deposit, Redeemable Shares and Other Deposit

The members' regular and other deposit recorded a small increase over 2016 while the redeemable shares showed a more significant increase.

Deposit	2018 (\$)	2017 (\$)	Increase/ Decrease (\$)	Percentage (%)
Ordinary Deposit	971,983	854,553	117,430	13.1
Members Quick Cash	762,447	966,917	- 204,471	-21.1
Junior Savers	604,381	540,413	63,968	11.0
Christmas Club	65,474	85,120	- 19,646	-23.1
Fixed Deposit	2,166,884	1,360,322	806,562	59.3
Benefit Club	6,926	6,926	-	0.0
Ordinary Shares	6,879,138	6,065,847	813,291	13.0

Members' Equity

Total equity of \$1,918,965 was increased by \$125,521 or 6.5%. The small increase is primarily due to the Share Capital, Statutory Reserve Fund, Death Benefit Fund, Development Fund and Accumulated Surplus.

Statement of Comprehensive Income

Revenue

Interest income increase by 30% for the year 2018. The loan categories of personal, land and vehicle interest contributed prominently to the steady increase in interest income. Savings and investment interest also showed increases.

Fees income (shares and processing) showed slight increases for 2018 and other income recorded a notable 84% increase. This is accredited to the rental income, since two (2) floors are fully occupied.

Interest Expense

For the year 2018, interest was paid twice for 2017 and 2018 for ordinary shares, ordinary deposit and junior savers account. This was done to regularize the interest payment, that is, to have the interest paid in its respective year. This affected the profit for 2018, decreasing it by \$117,308.29.

Fixed deposit interest pay out also increase in relation to the increase in the fixed deposit portfolio. This increase is a notably 430%.

Interest paid for shares and deposits

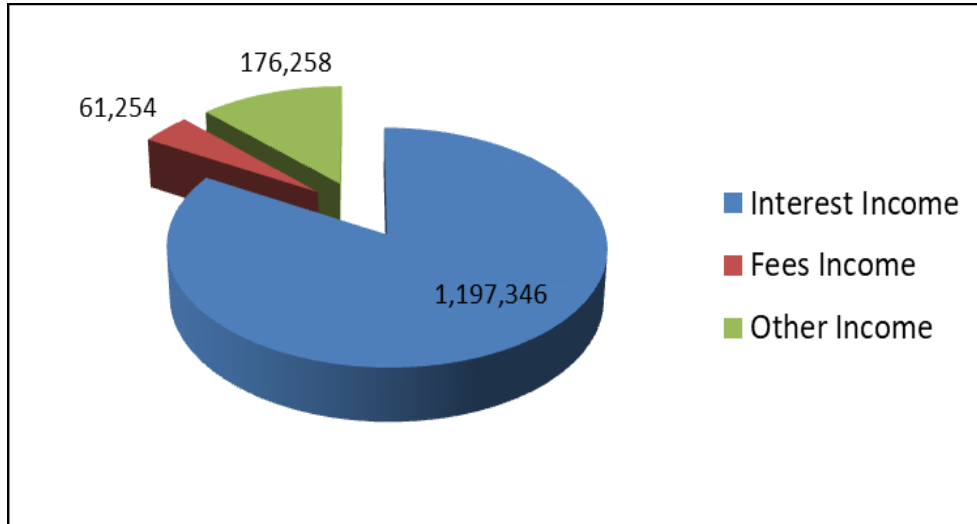
Account	2017	2018
Ordinary Shares	78,520.47	95,202.36
Ordinary Deposit	11,949.47	14,008.20
Junior Savers	3,813.40	6,079.73
Total	96,300.34	117,308.29

Administrative Expenses

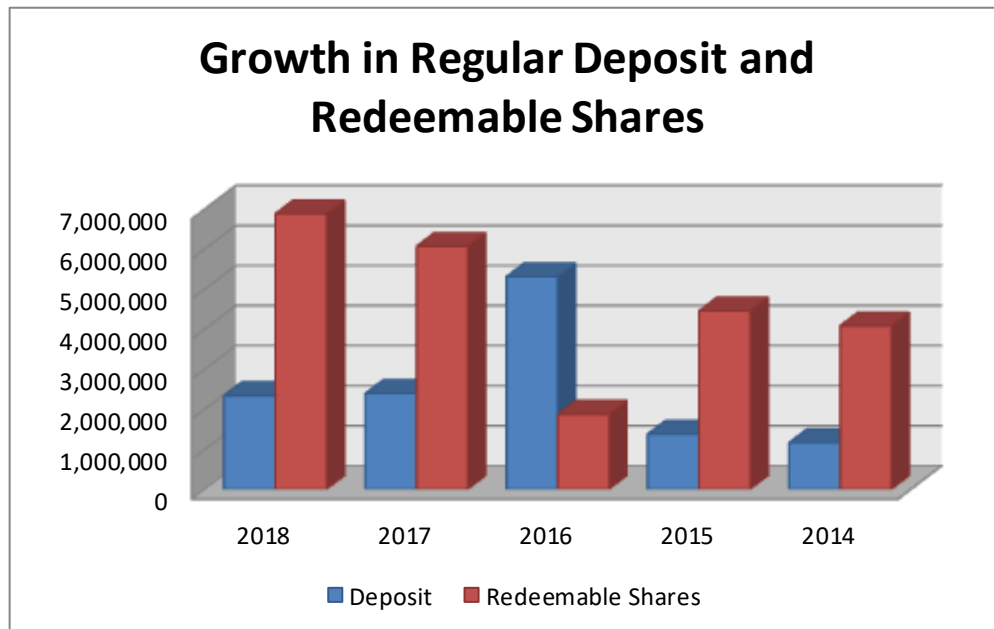
Administrative expenses showed increases in most areas. However, the Office endeavours to exercise cost-cutting measures to reduce expenses. The table below gives details of the accounts that had substantial increases during the year.

Expenses	2017 (\$)	2018 (\$)	Increase/ (Decrease) \$	Reasons
Wages and Salaries	309,094.00	349,799.00	40,705.00	Increase in staffing
Advertisement and Promotion	59,213.00	64,649.00	5,436.00	Increase marketing and promotion
Bank Charges	4,660.00	12,263.00	7,603.00	Increase in charges for cash withdrawal from Bank
CCCU Convention	-	21,839.00	21,839.00	No one attended the CCCU in 2017
Computer Software License	20,171.00	15,105.00	(5,066.00)	Reduction for renewal of software licenses
Depreciation & Amortization Expenses	63,223.00	71,678.00	8,455.00	Purchase of new furniture & refitting Board room to create more offices
Electricity Expense	29,151.00	35,106.00	5,955.00	Increase usage due to staffing and occupancy of the last floor as Board room and conference area
Meals and Entertainment	14,977.00	4,685.00	-10,292.00	Building openings expenses were included for 2017
Meeting Expenses	44,513.00	50,453.00	5,940.00	Increase meetings for committee & Board
Office Expenses, Stationery, Printing & Postage	44,034.00	35,410.00	(8,624.00)	Bulk purchasing overseas for most office and stationery items
Scholarship	8,300.00	15,139.00	6,839.00	Increase by 4 scholarships for 2018
Telephone	33,394.00	25,874.00	(7,520.00)	Payment for switchboard completed and purchase of cell phone with plan

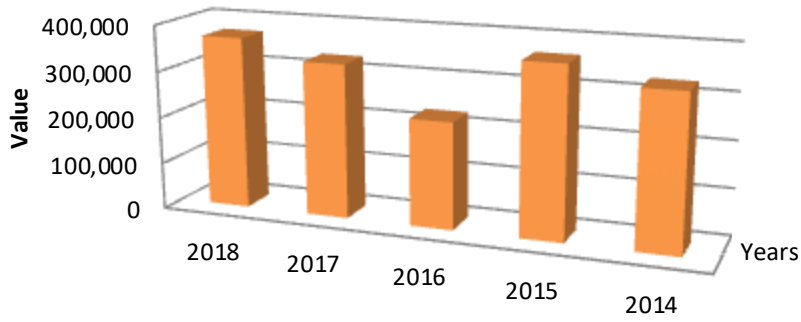
Income Mix for 2018



Growth in Regular Deposit and Redeemable Shares



Shares Portfolio

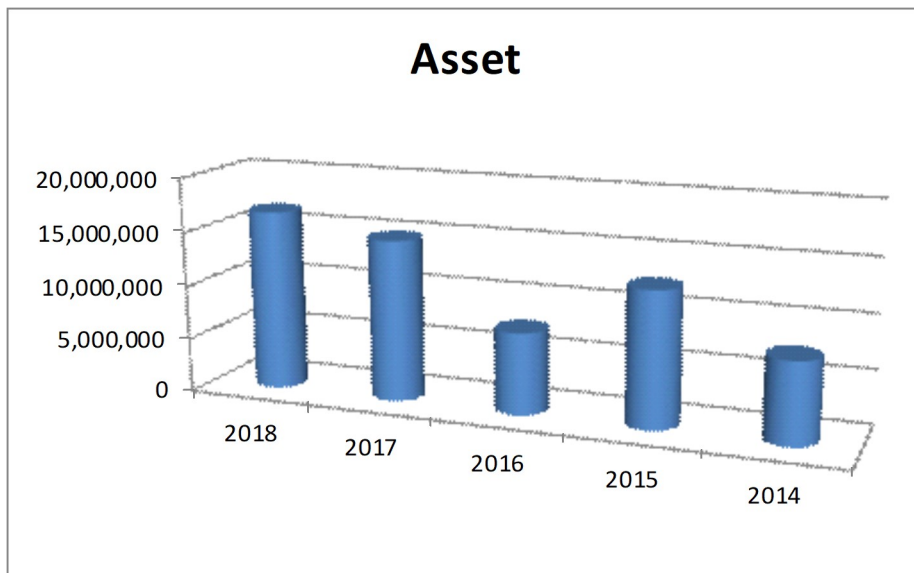
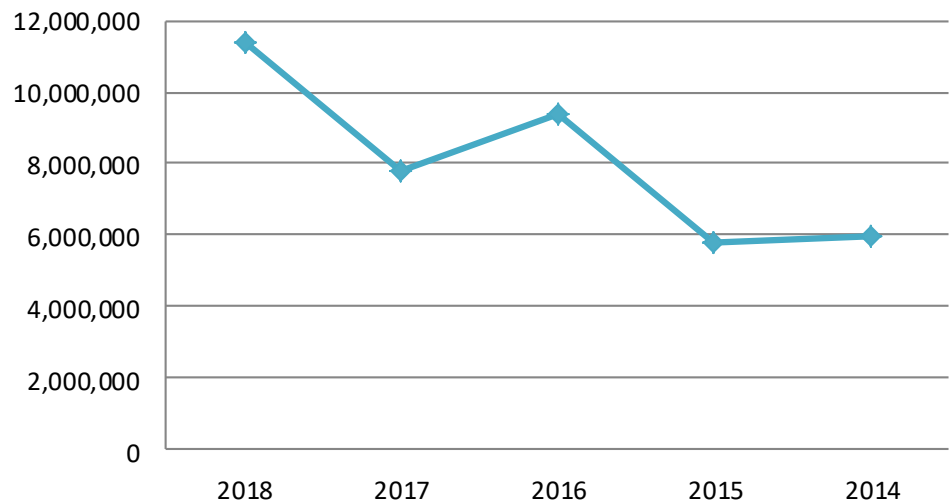


Five Years Growth in Permanent Shares

	2018	2017	2016	2015	2014
Shares Portfolio	370,355	330,580	228,525	365,433	329,238

Five Years Growth in Loans

Loans



Five Years Growth in Assets

Conclusion

When we look at the future for our Credit Union we must take into consideration the past things learnt and how we can make them better for the future Credit Union generation. As we grow and expand we must make sure our members are aware of the new polices and changes that will affect them; **we must put members first**. However, we need to embrace change in order to succeed and also develop new products and strategies to attract young and new members. But as members we need to understand that we are guided by an authority and when the Credit Union makes mistake or over look something the Regulatory Authorities will let us know.

Now, I challenge you the members, you can contribute to the growth and success of your Credit Union (SVGPCCU). As members you are the owners of the organization and its survival in the competitive neighbourhood depends on you and all of us. Help spread the word that the PCCU is welcoming all, not only Police Officers but everyone. So tell a friend, that individual who just start working about the SVGPCCU and the benefits of being in this Credit Union.

SVGPCCU will continue to progress as we endeavour to increase our market shares despite the many challenges in our economic environment.

Appreciation

The Board of Directors thank you, our valued members, for your continued support to your Credit Union. We also wish to thank the following for their continued support and guidance in ensuring the success of the Credit Union:

Our dedicated Management and members of staff

The Credit Committee

The Supervisory and Compliance Committee (the watchdog of the Credit Union)

The Education and Marketing Committee

The Nominations Committee

The SVG Cooperative League


The Auditors

Other fraternal Credit Unions

The Financial Services Authority

The Board of Directors for their immeasurable support and for their giving selflessly as they provide oversight for the Credit Union.


Sis. K. Nanton-Davis
Secretary


Horace Williams (Mr.)
President

**ST. VINCENT AND THE GRENADINES POLICE
CO-OPERATIVE CREDIT UNION LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED

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Statement of Changes in Equity	7
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ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED

CORPORATE INFORMATION

REGISTERED OFFICE
Central Police Station
P.O. Box 835 Kingstown
St. Vincent and the Grenadines

BOARD OF DIRECTORS

Bro. Horace Williams	- President
Bro. Richard Browne	- Vice President
Sis. Kathleen Nanton-Davis	- Secretary
Bro. Michael Charles	- Treasurer
Bro. Cecil Straker	- Assistant Secretary/Treasurer
Bro. Junior Simmons	- PRO
Bro. Randolph Rogers	- Director

GENERAL MANAGER
Mrs. Ayanna Samuel

SOLICITORS
Mrs. Ranelle L. K. Roberts-Williams

FINANCIAL INSTITUTIONS
Bank of St. Vincent and the Grenadines
General Employees Co-operative Credit Union Limited

AUDITOR
BDO Eastern Caribbean
Kingstown Park
St. Vincent and the Grenadines



Tel: 784-456-2669
Tel: 784-456-1644
Fax: 784-456-1576
www.bdoecc.com

The Financial Services Centre
P.O. Box 561
Kingstown Park
St. Vincent and the Grenadines

INDEPENDENT AUDITOR'S REPORT

The Members of
St. Vincent and the Grenadines Police Co-operative Credit Union Limited
Kingstown

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of St. Vincent and the Grenadines Police Co-operative Credit Union Limited ("the Credit Union"), which comprise the statement of financial position as at December 31, 2018, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2018, and of its financial performance and its 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Credit Union's 2018 Annual Report

Management is responsible for the information included in the Credit Union's 2018 Annual Report, other than the financial statements and our auditor's report thereon. The Credit Union's 2018 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

INDEPENDENT AUDITOR'S REPORT (cont'd)

The Members of
St. Vincent and the Grenadines Police Co-operative Credit Union Limited
Kingstown

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.

INDEPENDENT AUDITOR'S REPORT (cont'd)

The Members of
St. Vincent and the Grenadines Police Co-operative Credit Union Limited
Kingstown

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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




BDO Eastern Caribbean
Kingstown, St. Vincent and the Grenadines
April 18, 2019

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Statement of Financial Position
As at December 31, 2018
(Expressed in Eastern Caribbean Currency)

	Notes	2018 \$	2017 \$
Assets			
Cash and cash equivalents	7	498,210	1,494,610
Interest receivable	8	55,383	35,562
Loan to members	9	11,013,514	9,060,485
Investment securities	10	977,400	283,117
Property and equipment	11	4,010,776	3,996,472
Intangible assets	12	75,666	2
Other receivables	13	27,524	27,175
Total assets		16,658,473	14,897,423
Liabilities			
Accounts payable and accrued liabilities	14	177,726	55,203
Interest payable	15	52,830	8,701
Members' regular deposits	16	2,338,811	2,391,883
Members' redeemable shares	17	6,879,138	6,065,847
Other deposits	18	2,239,284	1,452,368
Long-term loan	19	2,926,198	3,004,456
Total liabilities		14,613,987	12,978,458
Members' equity			
Share capital	20	370,355	330,580
Statutory reserve fund	21	333,400	319,775
Death benefit fund	22	89,851	64,286
Development fund	23	30,043	27,126
Revaluation reserve		708,236	708,236
Accumulated surplus		512,601	468,962
Total members' equity		2,044,486	1,918,965
Total liabilities and members' equity		16,658,473	14,897,423

The accompanying notes on pages 9 to 43 are an integral part of these financial statements.

APPROVED ON BEHALF OF THE BOARD: -



President



Treasurer

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Statement of Comprehensive Income
For the year ended December 31, 2018
(Expressed in Eastern Caribbean Currency)

	Notes	2018 \$	2017 \$
Revenue			
Interest income	24	1,197,346	924,354
Interest expense	25	(271,987)	(77,521)
Net interest income		925,359	846,833
Provision for loan losses		(57,778)	(202,474)
Administrative and general expenses	26	(867,003)	(786,405)
Fee income	27	61,254	58,881
Other income	28	176,258	96,627
Finance charge		(179,742)	(176,398)
Net income (loss)		58,348	(162,936)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit and loss			
Net movement on death benefit fund		25,565	22,340
Items that will not be reclassified to profit and loss			
Movement in development fund		-	(10,840)
		25,565	11,500
Total comprehensive income (loss)		83,913	(151,436)

The accompanying notes on pages 9 to 43 are an integral part of these financial statements

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED

Statement of Changes in Equity
For the year ended December 31, 2018
(Expressed in Eastern Caribbean Currency)

	Share Capital	Statutory Reserve Fund	Death Benefit Fund	Development Fund	Revaluation Reserves	Accumulated Surplus	Total
	\$	\$	\$	\$	\$	\$	\$
Balance as at January 1, 2017	270,180	317,180	41,946	37,966	708,236	617,119	1,992,627
Entrance fees	-	2,595	-	-	-	-	2,595
Issuance of shares	61,600	-	-	-	-	-	61,600
Loss for the year	-	-	-	-	-	(162,936)	(162,936)
Other comprehensive income	-	-	22,340	-	-	-	22,340
Write off of balances	-	-	-	-	-	14,779	14,779
Payments from development fund	-	-	-	(10,840)	-	-	(10,840)
Transfer to share capital	(1,200)	-	-	-	-	-	(1,200)
Balance as at December 31, 2017	330,580	319,775	64,286	27,126	708,236	468,962	1,918,965
Change in accounting policy - IFRS 9	-	-	-	-	-	(122)	(122)
Restated balance as at January 1, 2018	330,580	319,775	64,286	27,126	708,236	468,840	1,918,843
Entrance fees	-	1,955	-	-	-	-	1,955
Issuance of shares	39,775	-	-	-	-	-	39,775
Profit for the year	-	-	-	-	-	58,348	58,348
Transfer to statutory reserve and development fund	-	11,670	-	2,917	-	(14,587)	-
Transfer to death benefit	-	-	25,565	-	-	-	25,565
Balance as at December 31, 2018	370,355	333,400	89,851	30,043	708,236	512,601	2,044,486

The accompanying notes on pages 9 to 43 are an integral part of these financial statements.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Statement of Cash Flows
For the year ended December 31, 2018
(Expressed in Eastern Caribbean Currency)

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Net income (loss)		58,348	(162,936)
Adjustments for:			
Amortisation		3,069	1,086
Depreciation expense		68,609	62,137
Finance charge		179,742	176,398
Provision for loan losses		57,778	202,474
Interest income		(1,197,346)	(924,354)
Interest expense		271,987	77,521
Movement on development fund through OCI		-	(10,840)
Net gains on death benefit through OCI		25,565	22,340
		(532,248)	(556,174)
Increase in loans to members		(2,008,350)	(1,599,226)
Increase in other receivables		(349)	(7,289)
Increase (decrease) in members' regular deposit		(53,072)	544,395
Increase in other deposits		786,916	1,259,301
Increase in accounts payable and accrued liabilities		122,523	34,979
Cash used in operations		(1,684,580)	(324,014)
Interest received		1,174,946	916,609
Interest paid		(227,858)	(69,518)
Net cash (used in) generated from operating activities		(737,492)	523,077
Cash flows from investing activities			
Additions to property and equipment		(82,913)	(48,555)
Additions to intangible assets		(78,733)	-
Additions to investment securities		(694,283)	(14,780)
Net cash used in investing activities		(855,929)	(63,335)
Cash flows from financing activities			
Issuance of shares		39,775	60,400
Repayment of long-term loan		(78,258)	(81,602)
Issuance of members redeemable shares		1,394,746	1,609,734
Redemption of members redeemable shares		(581,455)	(851,326)
Interest paid on long term loan		(179,742)	(176,398)
Entrance fees		1,955	2,595
Net cash generated from financing activities		597,021	563,403
Change in cash and cash equivalents		(996,400)	1,023,145
Net cash and cash equivalents - beginning of year		1,494,610	471,465
Net cash and cash equivalents - end of year	7	498,210	1,494,610

The accompanying notes on pages 9 to 43 are an integral part of these financial statements.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

Nature of operations and summary of significant accounting policies

1. Legal status and governing legislation

St. Vincent and the Grenadines Police Co-operative Credit Union Limited was registered on January 16, 2003. The activities of the credit union are governed by the provision of the Co-operative Societies Act, 2012, under the laws of St. Vincent and the Grenadines.

The registered office is situated at Central Police Station, Kingstown, St. Vincent and the Grenadines.

The Credit Union's financial reporting and regulatory matters are under the authority of the Financial Services Authority (FSA).

2. Approval of financial statements

These financial statements have been authorised for issue by the Board of Directors on April 16, 2019.

3. Basis of preparation

i. Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as at December 31, 2018 (the reporting date).

ii. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and have been prepared under the historical cost except on land and building under property and equipment which are carried at revalued amounts.

iii. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at December 31, 2018 and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in note 4.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

Nature of operations and summary of significant accounting policies

3. Summary of significant accounting policies

a. Financial instruments

The Credit Union recognises a financial asset or financial liability on its statement of financial position using the settlement date method. Accordingly, a financial asset or a financial liability is recognised on the date of receipt or delivery to or by the Credit Union. Any gains or losses arising from price, interest rate, or currency changes between the trade dates, the date the Credit Union commits to the purchase or sale of an asset and the statement of financial position date are recovered in current operations.

The Credit Union's financial instruments are carried at fair value. In cases where there are readily available trading markets, for financial instruments, their fair value is estimated using Net Present Value (NPV) or other valuation techniques, which are subject to assumptions concerning the amounts and timing of estimated future cash flows and discount rates.

The Credit Union's financial instruments are carried at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. Where an active market exists, market price is used as the best evidence of the fair value of a financial instrument. Where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting date. The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates.

The following methods and assumptions have been used:

- The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;
- The fair value of variable-rate financial instruments is assumed to approximate their carrying amounts.

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows: -

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The Credit Union's financial assets and financial liabilities as disclosed in the statement of financial position approximate their fair value and are classified as Level 3.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

Nature of operations and summary of significant accounting policies (cont'd)

3. Summary of significant accounting policies (cont'd)

b. Financial assets

The Credit Union classifies its financial assets into two of the categories discussed below, depending on the purpose for which the asset was acquired.

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-the-money derivatives where the time value offsets the negative intrinsic. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line.

The Credit Union does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Credit Union's financial assets measured at amortised cost comprise loan to members, interest receivable, fixed deposit investment and cash and cash equivalents.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Fair value through other comprehensive income

The Credit Union has a number of investments in unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Credit Union has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Credit Union considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

Nature of operations and summary of significant accounting policies (cont'd)

3. Summary of significant accounting policies (cont'd)

c. Financial liabilities

The Credit Union classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Financial liabilities at fair value through profit or loss

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actual pattern of short-term profit taking. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss.

The Credit Union does not have any liabilities held for trading nor has it designated any financial liabilities as being at FVTPL.

Other financial liabilities

This classification pertains to financial liabilities that are not held for trading or not designated as at FVTPL upon the inception of the liability. Included in this category are liabilities arising from borrowings or operations.

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

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

Accrued expenses are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. It is necessary to estimate the amount and timing of accruals; however, the uncertainty is generally much less than for provisions.

Trade payables and accrued expenses are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

Interest-bearing deposits and loans are initially recognized at transaction price, including transaction costs, directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortized cost using the effective interest method, which ensures that any interest expense over the period of repayment is at a constant rate on the balance of the liability carried in the statement of financial position.

The Credit Union classifies its interest-bearing deposits and loans as current liabilities if settlement is expected in one year or less, and the Credit Union does not have unconditional right to defer settlement of the liabilities, and does not breach any loan provisions on or before the end of the financial reporting period. If not, they are presented as noncurrent liabilities.

Other financial liabilities comprise trade payables and accrued liabilities, interest payable, members' regular and other deposits, members' redeemable shares and long-term loans.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

Nature of operations and summary of significant accounting policies (cont'd)

3. Summary of significant accounting policies (cont'd)

d. Property and equipment

Property and equipment is initially recorded at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment (losses), with the exception of land which is not depreciated. Depreciation is recognised in the statement of comprehensive income and is provided on a straight-line basis over the estimated useful life of the assets at the following rates:

Building	1.5%
Computers	20%
Furniture and office equipment	20%

Property and equipment are periodically reviewed for impairment. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on the disposal of property and equipment are determined by comparing proceeds with carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to the statement of income during the financial period in which the expenditure is incurred.

Increases in the carrying amounts arising on the revaluation of land and buildings are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against other comprehensive income, all other decreases are charged to the statement of comprehensive income.

e. Intangible assets

Intangible assets consist of computer software which is not integral to the computer hardware owned by the Credit Union. Software is initially recorded at cost and subsequently measured at cost less accumulated amortisation and any accumulated impairment (losses). Software is amortised on a straight-line basis over its estimated useful life of four (4) years.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
 Notes to the Financial Statements
 For the year ended December 31, 2018

Nature of operations and summary of significant accounting policies (cont'd)

3. Summary of significant accounting policies (cont'd)

f. 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

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.

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 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.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

Nature of operations and summary of significant accounting policies (cont'd)

3. Summary of significant accounting policies (cont'd)

f. Impairment of financial assets (cont'd)

Assets carried at amortised cost (cont'd)

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.

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

g. Impairment of non-financial assets

Non-financial assets are subject to impairment test whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the assets cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows.

Impairment charges are included in the statement of comprehensive income, except to the extent they reverse gains previously recognised in other comprehensive income.

h. Revenue recognition

i) Interest income and expense

Interest income and expense are recognised in the statement of profit or loss for all interest-bearing instruments on accrual basis using the effective interest yield method based on the actual purchase price or estimated recoverable amount. Interest income includes coupons earned on fixed income investments and trading securities and accrued discount and premium on treasury bills and other discounted instruments.

ii) Fees and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan syndication fees are recognised as revenue when the syndication has been completed and the Bank has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party - such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses - are recognised on completion of the underlying transaction.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

Nature of operations and summary of significant accounting policies (cont'd)

3. Summary of significant accounting policies (cont'd)

i. Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Eastern Caribbean Currency at the rates of exchange prevailing at the reporting date. Transactions arising during the year involving foreign currencies are converted at the rates of exchange prevailing on the dates the transactions occur. Exchange gains or losses arising on settlement or conversion of foreign currency denominated balances are included in operations for the year.

j. Dividend distributions

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

k. Share capital and reserve

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

Revaluation reserve is the gain/loss carried on the revaluation of property.

Accumulated surplus includes all other net gains and losses and transactions with owners not recognised elsewhere.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

Nature of operations and summary of significant accounting policies (cont'd)

4. Critical accounting estimates and judgments

The Credit Union makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Judgments

Member loan loss provision

In determining whether an impairment loss should be recorded in the statement of profit or loss, The Credit Union takes a forward-looking approach in estimating the expected credit loss also known as the provision for loan loss. A loan is considered to be in a state of default under any one of the following circumstances:

- The loan is past due for 90 days or more
- The maturity date of the loan has elapsed
- There is evidence that the loan is impaired.

The Credit Union determines the extent to which future economic conditions could influence the borrower's likelihood of default and consequently the institution's overall expected credit loss. A forward-looking score card model was used to estimate the potential impact of future economic conditions on the expected credit loss. The model accounted for the fact that a number of key macro-economic variables simultaneously play a role in impacting the overall state of the economy - albeit at varying degrees. The model is based on the premise that the probability of default is higher in a weak economic environment. The converse is true when the fundamentals of the economy are moving in the right direction.

Estimates

The effect of a change in an accounting estimate is recognised prospectively by including it in profit or loss in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of financial instruments

The Credit Union determines the fair value of certain financial instruments using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regards, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

5. New standards, interpretations and amendments that became effective during the year

Certain new, revised and amended standards and interpretations are effective for annual periods beginning on or after January 1, 2018. Unless otherwise stated, the following standards, interpretations and amendments to interpretations and standards became effective and were adopted in the current year:

- *IFRS 9 Financial Instruments*. Finalised version of IFRS 9 contains accounting requirements for financial instruments, replacing IAS 39, *Financial Instruments: Recognition and Measurement*.

The standard contains requirements in the following areas:

- **Classification and measurement.** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment.** The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- **Hedge accounting.** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition.** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Details of the impact of application of this standard is disclosed in Note 33.

- *IFRS 15 Revenue from Contracts with Customers*. IFRS 15 replaces two Standards, IAS 18 *Revenue* and IAS 11 *Construction Contracts*. It provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

1. Identify the contract with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer. In applying IFRS 15, an entity recognises 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 application of this standard has no significant impact in the Credit Union's financial statements.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
 Notes to the Financial Statements
 For the year ended December 31, 2018

5. New standards, interpretations and amendments that became effective during the year (cont'd)

- *IFRIC 22 Foreign Currency Transactions and Advance Consideration.* IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.

The Interpretation covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

The said interpretation has no significant impact in the financial statements.

- *Amendments to IFRS 2 – Clarifications of classification and measurement of share-based payment transactions.* The IASB published final amendments to IFRS 2 'Share-based Payment' that clarify the classification and measurement of share-based payment transactions. The amendments are effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The said amendment has no significant impact in the financial statements.

- *Amendments to IFRS 4 - Applying IFRS 9 Financial Instruments.* The IASB issued amendments to IFRS 4 providing two options for entities that issue insurance contracts within the scope of IFRS 4:
 - an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
 - an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018. The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

The said amendment has no significant impact in the financial statements.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

5. New standards, interpretations and amendments that became effective during the year (cont'd)

- *Amendments to IAS 40 - Transfer of Investment Property.* Paragraph 57 of IAS 40 has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The list of examples of evidence in paragraph 57(a) - (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

The said amendment has no significant impact in the financial statements.

- *Annual Improvements to IFRS Standards 2014-2016 Cycle.* The annual improvements contain non-urgent but necessary amendments to IFRS. The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018.

Amendment to IFRS 1, First-time Adoption of International Financial Reporting Standards - The amendment deleted the short-term exemptions in paragraphs E3-E7 of IFRS 1, because they have now served their intended purpose.

Amendment to IAS 28, Investments in Associates and Joint Ventures - The amendment clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The said annual improvements have no significant impact in the financial statements.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

6. New, revised and amended standards and interpretations not yet effective

Certain new, revised and amended standards and interpretations are effective for annual periods beginning after January 1, 2019 and earlier application is permitted; however, the Credit Union has not early adopted the new standards, interpretations and amendments in preparing these financial statements. The Credit Union has assessed the relevance of all such new standards, interpretations and amendments with respect to the Credit Union's operations and has determined that the following are likely to have an effect on the financial statements:

- *IFRS 16 - Leases.* The objective of IFRS 16 is to report information that (a) faithfully represents lease transactions and (b) provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability. The depreciation would usually be on a straight-line basis. In the statement of cash flows, a lessee separates the total amount of cash paid into principal (presented within financing activities) and interest (presented within either operating or financing activities) in accordance with IAS 7.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 has the following transition provisions:

- Existing finance leases: continue to be treated as finance leases.
- Existing operating leases: option for full or limited retrospective restatement to reflect the requirements of IFRS 16.

IFRS 16 replaces IAS 17 effective 1 January 2019, with earlier application permitted.

- *IFRIC 23 - Uncertainty over Income Tax Treatments.* The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:
 - Whether tax treatments should be considered collectively
 - Assumptions for taxation authorities' examinations
 - The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
 - The effect of changes in facts and circumstances

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

Nature of operations and summary of significant accounting policies (cont'd)

6. New, revised and amended standards and interpretations not yet effective (cont'd)

The interpretation does not contain any new disclosure requirements. Instead it highlights existing disclosure requirements in IAS 1 and IAS 12.

An entity applies IFRIC 23 for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

- *Amendments to IFRS 9 - Prepayment Features with Negative Compensation.* It amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The amendments are to be applied retrospectively for fiscal years beginning on or after 1 January 2019, i. e. one year after the first application of IFRS 9 in its current version. Early application is permitted so entities can apply the amendments together with IFRS 9 if they wish so. Additional transitional requirements and corresponding disclosure requirements must be observed when applying the amendments for the first time.

- *Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures.* This amendment clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendments are to be applied retrospectively but they provide transition requirements similar to those in IFRS 9 for entities that apply the amendments after they first apply IFRS 9. The amendments are effective for periods beginning on or after 1 January 2019. Earlier application is permitted.

- *Annual Improvements to IFRSs 2015-2017 Cycle.* The annual improvements contain non-urgent but necessary amendments to IFRS. The following amendments are effective for annual periods beginning after 1 January 2019.

IFRS 3 and IFRS 11 - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 - The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

IAS 23 - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

7. Cash and cash equivalents

	2018 \$	2017 \$
Cash on hand	103,163	116,289
Cash at bank	395,047	1,378,321
	498,210	1,494,610

8. Interest receivable

	2018 \$	2017 \$
Interest receivable on personal loans	34,300	23,442
Interest receivable on mortgage loans	2,516	2,140
Interest receivable on student loans	8,596	6,594
Interest receivable on vehicle loans	9,371	7,232
Interest receivable on land loans	2,584	2,534
Interest receivable on Xmas special loans	264	583
Interest receivable on other loans	2,525	2,504
Interest receivable on investments	7,273	-
	67,429	45,029
Loan loss provision	(12,046)	(9,467)
	55,383	35,562

9. Loans to members

Loans and advances are summarized as follows:

	2018 \$	2017 \$
Personal loans	6,307,545	5,193,773
Mortgage loans	2,482,402	1,375,233
Vehicle loans	1,924,079	1,846,275
Student loans	224,126	217,698
Educational loan special	3,888	26,166
Vacation loan special	49,185	54,538
Xmas loan special	278,336	526,120
Staff loans	121,224	142,632
	11,390,785	9,382,435
Allowance for loan losses	(377,271)	(321,950)
	11,013,514	9,060,485

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

9. Loans to members (cont'd)

The expected credit loss provision for loans to members are as follows:

December 31, 2018	Current	Between 30 to 90 days	Over 90 days	Total
Gross carrying amount	10,233,304	1,044,692	112,789	11,390,785
Loss provision	193,822	105,940	77,509	377,271

January 1, 2018	Current	Between 30 to 90 days	Over 90 days	Total
Gross carrying amount	8,667,863	484,703	229,869	9,382,435
Loss provision	173,876	25,437	122,759	322,072

a. Movement in the impairment allowance is as follows:

	2018 \$	2017 \$
At 1 January under IAS 39	321,950	119,476
Restated through opening retained earnings	122	-
Opening provision for impairment of trade receivables	322,072	119,476
Increase during the period	55,199	202,474
	377,271	321,950

10. Investment securities

	2018 \$	2017 \$
Financial assets at amortised cost		
Treasury bill		
Government of St. Lucia 91 days treasury bill, interest rate 4.5%	792,564	100,000
	792,564	100,000
Fixed deposits		
SVG Co-operative Credit Union League Term Deposit, interest rate 3%.	54,617	54,076
	54,617	54,076
Financial assets at FVTOCI		
SVG Co-operative Credit Union League shares at cost	20,000	20,000
General Employees' Co-operative Credit Union Limited	60,069	58,891
St. Vincent Brewery Limited shares at cost	50,150	50,150
	977,400	283,117

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
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11. Property and equipment

	Land \$	Building \$	Computers \$	Furniture and office equipment \$	Total \$
Cost					
Balance at January 1, 2017	1,087,650	2,885,426	56,978	105,278	4,135,332
Additions	-	6,924	5,685	35,946	48,555
Balance at December 31, 2017	1,087,650	2,892,350	62,663	141,224	4,183,887
Balance at January 1, 2018	1,087,650	2,892,350	62,663	141,224	4,183,887
Additions	-	-	52,544	30,369	82,913
Balance at December 31, 2018	1,087,650	2,892,350	115,207	171,593	4,266,800
Accumulated depreciation					
Balance at January 1, 2017	-	-	51,765	73,513	125,278
Charge for the period	-	43,385	3,043	15,709	62,137
Balance at December 31, 2017	-	43,385	54,808	89,222	187,415
Balance at January 1, 2018	-	43,385	54,808	89,222	187,415
Charge for the period	-	43,385	7,326	17,898	68,609
Balance at December 31, 2018	-	86,770	62,134	107,120	256,024
Net book value					
As of December 31, 2017	1,087,650	2,848,965	7,855	52,002	3,996,472
As of December 31, 2018	1,087,650	2,805,580	53,073	64,473	4,010,776

The Credit Union's property was revalued on an open market basis on April 30, 2017 by Franklyn Browne valuation services and subsequently on January 3, 2018 by Construction & Property Development Services Limited. The Directors have agreed to carry the land and buildings at revalued amount as per Construction & Property Development Services Ltd.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

12. Intangible assets	Computer software \$	Total \$
Cost		
Balance at January 1, 2017	63,195	63,195
Additions	-	-
Balance at December 31, 2017	63,195	63,195
Balance at January 1, 2018	63,195	63,195
Additions	78,733	78,733
Balance at December 31, 2018	141,928	141,928
Accumulated amortisation		
Balance at January 1, 2017	62,107	62,107
Charge for the period	1,086	1,086
Balance at December 31, 2017	63,193	63,193
Balance at January 1, 2018	63,193	63,193
Charge for the period	3,069	3,069
Balance at December 31, 2018	66,262	66,262
Net book value		
As of December 30, 2016	1,088	1,088
As of December 30, 2017	2	2
As of December 31, 2018	75,666	75,666
13. Other receivables		
	2018 \$	2017 \$
Prepayments	25,324	27,159
Other receivables	2,200	16
	27,524	27,175
14. Accounts payable and accrued liabilities		
	2018 \$	2017 \$
Accounts payable	163,726	41,203
Security deposit on rent	14,000	14,000
	177,726	55,203

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

15. Interest payable		
	2018	2017
	\$	\$
Fixed deposit	52,830	8,701

16. Members' regular deposits		
	2018	2017
	\$	\$
Ordinary deposit	971,983	854,553
Members quick cash	762,447	996,917
Junior saver	604,381	540,413
	<u>2,338,811</u>	<u>2,391,883</u>

Members' deposits are repayable on demand. Interest is at the rate of 1.5% (2017: 1.5%) per annum.

17. Members' redeemable share deposits

Members' redeemable shares are redeemable in whole or in part at any time, subject to the approval of the Board of Directors. The redemption of a member shareholder is subject to notice not exceeding six months and the member indebtedness to the credit union. Redeemable shares are classified as liabilities on the Credit Union's statement of financial position.

	2018	2017
	\$	\$
Balance at beginning of the year	6,065,847	5,307,439
Shares received during the year	1,394,746	1,609,734
Shares withdrawn	(581,455)	(851,326)
Ordinary shares	<u>6,879,138</u>	<u>6,065,847</u>

18. Other deposits

	2018	2017
	\$	\$
Christmas club	65,474	85,120
Fixed deposit	2,166,884	1,360,322
Benefit club (retirees)	6,926	6,926
	<u>2,239,284</u>	<u>1,452,368</u>

Deposits are repayable on demand. Interest is payable at the rates ranging between 1% and 4% per annum.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

19. Long-term loan

	2018 \$	2017 \$
General Employees Co-operative Credit Union Limited		
Original loan of \$3,118,590. The loan is repayable in monthly installments of \$21,500 inclusive of interest at the rate of 6% per annum, effective July 2017. Security is provided by way of legal mortgage over commercial property located at Bay Street which comprises a building and land, comprehensive insurance on building, shares and deposit with the General Employees Co-operative Credit Union. The loan is due to be fully paid on July 29, 2036.	2,926,198	3,004,456
Less: current portion	(86,233)	(81,447)
Non-current portion	2,839,965	2,923,009

20. Share capital

	2018 \$	2017 \$
Qualifying permanent shares		
Share capital - beginning of the year	330,580	270,180
Issuance of shares	39,775	61,600
Transfer to share capital	-	(1,200)
Share capital - end of the year	370,355	330,580

Unlimited number of shares at a par value of \$5.00 per share, which is not redeemable.

21. Statutory reserve fund

Under the provision of the Co-operative Societies Act, 2012, the Credit Union is required to allocate at least twenty percent (20%) of net earnings to a reserve fund. This reserve fund may be used for specific purposes subject to approval by the Financial Services Authority.

	2018 \$	2017 \$
Fund balance - beginning of the year	319,775	317,180
Entrance fee	1,955	2,595
Transfer from net earnings	11,670	-
Fund balance - end of the year	333,400	319,775

22. Death benefit fund

	2018 \$	2017 \$
Fund balance - beginning of the year	64,286	41,946
Contributions received for the year	38,065	32,365
Benefits paid during the year	(12,500)	(10,025)
Fund balance - end of the year	89,851	64,286

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

23. Development fund

In Accordance with the provision of Article 125 of the Co-operative Societies Act, 2012, the Credit Union is required to establish and maintain a Development Fund, which is to be used for the development of registered societies. The fund is to be maintained by annual appropriations from net earnings, not exceeding five percent (5%) of each year's net earnings.

	2018 \$	2017 \$
Fund balance - beginning of the year	27,126	37,966
Payment during the year	-	(10,840)
Transfer from net earnings	2,917	-
Fund balance- end of the year	30,043	27,126

24. Net interest income

	2018 \$	2017 \$
Personal loan interest	720,104	561,828
Mortgage loan interest	63,834	56,860
Vehicle loan interest	236,840	176,473
Student loan interest	18,922	26,500
Land loan interest	54,204	27,674
Educational loan interest	1,022	1,493
Vacation loan interest	2,570	1,646
Xmas special loan interest	29,294	28,251
New mortgage loan interest	23,272	21,281
Staff loan interest	11,312	9,593
Interest from loans	1,161,374	911,599
Interest earned on savings	16,837	9,655
Interest earned on investments	19,135	3,100
	1,197,346	924,354

25. Interest expense

	2018 \$	2017 \$
Ordinary deposits	25,958	7,046
Ordinary shares	173,723	45,828
Christmas club	11,986	13,378
Junior savers	9,893	1,766
Fixed deposit interest	50,427	9,503
	271,987	77,521

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Notes to the Financial Statements
For the year ended December 31, 2018

26. Administrative and general expenses

	2018 \$	2017 \$
Advertising and promotion	65,449	59,213
Audit fees	13,920	13,920
Amortization	3,069	1,086
Bank charges	12,263	4,660
CCCU convention	21,839	-
Cleaning expense	1,861	717
Computer software license	15,105	20,171
Credit Union week	3,262	3,849
Depreciation expense	68,609	62,137
Donation	5,610	7,943
Electricity expense	35,106	29,151
Honorarium	900	2,406
Insurance expense	23,992	25,920
League dues	8,463	7,166
Legal fees	630	306
Meals and entertainment	4,685	14,977
Meeting expenses	50,452	44,513
Members compensation	15,000	-
Miscellaneous expense	2,634	4,131
Office expenses, stationary, printing and postage	35,410	44,034
Professional fees	-	8,417
Repairs and maintenance	29,145	28,552
Salaries, wages and NIS contributions	367,362	322,605
Scholarship	15,139	8,300
Security expense	20,619	19,481
Telephone expense	25,874	33,394
Training expense	6,796	7,938
Travel	1,666	614
Uniform	9,110	7,369
Water rates	3,033	3,435
	867,003	786,405

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

27. Fee income		
	2018	2017
	\$	\$
Shares processing fee	9,030	7,608
Loan processing fee	52,224	51,273
	<u>61,254</u>	<u>58,881</u>

28. Other income		
	2018	2017
	\$	\$
Photocopies and faxes	4,115	3,218
Phone cards income (loss)	4,149	(4,552)
Rental income	167,994	97,961
	<u>176,258</u>	<u>96,627</u>

29. Income tax

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

30. Personnel expenses

	2018	2017
	\$	\$
Salaries, wages and bonuses	349,799	309,094
National Insurance Services contributions	17,563	13,511
Uniforms	9,110	7,369
	<u>376,472</u>	<u>329,974</u>
Average number of employees	<u>14</u>	<u>13</u>

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

31. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions. The St. Vincent and the Grenadines Police Co-operative Credit Union considers the Board of Directors, its committees and staff as related parties.

Key management, committees and directors

A number of transactions were entered into with related parties in the normal course of business. These include loans and other transactions. The volume of related party transactions and outstanding balances at the year-end are as follows:

	2018 \$	2017 \$
Directors and committees' members loans		
Board of directors	94,193	67,415
Committees' members	106,822	178,735
Loans outstanding at the end of the year	201,015	246,150
Directors and committees' members - deposits and shares		
Board of directors	75,832	40,198
Committees members	131,298	156,924
Deposits and shares at the end of the year	207,130	197,122
Management and staff loans		
Management and staff	121,224	142,632
Loans outstanding at the end of the year	121,224	142,632
Management and staff - deposit and shares		
Management and staff	66,301	45,994
Deposits and shares at the end of the year	66,301	45,994

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

32. Financial instruments and financial risk management

Principal financial instruments

The principal financial instruments, by category, used by the Credit Union from which financial instrument risk arises are as follows:

	2018	2017
	\$	\$
Financial assets		
<i>Amortised cost</i>		
Cash and cash equivalents	498,210	1,494,610
Interest receivable	55,383	35,562
Loan to members	11,013,514	9,060,485
Investment securities	847,181	154,076
	<u>12,414,288</u>	<u>10,744,733</u>

	2018	2017
	\$	\$
<i>Fair value through OCI</i>		
Investment securities	130,219	129,041

	2018	2017
	\$	\$
Financial liabilities		
<i>Amortised cost</i>		
Accounts payable and accrued liabilities	177,726	55,203
Interest payable	52,830	8,701
Members' regular deposits	2,338,811	2,391,883
Members' redeemable shares	6,879,138	6,065,847
Long-term loan	2,926,198	3,004,456
	<u>12,374,703</u>	<u>11,526,090</u>

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and cash equivalents, loan to members, interest receivable/payable, accounts payable and accrued liabilities, investment securities, members' regular deposits, members' redeemable shares: Due to the short-term nature of transactions, the fair values of these financial instruments approximate the carrying amounts as at financial reporting date.

Equity investment securities: The valuation of unquoted equity shares is based on the historical cost of the investment (Level 3).

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

32. Financial instruments and financial risk management (cont'd)

Principal financial instruments (cont'd)

Long-term loan: The fair value of long-term loans amounting to \$2,957,738 (2017: \$3,040,536) for disclosure purposes has been determined using discounted cash flow using market interest rates.

The Credit Union's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Credit Union's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Credit Union's financial performance.

The Credit Union's management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Credit Union regularly reviews, its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the Management Committee under policies approved by the Board of Directors.

(a) Credit risk

The Credit Union maximum credit risk exposure is detailed below:

	2018	2017
	\$	\$
Cash at bank	395,047	1,378,321
Investment securities	977,400	283,117
Loans to members	11,013,514	9,060,485
Interest receivable	55,383	35,562
	12,441,344	10,757,485

Credit risk in respect of loans and advances is limited as this balance shown is net of impairment losses on loans and advances.

Credit risk is the risk of suffering financial loss should any of the Credit Union's customers, clients or market counterparts fail to fulfill their contractual obligations to the Credit Union. Credit risk arises mainly from cash, investment securities, loans to members and interest receivable.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

32. Financial instruments and financial risk management (cont'd)

Principal financial instruments (cont'd)

(a) Credit risk (cont'd)

Credit risk from financial assets is minimised through advancing loans only after careful assessment of the borrower, obtaining collateral before advancing loans. The risk accepted in relation to one borrower is restricted to 10% of the shareholder's equity. Exposure to credit risk is also managed in part by obtaining collateral and guarantees for loans receivable. The collateral may consist of real estate, member deposits and shares, equipment or vehicles. The credit quality of each individual investment is internally assessed based on the financial strength, reputation and market position of the issuing company and the ability of that company to service the debt. The Credit Union's balances with banks are held with reputable financial institutions and as a result their credit risk is deemed minimal. The Credit Union's investments are held with Government of St. Lucia, SVG Co-operative Credit Union League; and are not externally rated. As a result, these are deemed unrated and directly linked to the performance of the financial institution.

A financial asset is past due when a counterparty has failed to make payments when contractually due. The Credit Union is most exposed to the risk of past due assets with respect to its loans and advances to members.

The Expected Credit Loss, commonly referred to as ECL, represents the amount the Credit Union is likely to lose in the event of a default. The Credit Union is required to categorize the loans in their respective Stages as outlined in the IFRS 9 Standard.

Expected credit loss on loans to members are analyzed below:

	<u>Loan balances</u>	<u>ECL</u>	<u>Total</u>
Stage 1	10,151,932	(191,960)	9,959,972
Stage 2	1,040,974	(104,330)	936,644
Stage 3	197,879	(80,981)	116,898
As at December 31, 2018	<u>11,390,785</u>	<u>(377,271)</u>	<u>11,013,514</u>
	<u>Loan balances</u>	<u>ECL</u>	<u>Total</u>
Stage 1	8,667,863	(173,876)	8,493,987
Stage 2	484,703	(25,437)	459,266
Stage 3	229,869	(122,759)	107,110
As at January 1, 2018	<u>9,382,435</u>	<u>(322,072)</u>	<u>9,060,363</u>

Stage 1 loans

Loans placed in this stage include loans for which there is no evidence of a significant increase in credit risk since the origination date and loans that are due to mature within 12 months of the reporting date providing that such loans were not in a state of default.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

32. Financial instruments and financial risk management (cont'd)

(a) Credit risk (cont'd)

Stage 2 loans

Loans placed in this stage include loans past due between 30 to 89 days and loans that experienced a significant increase in credit risk even if the 30 days past due days threshold is not met.

Stage 3 loans

Loans placed in this stage are loans that are past due 90 days and over and loans that show evidence of impairment even if the 90 days threshold is not met.

One of the crucial requirements of IFRS 9 is for the Credit Union to determine whether there is a significant increase in credit risk (SIICR) from the date of loan origination to the current or the reporting date. In the event of a SIICR, the loan must be placed in Stage 2 and will require a lifetime provision. The loan should remain in this Stage until there is evidence that the event(s) that resulted in the increase in the credit risks have been satisfactorily cured. It is only then that these loans should be transitioned back to Stage 1.

SIICR is determined by observing to the extent to which adverse changes in one or more of the credit risk drivers could increase the likelihood of the default since the origin of the loan. A change in members' employment arrangement, payment method, industry or personal conditions could be deemed significant enough to trigger a migration of loans to Stage 2 even if the 30 days quantitative SIICR threshold is not met.

(b) Liquidity risk

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

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

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

Management undertakes continuous review of cash inflows and outflows and seeks to maintain an adequate loans-to-savings ratio. For this ratio savings include deposits from members and shareholder balances.

The table below presents the cash flows payable by the Credit Union for financial liabilities by remaining contractual maturity dates at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

32. Financial instruments and financial risk management (cont'd)

(b) Liquidity risk (cont'd)

	1 year \$	1 and 5 years \$	After 5 years \$	Total \$
As at December 31, 2018				
Accounts payable and accrued liabilities	177,726	-	-	177,726
Interest payable	52,830	-	-	52,830
Members regular deposits	1,692,622	646,189	-	2,338,811
Members redeemable shares	6,879,138	-	-	6,879,138
Other deposits	2,239,284	-	-	2,239,284
Long term loans	258,000	1,032,000	3,483,000	4,773,000
	<u>11,299,600</u>	<u>1,678,189</u>	<u>3,483,000</u>	<u>16,460,789</u>
	1 year \$	1 and 5 years \$	After 5 years \$	Total \$
As at December 31, 2017				
Accounts payable and accrued liabilities	55,203	-	-	55,203
Interest payable	8,701	-	-	8,701
Members regular deposits	1,280,883	1,111,000	-	2,391,883
Members redeemable shares	6,065,847	-	-	6,065,847
Other deposits	1,452,368	-	-	1,452,368
Long term loans	258,000	1,032,000	3,741,000	5,031,000
	<u>9,121,002</u>	<u>2,143,000</u>	<u>3,741,000</u>	<u>15,005,002</u>

The Credit Union holds a diverse portfolio of cash and investments to support payment obligation. Assets held for managing liquidity comprises cash and balances with banks. The Credit Union would also be able to meet unexpected cash flows by selling investment securities and accessing additional funding.

(c) Market risk

The Credit Union's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Credit Union's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Credit Union's performance. The most important types of risk are credit risk, market risk and operational risk. Material risk includes currency risk and interest rate risk.

(d) Currency risk

The Credit Union takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Management believes that exposure to currency risk is minimal since transactions in foreign currencies are primarily in United States Dollars (US\$) which has been formally pegged at EC\$2.70 since July 1976.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

32. Financial instruments and financial risk management (cont'd)

(e) Interest rate risk

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

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

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

	Up to 1 month \$	1 to 3 months \$	3 to 12 months \$	1 to 5 Years \$	Over 5 years \$	Non-interest bearing \$	Total \$
As at December 31, 2018							
Financial assets							
Cash and cash equivalents	395,047	-	-	-	-	103,163	498,210
Investment securities	-	792,564	184,836	-	-	-	977,400
Loans to members	457,558	677,115	2,905,515	3,983,609	2,989,717	-	11,013,514
	852,605	1,469,679	3,090,351	3,983,609	2,989,717	103,163	12,489,124
Financial liabilities							
Accounts payable and accrued liabilities	-	-	-	-	-	177,726	177,726
Members regular deposits	-	463,538	1,838,951	36,322	-	-	2,338,811
Members redeemable shares	-	6,879,138	-	-	-	-	6,879,138
Other deposits	-	2,239,284	-	-	-	-	2,239,284
Long term loan	7,069	14,726	64,438	400,416	2,439,549	-	2,926,198
	7,069	9,596,686	1,903,389	436,738	2,439,549	177,726	14,561,157
Total interest sensitivity gap	845,536	(8,127,007)	1,186,962	3,546,871	550,168	(74,563)	(2,072,033)

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

32. Financial instruments and financial risk management (cont'd)

(e) Interest rate risk (cont'd)

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

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

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

	Up to 1 month	1 and 3 months	3 and 12 months	1 and 5 Years	Over 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$
As at December 31, 2017							
Financial assets							
Cash and cash equivalents	1,378,321	-	-	-	-	116,289	1,494,610
Investment securities	-	100,000	183,117	-	-	-	283,117
Loans to members	36,894	901	180,700	3,647,290	5,194,700	-	9,060,485
	1,415,215	100,901	363,817	3,647,290	5,194,700	116,289	10,838,212
Financial liabilities							
Accounts payable and accrued liabilities	-	-	-	-	-	55,203	55,203
Members regular deposits	-	-	2,391,883	-	-	-	2,391,883
Members redeemable shares	-	-	6,065,847	-	-	-	6,065,847
Other deposits	-	-	1,452,368	-	-	-	1,452,368
Long term loan	3,720	13,926	60,611	377,339	2,548,860	-	3,004,456
	3,720	13,926	9,970,709	377,339	2,548,860	55,203	12,969,757
Total interest sensitivity gap	1,411,495	86,975	(9,606,892)	3,269,951	2,645,596	61,086	(2,131,545)

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

32. Financial instruments and financial risk management (cont'd)

(e) Interest rate risk (cont'd)

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

	2018 \$	2017 \$
Financial assets		
Cash at bank	395,047	1,378,321
Investment securities	847,181	154,076
Loans and advances to members	11,013,514	9,060,485
	<u>12,255,742</u>	<u>10,592,882</u>
Financial liability		
Long-term loan	2,926,198	3,004,456
Members regular deposit	2,338,811	2,391,883
	<u>5,265,009</u>	<u>5,396,339</u>

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

	2018 %	2017 %
Financial assets		
Investment securities	1 to 3	1 to 3
Loans to members	7 to 12	7 to 12
Financial liabilities		
Deposits from members	1 to 4	1 to 4
Long-term loan	6	6

33. Effect of change in accounting policy

The Credit Union adopted IFRS 9 with a transition date of 1 January 2018. The Credit Union has chosen not to restate comparatives on adoption of IFRS 9 and, therefore, are not reflected in the restated prior year financial statements. Rather, these changes have been processed at the date of initial application (1 January 2018) and recognised in the opening equity balances.

IFRS 9 has replaced IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39), and has had a significant effect on the Credit Union in the following areas:

- (a) The Credit Union applied the expected credit loss model when calculating impairment losses on its financial assets measured at amortised costs (such as loan to members). This resulted in increased impairment provisions and greater judgement due to the need to factor in forward looking information when estimating the appropriate amount of provisions. In applying IFRS 9 the Credit Union considered the probability of a default occurring over the contractual life of its member loan balances on initial recognition of those assets.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

33. Effect of change in accounting policy (cont'd)

- (a) Equity investments classified as available-for-sale financial assets under IAS 39 have been classified as being at Fair Value through Other Comprehensive Income (FVTOCI) under IFRS 9. All fair value gains in respect of those assets are recognised in other comprehensive income and accumulated in the equity investment reserve, and these are not recycled to profit or loss. Previously, under IAS 39, impairments of such assets were recognised in profit or loss, and gains and losses accumulated in reserves were recycled to profit or loss on disposal.

Transition disclosures

Changes to classification and measurement

To determine the classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories of financial assets (fair value through profit or loss, available for sale, held-to-maturity and amortised cost) have been replaced by: debt instruments at amortised cost, debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition, equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition, and financial assets at fair value through profit or loss.

The accounting for financial liabilities remains largely the same as it was under IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at fair value through profit or loss. Such movements are presented in other comprehensive income with no subsequent reclassification to the income statement.

The Credit Union's accounting policies for financial instruments are set out in Note 3(a).

Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the Credit Union's accounting for loan loss impairments by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Credit Union to record an allowance for ECLs for all loans and other debt financial assets not held at fair value through profit or loss. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination in which case a lifetime ECL is determined.

Details of the Credit Union's impairment method are disclosed in Note 3(f) and Note 32(a).

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

33. Effect of change in accounting policy (cont'd)

Impact of IFRS 9 adoption

A reconciliation between the carrying amounts under IAS 39 to the balances reported under IFRS 9 as of January 1, 2018 is as follows:

	IAS 39 carrying amount as at December 31, 2017	Reclassification	Remeasurement	IFRS 9 carrying amount as at January 1, 2018
Financial assets				
Cash at bank	1,494,610	-	-	1,494,610
Interest receivable	35,562	-	-	35,562
Investment securities				
Held-to-maturity securities				
Opening balance	154,076			
To securities at amortised cost		(154,076)		
Closing balance				
Securities at amortised cost				
Opening balance	-			
From held-to-maturity securities		154,076		
Closing balance				154,076
Available-for-sale securities				
Opening balance	129,041			
To securities measured at fair value through OCI		(129,041)		
Closing balance				
Fair value through OCI				
Opening balance	-			
From available-for-sale securities		129,041		
Closing balance				129,041
Loan to members	9,060,485	-	(122)	9,060,363
Nonfinancial assets	4,023,649	-	-	4,023,649
Total assets	14,897,423	-	(122)	14,897,301

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2018

33. Effect of change in accounting policy (cont'd)

Impact of IFRS 9 adoption Cont'd

A reconciliation between the carrying amounts under IAS 39 to the balances reported under IFRS 9 as of January 1, 2018 is as follows:

	IAS 39 carrying amount as at December 31, 2017	Reclassification	Remeasurement	IFRS 9 carrying amount as at January 1, 2018
Financial liabilities				
Accounts payable and accrued liabilities	55,203	-	-	55,203
Interest payable	8,701	-	-	8,701
Members' regular deposits	2,391,883	-	-	2,391,883
Members' redeemable shares	6,065,847	-	-	6,065,847
Long-term loan	3,004,456	-	-	3,004,456
Nonfinancial liabilities	1,452,368	-	-	1,452,368
Total liabilities	12,978,458	-	-	12,978,458
Accumulated surplus				
Closing balance under IAS 39	468,962			
Recognition of IFRS 9 ECLs			(122)	
Opening balance under IFRS 9	1,450,003	-	-	468,840
Others	1,918,965	-	(122)	1,450,003
Total members' equity				1,918,843

34. Commitments

(i) Loans to members
Loans to members approved but not yet disbursed amounted to \$145,906 (2017: \$90,554).

(ii) Dividends

No dividend was declared by the board of directors for the year under review. This is in accordance with the St. Vincent and the Grenadines Cooperative Societies Act 2012, section 128 (2) which states that a cooperative society shall not pay a dividend or make any payment on account of its profit until its institutional capital has reached a proportion of not less than 10% of the assets of the cooperative society dividend. (2017: nil).



Bro. Timothy Hazelwood
Chairman



Bro. Levon Murray
Secretary

Credit Committee



Bro. Enville Williams
Member



Bro. Angus Morris
Member



Bro. Elton Jackson
Member

CREDIT COMMITTEE REPORT
TO THE 16TH ANNUAL GENERAL MEETING OF THE
SVGPCCU LTD FOR THE YEAR ENDING DECEMBER, 31ST 2018

INTRODUCTION

The SVG Police Co-operative Credit Union (SVGPCCU) can experience financial stability only if proper management systems are implemented. To assist in such management is the Credit Committee, which continues to function in accordance with the requirements of the loans policy which is tied to other related legislation. The Credit Committee is in place mainly to render timely financial assistance to members by approving loans on a weekly basis. Every effort is made to grant members' request for loans which are prudent and productive. In this regard, members of the Credit Committee take their responsibilities seriously, knowing that their actions can either positively or negatively impact on the development of the SVGPCCU.

In addition to weekly meetings, the Credit Committee made several land and property site visits with a view to purchase such lands/properties for members or to assess their security value.

The members of the Credit Committee now serve in the positions shown against their names.

Bro. Timothy	Hazelwood	Chairman
Bro. Levon	Murray	Secretary
Bro. Angus	Morris	Member
Bro Elton	Jackson	Member
Bro. Enville	Williams	Member

The Credit Committee had a successful year of operation. This is due mainly to the dedication of its members and the assistance they received from the Loans Supervisor and Loans Officers. The Credit Committee record of attendance for 2018 speaks for itself.

Names	Credit Committee Meetings	All Committee Meetings	Grand Total
	Total 51	Total 4	Total 55
Bro Timothy Hazelwood	48	2	50
Bro Levon Murray	44	4	48
Bro Angus Morris	50	3	53
Bro Enville Williams	45	4	49
Bro Elton Jackson	50	3	53

OVERVIEW

The following summarizes the activities of the Credit Committee during 2018 with comparative figures for 2017 and 2016.

LOAN ACTIVITY FOR 2018, 2017 and 2016

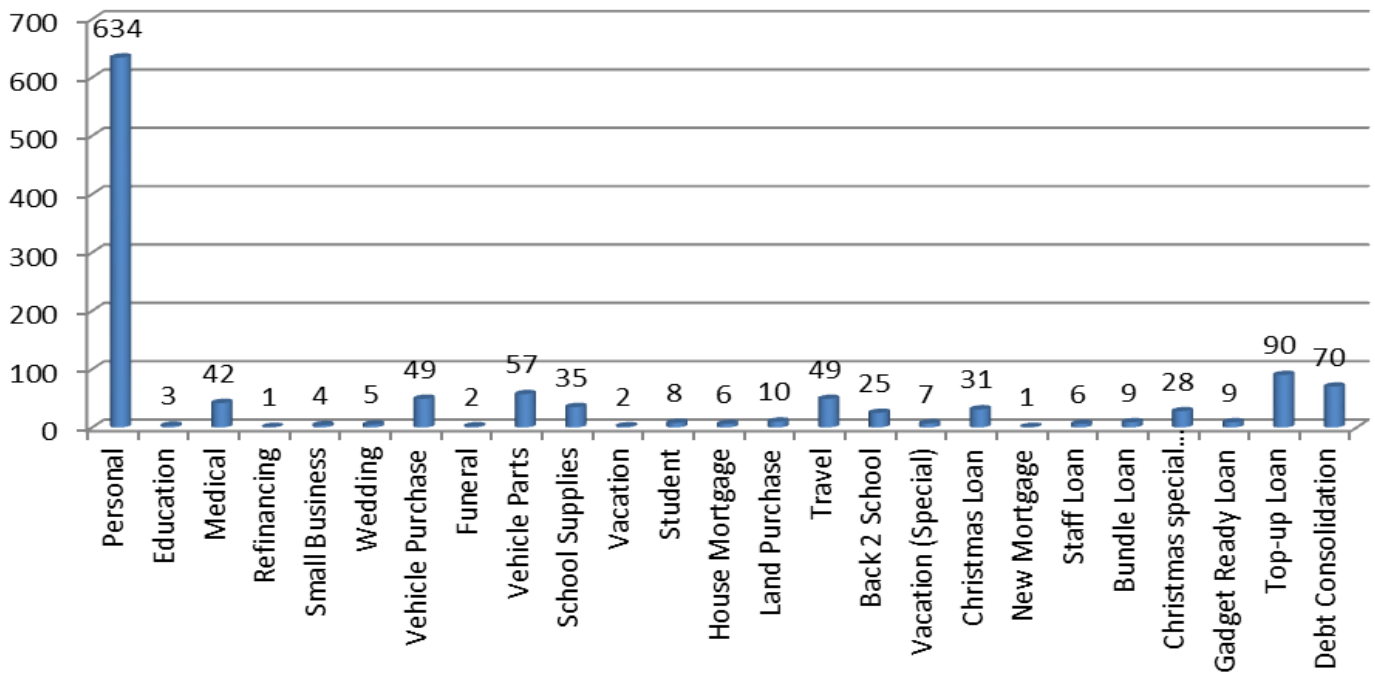
PARTICULARS	2018		2017		2016	
	NO	AMOUNT	NO	AMOUNT	NO	AMOUNT
Granted	1183	\$8,301,021.21	1566	\$5,046,630.84	1385	\$3,188,331.09
Rejected	102	\$1,279,762.10	87	\$729,369.44	507	\$93,750.06
Applications received	1285	\$9,580,783.31	1653	\$6,819,264.88	1892	\$3,654,825.83

A breakdown of loans issued during the year ended 31st December 2018 is set out hereunder.

LOANS GRANTED BY PURPOSE FOR 2018

PURPOSE	LOANS GRANTED	AMOUNTS (\$)	PERCENTAGE (%)
Personal	634	\$2,552,065.12	30.74%
Education	3	\$7,067.50	0.09%
Medical	42	\$66,577.99	0.80%
Refinancing	1	\$175,650.00	2.12%
Small Business	4	\$95,030.10	1.14%
Wedding	5	\$32,770.59	0.39%
Vehicle Purchase	49	\$1,045,004.75	12.59%
Funeral	2	\$11,211.00	0.14%
Vehicle Parts	57	\$160,972.49	1.94%
School Supplies	35	\$40,607.00	0.49%
Vacation	2	\$13,569.60	0.16 %
Student	8	\$47,930.29	0.58 %
House Mortgage	6	\$792,390.71	9.55 %
Land Purchase	10	\$697,823.23	8.41%
Travel	49	\$195,628.03	2.36%
Back 2 School	25	\$55,510.00	0.67%
Vacation (Special)	7	\$45,775.00	0.55%
Christmas Loan	31	\$107,577.14	1.30%
New Mortgage	1	\$25,125.00	0.30%
Staff Loan	6	\$69,864.27	0.84%
Bundle Loan	9	\$281,180.49	3.39%
Christmas Special 10%	28	\$106,596.78	1.28%
Gadget Ready Loan	9	\$13,686.75	0.16%
Top-up Loan	90	\$216,865.03	2.61%
Debt Consolidation	70	\$1,444,542.35	17.40%
TOTAL	1183	\$8,301,021.21	100%

LOANS GRANTED



Delinquency

As the SVGPCCU develops and advances its membership beyond the confines of the Police Force, more over-the-counter payments have resulted. Consequently, some members are late in meeting monthly obligations regarding loans and shares; some simply refuse to pay. Our delinquency rate has shown a slight increase; 1.5% over 2017 which stood at 3%. It therefore now stands at 4.5%; Though this increase is minor, it is a cause for concern. However, some strides are being made to recover money owed where a significant number of persons are taken to the Small Claims Court. As a result, few persons have cleared their debts while others have been put on payment plans.

Additionally, the recoveries department monitors all loan accounts that fall into arrears and work with members to find solutions which meet both the needs of members and those of the Credit Union. This process is conducted in a confidential and respectful manner.

It is important that members make contact with the Credit Union as soon as financial challenges arise and continue to cooperate and communicate with the Credit Union throughout the process. In circumstances where members do not engage with the Credit Union, SVGPCCU will pursue the recovery of debts through all means necessary. This may include personal contact through letters, telephone calls, home visits, the use of collection agents and where necessary legal proceedings.

The Credit Committee however realizes that the majority of our members are loyal; they pay their loans and shares in a very timely manner.

Conclusion

It is important that when loans are granted that they are serviced in accordance with the signed agreement. At SVGPCCU we encourage you to manage your money carefully by borrowing according to your needs and your ability to repay. Our objective is to help as many of our members as possible so that they can enjoy the fruits of their saving and borrowing activities. The Credit Union's core service is that of providing low cost loans to members. Loans are provided for prudent or productive purposes. Whatever you want to do; whether it's home improvements, changing your vehicle, or just simply going on holidays, we can help.

Acknowledgements

We would like to thank fellow committee members for their hard work and dedication. Special thanks to the Management and Staff of the SVGPCCU who shoulder the day-to-day activities of this Credit Union. Of most importance, we are here to serve you the members and to see you experience financial growth.



Bro Timothy Hazelwood
Chairman



Bro Levon Murray
Secretary



Bro. Kenroy Boucher
Chairman



Bro. David Wright
Member



Sis. Lovitha Boyea
Secretary

SUPERVISORY
& COMPLIANCE COMMITTEE



Sis. Antonio John
Chairperson
(Resigned during the year)



Sis. Heather Williams
Member

**SUPERVISORY AND COMPLIANCE COMMITTEE REPORT
TO THE 16TH ANNUAL GENERAL MEETING OF THE
SVGPCCU LTD FOR THE YEAR ENDING DECEMBER 31ST, 2018**

INTRODUCTION

The Supervisory and Compliance Committee remains committed to the function as an independent committee guided by section 66 of the Co-operative Society Act No.12 of 2012 and Sections 71 to 76 of the Bye-laws.

The following persons were elected to the Supervisory and Compliance Committee at the 15th Annual General Meeting of the St. Vincent and the Grenadines Police Co-operative Credit Union Limited. The committee at its first meeting held on 22nd June 2018, appointed officers from among themselves to serve in positions shown against their names:

Bro. Kenroy Boucher	Chairman
Sis. Lovitha Boyea	Secretary
Sis. Heather Williams	Member
Sis. Antonio John	Chairperson (Resigned during the year)
Bro. David Wright	Member

The supervisory and Compliance Committee is generally satisfied with the overall operations of the St. Vincent and the Grenadines Police Co-operative Credit Union Ltd as it relates to the Co-operatives Society Act and the Bye- Laws .

MEETING

The committee continues to be challenged in realizing scheduled meetings due to the conflicting work schedules of members.

During the period under review the Supervisory and Compliance Committee held several meetings as scheduled, attended All Committee Meetings and made visit to the Board and Credit Committee meetings. The table below shows meeting attendance.

MEMBERS	SUPERVISORY & COMPLIANCE MEETINGS	ALL COMMITTEE METINGS	TOTAL
Sis Antonio John	5	4	9
Sis Lovita Boyea	3	3	6
Sis Heather Williams	6	2	8
Bro Kenroy Boucher	6	2	8
Bro David Wright	3	3	6
TOTAL	6	4	10

At these meeting the areas of focus are as under:

- Examinations of records – Records were found to be in order
- Monitoring the work attitude/conduct of staff – work attitude and conduct of staff was good
- Examine the Emortelle System of the Society
- Monitoring services provided by the SVGPCCU Ltd –Services provided by the SVGPCCU were excellent
- Compliance to the Acts, Bye- Laws and recommendation of FSA
- Impromptu visit to the Credit Committee and Board Meetings – all were found to be in order

LOANS

Loans continue to be disbursed in accordance with the Bye –Laws and Loan Policy.


SERVICES

- The SVGPCCU Ltd continues to provide quality services and programs to its members .
- The unique Junior Savers Challenge has been very successful and continues to grow in strength .
- The SVGPCCU continue to sponsor the RSVG Police Force Christmas Caroling contest in 2018.
- The SVGPCCU continue to Award Scholarship and Bursaries to member’s children. Four scholarships were awarded in 2018 bringing the number of scholarship to thirteen (13) and ten (10) bursaries were awarded in 2018.

CONCLUSION

The Supervisory and Compliance Committee will like to thank Sis Heather Williams for her six (6)years of service to the committee and the society as a whole .The Committee will also like to thank the Board of Directors, Credit Committee, Education & Marketing Committee, Management and staff of the SVGPCCU for a job well done. Much gratitude is extended for their support and we encourages all to strive for excellence as we continue to serve our members and the general public.

May God continue to bless us all.


.....
Antonio John
Chairperson


.....
Lovita Boyea
Secretary



Sis. Esther Mc Barnette
Chairperson



Sis. Nikesha Layne
Member



Sis. Racquel Holder
Secretary

EDUCATION
& MARKETING
COMMITTEE



Bro. Dexter Sutherland
Member



Sis. Lanique Providence
Chairperson
(Resigned during the year)

Missing from Photo: Karla
Timm—Member
(Resigned during the year)



**EDUCATION AND MARKETING COMMITTEE REPORT
TO THE 16TH ANNUAL GENERAL MEETING OF THE SVGPCCU LTD
FOR THE YEAR ENDING DECEMBER 31ST, 2018**

Introduction

The Education & Marketing Committee is pleased to present its report to the 16th Annual General Meeting on its activities for the year ending December 31st, 2018.

The Education and Marketing Committee comprised of the following volunteers appointed by the Board following the 15th Annual General Meeting held on June 5th, 2018:

- ◆ Sis. Esther Mc Barnette Chairperson
- ◆ Sis. Nikesha Layne Member
- ◆ Sis. Racquel Holder Member
- ◆ Bro. Dexter Sutherland Member
- ◆ Sis. Lanique Providence Chairperson (Resigned during the year)
- ◆ Sis. Karla Timm Member

Sis. Karla Timm and Sis. Lanique Providence left the committee during the year because of other obligations they had to fulfill.

Sis. Bria Williams served as the Staff Liaison for the Committee.

Meetings

MEMBERS	Education & Marketing Meetings	All Committee Meetings	TOTAL
TOTAL	6	4	10
Sis. Esther McBarnette	3	3	6
Sis. Nikesha Layne	5	4	9
Sis. Raquel Holder	5	3	8
Sis. Lanique Providence	6	1	7
Sis. Karla Timm	4	-	4
Bro. Dexter Sutherland	3	2	5

2018 in Review

The committee’s work plan under review is to increase membership and enhance the Credit Union’s image by offering quality products and services and strengthen the SVGPCCU’s commitment to the development of the Co-operative Sector.

Membership

The membership, inclusive of depositors, increased during the year as a result of the following:

- Conducting presentations at the RSVGPF Training School to new recruits.
- Taking part in the RSVGPF Crime Prevention Showcase.
- Collaborating with BOOM FM to promote new loan products and services.

2018 Collaboration

- To strengthen SVGPCCU's commitment to the development of the co-operative sector, we participated in the Eastern Caribbean Central Bank's (ECCB) Annual Financial Information month of activities which was held during the month of October 2018 under the theme "Financial Empowerment through Education with the focus being *"Conducting and Protecting Your Business in a Digital Environment?"*
- Co-sponsored the National Schools' Co-operative Awards hosted by the Co-operative Department.
- Collaborated with the Co-operative Department in the development of efficient ways to strengthen the Schools' Co-operative Programme along with providing support to the Teacher Guides Programme.

Advertisement

The Credit Union maintained and enhanced its presence in both the print and electronic media with a wide array of advertisements. These included programme sponsored by the Credit Union (OMG morning radio programme on BOOM FM), general advertisement of loans and fixed deposits specials.

PCCU's presence on Facebook and Instagram continues to solidify the efforts made by the Credit Union to enhance interaction with members and the general public.

Annual Scholarship and Bursary Presentation Ceremony

Scholarship award ceremony was collaborated with the RSVG Police Force. The ceremony was held at the Police Canteen on 15th August 2018 under the theme: "Sixty solid years of educating our nation's youth". SVGPCCU awarded four (4) scholarships and ten (10) bursaries.

Scholarship recipients are:

James Grant	-	Kingstown Preparatory School
Ilario Anderson	-	Kingstown Preparatory School
Malique Mayers	-	Kingstown Preparatory School
Tiffany Adams	-	Evesham Methodist School

A total of ten (10) bursaries were awarded for the year 2018, four (4) bursaries were awarded to students who passed their exams but were not successful in gaining a PCCU Scholarship and six (6) awarded to SVGPCCU's adopted schools, the Fair hall Government and the Lowmans Windward Anglican School.

To date, thirteen (13) students are part of the scholarship programme and sum of fifteen thousand one hundred and thirty nine (\$15,139.00) was expended for the year 2018.

SVGPCCU Junior Savers Challenge

The SVGPCCU Junior Savers Challenge commenced on January 2nd, 2018. The basic rules and regulation surrounding the challenge requires that each child save one dollar more each week for 52 weeks. The challenge cannot be paid in advance or late as the child would have forfeited the challenge and will automatically be withdrawn. On completing the challenge at the end of 52 weeks each child would have saved no less than \$1378.00 and awarded a Amazon Fire Tablet.

A new criteria was made to the challenge under the year in review, where half of the monies obtained during the challenge would be placed in a Fixed Junior Savers Account for one year at a 3% interest rate.

The challenge started with 278 Junior Savers and concluded with 239. Since the Challenge started in 2014, 2018 had the major increase. The ceremony took place at SVGPCCU Headquarters on 31st December 2018, where each Junior Saver were awarded an Amazon “Fire” tablet in honouring their commitment towards saving.

SVGPCCU thanks all parents and/or guardians who have been encouraging their child/children in participating in this worthwhile initiative. We encourage you to continue in this venture.

Credit Union Week

The month of October was commemorated as Credit Union month. During the month of October, a number of activities were planned for the entire Credit Union body in St Vincent and the Grenadines.

Also, our Credit Union had a calendar of activities for our membership.:

- Customer Appreciation Day
- The Junior Savers Account Holders were engaged in an ‘Funtastic Saturday’ session which engaged them in Arts & Crafts activities along with the socialization of members of staff.
- Beautification projects for two (2) of our adopted schools.

Sponsorship & Donations

Throughout the year, the PCCU has offered sponsorships and donations towards several individuals and events in keeping with our social responsibility.

Marketing Plan

The Marketing Plan of 2016 -2018 has been utilized by the committee as a strategy to increase membership and educate members through different marketing initiatives.

The Committee plans on creating a 2019-2020 Marketing Plan to aid in the promotion, growth, social responsibilities and the strengthen of relationships with its members.

Brochures

Brochures on services and products offered by the Credit Union are readily available at SVGPCCU's Headquarters.

The Way Forward

- To continue to increase the membership of the SVGPCCU.
- To educate members and prospective members about SVGPCCU's products and services.
- To strengthen the relationship between members with the executive and staff.
- To educate persons about the benefits of savings.
- To work towards improving the life of our members.
- To fulfill co-operative social responsibilities.

Conclusion

The Education and Marketing Committee would like to express its gratitude to the Board of Directors for allowing us the opportunity to serve this esteemed organization. We would like to commend the staff of the Credit Union for their selfless support in execution of the committee's mandate. We also thank All Committees and Members for their continued support.



.....
Esther McBarnette
Chairperson



.....
Raquel Holder
Secretary

TIPS

How do I become a Member of SVGPCCU?

When joining the Credit Union, members are required to produce the following documents:

- two (2) pieces of photographic identification (Passport, Driver's License, National ID)
- Proof of income (Salary slip/Job letter)
- Proof of address (utility bill)
- Initial payment of \$255.00 (\$200.00-Permanent Shares, \$25.00 Ordinary Shares, \$5.00 Entrance Fee & \$25.00 Death Benefit (paid annually))

Parents are encouraged to continue to persuade their children to save regularly, a habit they will easily acquire and are not likely to forget.

Junior Savers are required to produce the following documents:

- Photographic identification of Parent/Guardian (Passport, Driver's License, National ID)
- Birth Certificate and or Passport of child
- Parent/ Guardian proof of income (Salary slip, job letter)
- Parents proof of Address (utility bill)
- Initial payment of \$20.00 (\$15.00 Junior Savers Deposit + \$5.00 Entrance Fee)

Remember to:

Inform us if you have:

- Change of your address
- Change telephone number(s)
- Change marital status
- Change of employment

However the responsibility is with the member who finds themselves in difficulty to:

- Contact the Credit Union.
- Be honest when looking at your finances.
- Discuss your situation with our friendly Loans Officers.
- Make the necessary arrangements proposed by the Credit Union.

What you should know about IFRS9

What is IFRS 9?

A new international financial reporting standard that will significantly change the way the credit union operates.

Became effective on January 1, 2018

It will change the way Credit Unions calculate their bad debt expense (provisions).

The aim is to ensure that financial institutions (FIs) conduct proper assessments of loans and investments and also put aside (allocate) funds as provisions, based on the FIs best estimate of how debts will perform over time.

Why is IFRS 9 Mandatory?

Changes in existing or new standards are required to be implemented by all financial institutions that have a regulatory requirement to prepare financial statements, including credit unions and banks.

Impact on Credit Union

Credit unions will continue to set aside money (funds) as a bad debt expense for delinquent loans.

But more money will have to be set aside (expensed) for estimated bad debts (provisions), including loans that are not delinquent and some investments.

Provisions will start from the Credit Union agrees/commits to grant the loan or purchase the investment until it is repaid/matures.

Based on IFRS 9, funds (money) for increased estimated bad debts will be needed for loans and investments existing at January 1, 2018.

This could reduce the CUs capital if it does not have sufficient surplus from past years (**i.e. reserves**) Therefore..

Our recommendation is that part of the 2017 surplus be used to build up the reserves.

When granting a loan with the CU will have to determine how risky a borrower is, and the likelihood that the borrower will not repay the loan.

It is very likely that costs will increase as more loan loss and investment provisions will be required and changes will be needed to the IT system among other related costs.

Therefore the CU's surplus could be reduced in the immediate periods going forward.

Positive: Will force the CUs to grant better loans which could increase their loan portfolio with good loans

IFRS 9 Impact on Members

Members will be assessed more when they apply for loans

Loan interest rates could eventually be set based on assessment of a borrower's risks.

It could mean less interest/dividend if bad debts costs are higher resulting in lower surplus

Credit bureau scores might become more widely used.

CU's Responsibility

Ensure consistent and effective member education regarding the changes and new requirements.

Ensure system is in place to properly assess applications for loans

More member financial counseling/education

Member's Responsibility

Repay loans on time and according to loan agreement

Contact the credit union as soon as there is a possibility of a change in the ability to repay the loan.

Ensure collateral used as security is kept in good condition, insured and valued as necessary/required by the Credit Union.

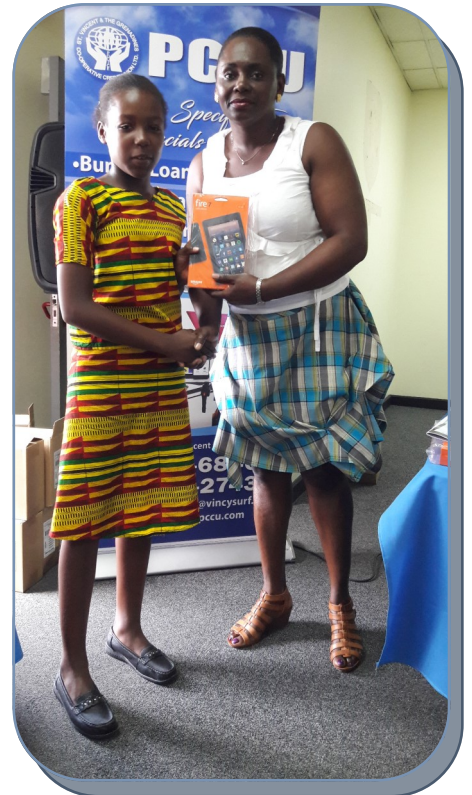
Submit evidence of insurance/valuation to the Credit Union as soon as done

Keep loans in good standing which could result in lower interest rates on loans.

RSVG POLICE CAROLLING SPONSORSHIP 2018



JUNIOR SAVERS CHALLENGE AWARDS CEREMONY



SCHOLARSHIP CEREMONY 2018



NOTES



So many
to choose
from...



Personal Loan



Vehicle Loan



Educational Loan



Vacation Loan



Medical Loan



Bundle Loan



Back to School Loan



Gadget-Ready Loan



Top Up Loan



Pre-Approved Loan



Debt Consolidation Loan



Mortgage Loan

SVG Police Credit Union Ltd

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