

**SVG POLICE CO-OPERATIVE
CREDIT UNION LTD.**



19TH AGM

ANNUAL GENERAL MEETING



**THE CHALLENGE OF
CHANGE - FACING THE FUTURE
TOGETHER**

**METHODIST CHURCH HALL
25TH AUGUST 2022
3:30 PM.**



SVG PCCU LTD.

SVG PCCU BACK To SCHOOL LOAN

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ANNUM**

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www.svgpccu.com

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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- 11) *When a motion is withdrawn any amendment to it falls.*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 guidance
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.	Enville	Williams	President
Sis.	Kathleen	Nanton-Davis	Vice President
Bro.	Levon	Murray	Treasurer
Sis.	Antonio	John	Secretary
Sis.	Moreene	Matthews	Assistant Secretary/Treasurer
Bro.	Richard	Browne	Director
Bro.	Brenton	Smith	Director

GENERAL MANAGER

Sis.	Ayanna	Samuel	Manager
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CREDIT COMMITTEE

Bro.	Angus	Morris	Chairman
Sis.	Nekiesha	Harry-Samuel	Secretary
Bro.	Jerryne	Joseph	Member
Sis.	Shericha	Sutherland	Member
Bro.	Elton	Jackson	Member

SUPERVISORY & COMPLIANCE COMMITTEE

Sis.	Lanel	Black	Chairman
Sis.	Deorn	Hoyte	Secretary
Bro.	Kenroy	Boucher	Member
Sis.	Lovitha	Boyea	Member
Sis.	Glenda	Abraham	Member

EDUCATION & MARKETING COMMITTEE

Bro.	Donnie	Collins	Chairperson
Sis.	Nekiesha	Andrews	Secretary
Sis.	Racquel	Holder	Member
Sis.	Nikeshia	Layne	Member
Sis.	Ingrid	Hector	Member

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



Administration Department

Mr.	Carlton	Thomas	I. T. Technician
Ms.	Keayra	Olliver	I.T. Assistant
Ms.	Bria	Williams	Administrative Assistant
Mrs.	Nadine	Foster	Administrative Officer
Ms.	Dawnlyn	Bynoe	Branch Officer
Mrs.	Faylicia	Vincent	Receptionist
Ms.	Ingrid	Mars	Office Attendant
Ms.	Sophia	McFee	Compliance Officer

Loans Department

Mr.	Kenroy	Alexander	Loans Supervisor
Ms.	Kathleen	Jack	Recoveries/Securities Officer
Ms.	Nazinga	Harry	Recoveries/Securities Officer
Ms.	Curlene	Ackie	Loans Officer
Ms.	Resa	Mc Millan	Loans Officer

Accounts Department

Mrs.	Devon	Wright-Caine	Accountant
Ms.	Noelle	Gurley	Accounts Supervisor
Ms.	Subrina	Richards	Junior Accounts Clerk
Mrs.	Ashani	Velox	Teller
Ms.	Delisha	Bascombe	Teller

NOTICE & AGENDA OF THE 19TH ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the St. Vincent and the Grenadines Police Co-operative Credit Union Limited is scheduled to take place on Thursday, 25th August 2022 at 3.30 pm, Peace Memorial Hall, 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 18th Annual General Meeting
10. Correction/ Amendment and Confirmation of the Minutes
11. Matters Arising from the Minutes of Last A.G.M

12. Reports and Election:

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

13. Any other Business

- ◆ Equity Shares

14. Adjournment

Co-operatively yours


Sis. K. Nanton-Davis

Minutes of the 18th Annual General Meeting of the SVGPCCU Ltd. held on Tuesday 5th October 2021 at Police Credit Union Conference Room. (Hybrid)

1. Call to Order

The Opening Session and the welcome of the eighteen (18th) Annual General Meeting (AGM) of the St. Vincent and the Grenadines Police Co-operative Credit Union Limited was called to order at 3:53 pm and chaired by Bro. Brenton Smith, Director.

Bro. Smith enlighten members on the theme of the SVGPCCU's "Stronger we are together amidst the challenges". He lamented that there are indeed many challenges that are being faced by the Credit Union movement. He further stated how these challenges are overcome depends on each of us.

2. Prayers

Prayer was done by Sis. Ceilia Charles

3. National Anthem

A instrumental rendition of the National Anthem was played.

4. Apologies for Lateness/Absence

Apologies were received for the following:

Representative from the SVG Co-operative Credit Union League Ltd.

Sis. Moreene Matthews (Director)

5. Minute of Silence for Deceased

The meeting was asked to observe one minute silence for the deceased members who passed in the year 2020.

6. Greeting from Fraternal Organizations

Greetings were brought from sister organizations by the following representatives:

Artillon Hamilton (read by Bro. Smith)	-	SVG TCCU
Rohan Stowe (read by Bro. Smith)	-	GECCU
Jimmy Black	-	FSA
Patricia John	-	SACS

7. Vote of Thanks

Sis. Kathleen Nanton-Davis Secretary (BOD), thanked Fraternal Organizations for their words of encouragement and the general membership for attending the opening session of the eighteen (18th) Annual General Meeting of the St. Vincent and the Grenadines Police Co-operative Credit Union Limited.

8. Business Session

The business session of the eighteen (18th) Annual General Meeting was called to order and chaired by Bro. Brenton Smith.

9. Adoption of the Standing Orders

The Standing Orders were adopted on a motion moved by Kathleen Nanton-Davis and seconded by Sis. Antonio John.

10. Ascertainment of Quorum

This was done by the members of the Financial Services Authority.

11. Minutes of the Seventeenth (17th) Annual General Meeting

The meeting looked at minutes of the 17th Annual General Meeting.

12. Corrections/Amendments

There were corrections or amendments.

A motion to adopt the minutes of the 17th Annual General Meeting held on 5th October, 2021 was moved by Bro. Richard Browne and seconded by Bro. Michael Charles.

13. Matters Arising from the Minutes of the last AGM

Bro. Levon Murray indicated that a correction should be made with regards to the (15.2.8) where Bro. Levon Murray was nominated to the BOD upon his retirement from the Credit Committee at said AGM. However, a representative from the FSA informed the members that he will not be able to do so and will have to take a year off before he can be nominated to serve on the Board.

13.1 Mr. Jimmy Black from the FSA apologized for the misinformation and it was accepted by Bro. Levon Murray.

13.2 Bro. Shaquille Lewis sought clarity on the equity shares. He stated that he was informed of the Credit Union's decision to withdraw monies from members shares to put towards their equity shares.

The Manager informed Bro. Lewis that this move has been done by all Credit Unions and PCCU held a Special Meeting to implement those shares.

14. Reports

14.1 Board of Directors

The Asst. Secretary/Treasurer Sis. Antonio John presented the report, and it was accepted as read.

Sis. A. John stated that SVGPCCU is celebrating its 18th Anniversary under the theme “stronger we are together amidst the challenges”. Sis. John stated that the Credit Union continues to work toward its strategy of growth and great member service.

Sis. A. John lamented that the Credit Union is governed under the watchful eyes and guidance of the Board of Directors, whom is put in place by the members. She reminded the members that the Board is responsible for ensuring that the Credit Union is operating safely and prudently, while adhering to the standards of sound business and financial practice.

14.2 Membership

The period under review had an increase of two hundred and fifty-five (255) new members. Membership as at the 31st December 2021 stood at two thousand three hundred and four (2,304). Junior Savers accounts increased by one hundred and fifty-six (156).

14.3 Loan Delinquency

PCCU’s delinquency remains constant at %. The PCCU continues to monitor the delinquency situation.

14.4 Sponsorship/Donation

PCCU continues to display its corporate social responsibility and embraces new avenues to assist individuals.

14.5 Training for Staff and Committee Members

The impact of the Covid-19 saw the cancellation of planned activities which the Credit Union would have like to execute. However, the following were done:

- Inhouse training for all staff on office etiquette.
- Training on AML/CFT, attendee – Subrina Richards and Devon Wright-Caine.
- Training on CVQ-Office Administration – attendee- Bria Williams and Sophia Mc Fee.
- Online training – Certified Financial Controller – Devon Wright-Caine

14.6 New Branch Operation

Sis. A. John highlighted an achievement of SVGPCCU new branch on the island of Bequia. Furthermore, SVGPCCU Bequia will see membership growth as new persons become aware of the Credit Union.

14.7 Condolences

The Board of Directors, Committees, Management and Staff extends condolences to the families and friends of members who passed away during the year.

Deaths in 2020

Bro. Michael King
Bro. Philbert Chambers
Bro. Daniel Hall
Sis. Melvina Bowens

15.0 The Way Forward

- ATM and Online Banking Services
- Fulfill members needs
- Recruit new members
- Risk Management
- Human Resource capacity building
- Strengthen the relationship between members, management and staff
- Continue fulfilling Co-operate Social Responsibilities
- Increase Financial wealth that can be passed onto members

15.1 Appreciation

The Board of Directors acknowledges the dedication and continuous hard work by the Management and Staff, also the contribution of the volunteers on the BOD, Credit Committee, Supervisory and Compliance Committee, and Education and Marketing Committee.

The BOD also wishes to thank the FSA the SVG Co-operative League and our sister Credit Unions for the roles they have played in assisting the SVGPCCU during the year under review. Also, for the new age of reaching our members via the online platform and to the technicians and viewing members made it possible.

Sis. A. John also extended grateful thanks to Bro. Horace Williams (President) on his retirement and unwavering hard work and diligent contribution for over fourteen years (14) of service. It was echoed that his passion for the development and moreover to see SVGPCCU obtain its own headquarters was indeed worth the fourteen years. Another achievement that Bro. H. Williams urge came to a reality when PCCU paid off its building loan two (2) decades earlier. Through all this the Committees, Management and staff salute Bro. Williams and wish him all the best in his future endeavors.

15.2 Questions:

Bro. L. Murray stated that payments of dividends or interest was not mentioned.

The President informed the members that because of the pandemic, the Credit Union choose to assist affected members in the form of moratorium.

Sis. Attica Allen asked why the BOD chose to pay off the building loan instead of a healthy account to give members a rebate.

The President lamented that the BOD took this avenue because they saw it fit to do so as it will save the Credit Union millions of dollars which the members will harvest in the near future.

Bro. Garvie Thomas stated that the reason for not paying dividends was not printed in the report and it should have hence; members would not be wondering or asking what are the reasons why the Credit Union did not pay rebates. He further lamented that its time the

Board be held accountable for its actions and he is not pleased with the response by the President. He further stated that everything which is done by the Board should be transparent.

Bro. B. Smith replied that it was an oversight on the Board, and reassured the members that this will not occur again. He also stated that while the report will not reflect everything, he acknowledges the brother's comment.

Rosaldo Mc Kie commented that the delinquency rate was evidently climbing, and asked what is the Credit Union doing to curb it.

The Vice President (Bro. Smith) said the Credit Union continues to reach out to its members reminding them of their obligations on repayment of loans. The Credit Union is cognizant that many of its members have been affected by the pandemic and the volcanic eruption. Also, the Small Claims courts have been closed which put a set back to the Credit Union which contributes to the delinquency. The Vice President said that the Credit Union understands that there are members who have lost their jobs and they have been reaching out to these members to see how best the Credit Union can assist them.

Bro. Keith Miller commended Bro. Horace Williams on his accomplishment as one of the persons at the helm that spearheaded the reality of the SVGPCCU building and its development. He further stated that because of technology SVGPCCU can utilize the online platform to have an AGM with its members.

15.3 Auditor's Report

The Auditor's report was presented by Mr. Reuben John (BDO).

Mr. John said the audit was done in accordance with International Standards on Auditing. The report is an unqualified opinion which means there were no material misstatements.

Members followed the booklet.

The report stated that on March 11th 2020, the W.H.O declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. The extent of the pandemic's effect on the Credit Union's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape.

The report also show that the Credit Union could experience adverse effect on its business, Financial condition, results of operations and cash flows, which may be due to negative impacts to occupancy of its properties.

Furthermore, the La Soufriere volcanic eruption evidently had severe impact on the country and the Credit Union. The Company is unable to reasonably estimate the overall impact of the Covid-19 and volcanic eruptions on the Credit Union's business and financial results.

He also stated that in paying rebates the Credit Union have to make prudent judgments especially in the advent of the pandemic and the eruption of the volcano.

15.4 Questions:

There were no questions raised.

16.0 Elections for Board of Directors

Mr. Jimmy Black, representative of the Financial Services Authority (FSA), conducted the elections for officers to serve on the Board of Directors, Credit Committee, Supervisory and Compliance Committee, and an Auditor for the next financial year.

16.1 Board of Directors

There were three (3) vacancies to be filled on the BOD.

16.2 Members Nominated by the Nominations Committee:

- Sis. Ceilia Charles
- Sis. Ruth Jacobs
- Sis. Kathleen Nanton-Davis

16.3 Members Nominated from the floor:

- Bro. Levon Murray nominated by Bro. Enville Williams seconded by Bro. Dominique Stowe.
- Bro. Enville Williams was nominated by Bro. Rosalo Mckie seconded by Bro. Timothy Hazelwood.
- Bro. Rosalo McKie was nominated by Bro. Cumberbatch seconded by Bro. Emille Jacobs

16.4 Nominations were closed on a motion moved by Bro. Levon Murray and seconded by Sis. Shericha Sutherland.

Mr. Jimmy Black announced the results. They were as follows:

Enville Williams	- 55
Bro. Levon Murray	- 55
Sis. Kathleen Nanton	- 30
Sis. Ruth Jacobs	- 28
Sis. Ceilia Charles	- 24
Bro. Rosalo McKie	- 27

17.0 Nominations for Auditors:

The floor was opened by Mr. Jimmy Black for nominations. The current Auditor, BDO, can be re-nominated.

BDO was nominated on a motion moved by Bro. Richard Browne and seconded Bro. Horace Williams.

There were no other nominations and BDO was nominated unopposed.

BDO was announced by Bro. Jimmy Black, as the auditing firm which would be employed for the financial year 2021.

18.0 Credit Committees Report

Sis. Shericha Sutherland, Secretary of the Credit Committee, presented the report. She asked that the report be accepted as read.

Sis. Sutherland said SVG, like other countries throughout the world, is going through very challenging economic times. Fortunately, the SVGPCCU through prudent financial management, continues to be financially stable as it tackles the many challenges. The Credit Committee therefore has a significant role to play in ensuring that members financial needs are satisfied, and at the same time endeavor to protect our members' assets. Loan applications as a result are evaluated objectively and fairly in our members' best interest.

18.1 Credit Committee Membership

Special acknowledgement was extended to Bros. Timothy Hazelwood and Enville Williams as they retired from the Committee. The Committee thanked them for their time served and wished them all the best.

18.2 Delinquency

As the Credit Union continues to develop and expand the eminent of risk will occur. The Credit Union is cognizant of the lost of income for many of its members which contributed to the rise in the delinquency rate. The report also stated that members may default on their payment obligations because of bad financial management. As a result, the delinquency rate continues to increase and under the year in reviewed it stood at 7.94% compared to 6% in the previous year.

18.3 Conclusion

She concluded by saying the Committee encourage members to make use of loan facilities with wisdom, and make your Credit Union the first choice to fulfil your financial needs.

18.4 Questions

There was no question raised.

A motion was moved to adopt the Credit Committee's report by Sis. Antonio John and seconded by Bro. Richard Browne.

19.0 Elections for Credit Committee

There were two (2) vacancies to be filled on the Credit Committee.

Member Nominated by the Nominations Committee:

- Nekeisha Harry-Samuel

Members Nominated from the floor by Bro. Levon Murray and seconded by Bro. Enville Williams:

- Angus Morris

From the floor by Sis. Shericha Sutherland seconded by Sis. Kathleen Nanton-Davis:

- Lescell Plough

Nomination was closed on a motion moved by Bro. S. Lewis seconded by Bro. Timothy Hazelwood.

Bro. Jimmy Black announced the results. They were as follows:

Bro. Angus Morris	- 48
Bro. Roemo Browne	- 10
Sis. Nekeisha Harry-Samuel	- 33
Sis. Lescell Plough	- 13
Bro. Rosalo McKie	- 14

20.0 Supervisory and Compliance Committee's Report

Bro. Kenroy Boucher, Chairman presented on behalf of the Committee.

Bro. K. Boucher stated that the Committee remains committed to function as an independent committee guided by Section 66 of the Co-operative Society Act No. 12 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. Bro. Boucher also stated that Loans continue to be disbursed in accordance with the Bye-Laws and the Loan Policy. The Committee continues to carry out inspection on files and accounts of the PCU.

In completing its mandate, the committee meets on a monthly basis to assess the books and records of the credit union to make sure that every transaction has been done in accordance with the Act and Bye-laws. The committee looked at policies completed by the BOD, BOD reports and other committee reports.

Special acknowledgements were extended to Bro. Kenroy Boucher and Sis. Lovitha Boyea who is also up for re-election and wish them all the best.

20.1 Conclusion

The Committee believes that once the SVGPCCU Ltd. continues to operate within the realms of the Co-operatives Society Act and Bye-Laws it will generate productivity therefore leading to a more effective and efficient institution.

20.2 Questions

Bro. Murray asked if Bro. Boucher can give an update on the policies coined by the BOD and if there is any improvement from the policies to the Credit Union.

Bro. Boucher replied that the committee will be submitting recommendations to the BOD.

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

20.3 Elections for Supervisory and Compliance Committee

Mr. Jimmy Black informed the meeting that there are two (2) vacancies for that committee.

Members Nominated by the Nominations Committee:

- Sis. Allyson Bascombe
- Sis. Lovitha Boyea

The floor was open for nomination: by Enville Williams and seconded by Levon Murray

- Kenroy Boucher

Motion was moved to close the nominations by Bro. Enville Williams seconded Bro. Timothy Hazelwood.

Mr. Jimmy Black announced the results. They were as follows:

Lovitha Boyea	-47
Allison Bennette Bascombe	-18
Kenroy Boucher	-39

Mr. Jimmy Black extended congratulations to all who won in respective committees and to Bro. Horace Williams, whom he thanked for his fourteen years of service to the Credit Union movement and he reiterated congratulations on behalf of the FSA.

21.0 Education and Marketing Committee Report

No one reported.

21.1 Destruction of Ballots

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

A motion was moved by Bro. Richard Browne and seconded by Sis. Kathleen Nanton-Davis for the destroying of the ballots.

Bro. Brenton Smith 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 for attending the 18th AGM meeting and for those who were elected.

22.0 Other Business

Bro. Levon Murray extended appreciation for those who voted for the elected persons and Bro. Horace Williams for his unwavering services and time spent on the Board. He further said that members have complained about services rendered such as interest rate and other services.

Bro. Brenton Smith said that now Bro. Levon Murray is serving on the BOD he can bring his ideas and submit them to the BOD.

Bro. Enville Williams acknowledged Bro. Timothy Hazelwood on his retirement and he extended himself to the Credit Committee in the event that they will need his assistance.

Bro. Timothy Hazelwood acknowledged his committee and highlighted that it was a team effort. He further stated that no man is an island and encouraged all to work together.

He also expressed his disappointment in the Education and Marketing Committee. He further stated that, if the Credit Union is to move forward and make a presence in society there must be a strong Education and Marketing Committee to promote and sell the Credit Union.

Bro. Brenton Smith assured the members that the new BOD is taking notes and will address this issue.

Bro. Michael Charles extended congratulation to Bro. Horace Williams for his fourteen (14) years and stated that he was a strong pillar within the Credit Union movement and also to Bro. Timothy Hazelwood for his six (6) years of services and to all those who will be serving. He lamented that they will shape the credit union in the future and that they should do it with love for the movement.

Bro. Brenton Smith thanked Bro. Horace Williams for his fourteen years of services and stated that because of his dedication the credit union will be paying off its building loan. Bro. Brenton Smith said he knows that Bro. Horace Williams would have love to see SVGPCCU having its own ATM, but with the advent of new members he hoped this would become a reality.

23.0 Appreciation

Bro. Horace Williams thanked everyone for assisting him during his tenure. He further stated that with the new members coming on BOD he can rest easy that Brothers Levon Murray and Enville Williams will continue to do a good job and they are knowledgeable in the Credit Union movement.

24.0 Adjournment

The eighteen (18th) AGM of the SVGPCCU was adjourned at 7:10 PM on a motion moved by Bro. Richard Browne and seconded by Sis. Antonio John.


Sis. K. Nanton-Davis

Minutes recorded by:

Confirmed this _____ day of _____, 2021 on motion by

_____ and seconded by _____.

BOARD OF DIRECTORS



Bro. Horace Williams
President



Bro. Richard Browne
Treasurer



Sis. Kathleen Nanton-Davis
Secretary



Sis Antonio John
Asst. Secretary Treasurer

Sis. Ceilia Charles
Director

Mrs. Ayanna Samuel
General Manager

Missing from photo:
Sis. Moreene Matthews
PRO

REPORT FROM THE BOARD OF DIRECTORS TO THE 19TH ANNUAL GENERAL MEETING OF THE SVGPCCU LTD FOR THE YEAR ENDING DECEMBER 31, 2021

1.0 Introduction

The Board of Directors of the SVG Police Co-operative Credit Union Ltd. (PCCU) counts it a privilege and is pleased to present to you the report on the performance of the Credit Union for the financial year ending December 31, 2021.

We are pleased to report to you on a satisfactory year for SVGPCCU with continued growth in membership, savings and improvement in the quality of service provided to our members. SVGPCCU has performed well in a challenging environment. We are celebrating our 19th Anniversary under the theme **“The challenge of change - facing the future together.”**

2.0 Board Meeting and Attendance

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 monthly meetings and ten (10) special meetings. The attendances to the meetings were as follows:

Names	Scheduled Meetings	Special Meeting	All Committee - 4	Absent/ Excused
Horace Williams	9	7	3	0
Brenton Smith	10	6	3	6
Richard Browne	9	9	3	4
Kathleen Nanton-Davis	9	8	3	5
Antonio John	9	8	3	5
Moreene Matthews	6	6	1	10
Ceilia Charles	8	6	3	2
Enville Williams	1	3	0	2
Levon Murray	3	3	0	0

3.0 All Committee Meetings

For the year 2021 four (4) All Committee meetings were held. At each meeting each committee presented reports on their activities and has afforded everyone an opportunity to make enquiries, give ideas and express concerns where necessary about matters concerning the SVGPCCU. The Board of Directors expresses their gratitude for the attendance and continuous participation of each Committee member.

4.0 Membership

During the period under review one hundred and fourteen (114) new members joined the Credit Union along with seventy one (71) Junior Savers. The SVGPCCU membership at the end of 2021 stood at two thousand four hundred and eighteen (2,418) and the Junior Savers account at one thousand four hundred and sixteen (1,416).

5.0 Loan Delinquency

SVGPCCU delinquency stood at 6.27% as at December 31, 2021. We continue to monitor the delinquency situation. We are being challenged by members who have difficulty in meeting their monthly obligations to comfortably repay their loans on time.

However, we must commend the Loan Supervisor and his team for their efforts in working towards reducing the delinquency rate and we encourage our members to adhere to their payment obligations.

6.0 Sponsorship/Donation

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

The following are some sponsorship initiatives undertaken during the period under review:

Sponsorship of :

Salvation Army Kettle Appeal

Displaced members affected by La Soufriere

Other donations and assistance to persons and organisations

7.0 SVGPCCU Scholarship

The SVGPCCU offered two (2) Scholarships and twenty-six (26) Bursaries to successful candidates.

8.0 Training and Development

The Board of Directors, committee members and Staff were engaged in training during the year under review. We continue to invest in our employees in order to expand their knowledge and skills; because of this our employees are more productive and motivated to provide outstanding service to our members.

9.0 Staffing

As at December 31, 2021 the staff stood at eighteen (18) employees.

SVGPCCU continues to work with outside organisations such as the Youth Empowerment Service Program (YES Program). One temporary worker joined the staff from this program.

10.0 Bequia Branch Office

Apart from the Head Office in Kingstown, SVGPCCU operates an office in Bequia. Membership from the Branch Office stands at twenty four (24) Individual accounts and ten (10) Junior Savers accounts. Every effort is being made to promote and market the various products and services at the branch office.

11.0 Condolences

Sincere condolences are extended to all bereaved family members of our deceased members who passed away during the year 2021:

- Elvis Burke
- Anthony Phillips

ATTENDEE	DATE	FACILITATOR	TRAINING SESSION SUBJECT	LOCATION
Ayanna Samuel Bria Williams Nazinga Harry Kazandu Small Devon Wright-Caine Kenroy Alexander Nikesha Andrews Ceilia Charles Deorn Hoyte Glenda Abraham Kenroy Boucher Antonio John Lanel Black Esther Mc Barnette Brenton Smith	February 11, 2021	SVG Co-operative League Ltd.	Volcano Preparedness & Credit Union Business Continuity	PCCU's Headquarter (ZOOM)
All Staff	March 2, 2021	SVG Co-operative League Ltd.	The Development of Vaccines & How it Prevents Diseases	PCCU's Headquarter (ZOOM)
ATTENDEE	DATE	FACILITATOR	TRAINING SESSION SUBJECT	LOCATION
Devon Wright-Caine Kenroy Alexander Sophia Mc Fee Subrina Richards Carlton Thomas Nazinga Harry Kazandu Small Curlene Ackie Resa McMillan	March 24, 2021	SVG Co-operative League Ltd	Shared Branching: Disaster Recov- ery Solutions	PCCU's Headquarter (ZOOM)
Ayanna Samuel Richard Browne Kathleen Nanton-Davis	June 21 – 24, 2021	Caribbean Confederation of Credit Unions	CCCU's Virtual Convention 2021	PCCU's Headquarter (ZOOM)
Ayanna Samuel Kenroy Alexander Devon Wright-Caine Brenton Smith Kathleen Nantan-Davis Richard Browne	July 23, 2021	SVG Co-operative League Ltd	Coaching & Strategy Session for Credit Union Executives	PCCU's Headquarter (ZOOM)
Ayanna Samuel Sophia Mc Fee Subrina Richards	August 23-24, 2021	Egmont Centre of FIU Excellence & Leadership	Improving STR/SAR Quality Online Workshop	PCCU's Headquarter (ZOOM)
Ayanna Samuel Kenroy Alexander Enville Williams Brenton Smith	October 13 th , 2021	SVG Co-operative League Ltd	AML Plugging Money Laundering Vulner- abilities in the Credit Union Move- ment	PCCU's Headquarter (ZOOM)
Ayanna Samuel Sophia Mc Fee Devon Wright-Caine Kenroy Alexander	November 15,2021	World Bank	AML/CFT Risk based Supervision, Banking Sector Dialogue & Collaboration Workshop	PCCU's Headquarter (ZOOM)

- Michelle Samuel
- Leonard Nero
- Johnathan Nicholls
- Dwane Sandy
- Keith Matthews
- Cosmus George
- Ava Maloney
- Hubert Findlay

May their souls rest in peace.

12.0 Interest and Dividend

The Board of Directors proposes dividend of 33% on permanent shares and 10% on equity shares for the year 2021.

13.0 The Way Forward

Recruit new members—membership drive

Fulfil members needs

ATM and Online Banking Services

Strengthen the relationship between members, management and staff

New Branch Office - Campden Park

14.0 Appreciation & Conclusion

The Board of Director of the SVGPCCU acknowledges the dedication of the Management and Staff, the contribution of the volunteers on the Board, Credit, Supervisory and Compliance and the Education and Marketing Committee.

We wish to thank the Executive Director and Staff of the Financial Services Authority, the SVG Co-operative Credit Union League, Mr. Horace Williams, our sister Credit Unions, and the Auditors for the role they played in assisting us during the year under review.

The Board of Directors thank you the members for choosing SVGPCCU as your financial partner. We express our sincere gratitude and appreciation to you and look forward to serving you during the year.

Thank you

Bro. Enville Williams
President

Sis. Antonio John
Secretary

TREASURER'S REPORT
TO THE 19TH ANNUAL GENERAL MEETING OF THE SVGPCCU LTD
FOR THE YEAR ENDING DECEMBER 31ST, 2021

1.0 Overview

It is with great pleasure that I present the Treasurer's Report of the St. Vincent and the Grenadines Police Co-operative Credit Union Limited (SVGPCCU) for the financial year ending December 31st, 2021.

The year 2021 was challenging but successful. Generally, our credit union remained resilient as our members continued to show their commitment to saving and honoring their obligations.

The Covid-19 pandemic continues to hamper our growth in many areas. Our loans portfolio was adversely affected. Consequently, the credit union was forced to develop new and innovative ways and adjust strategies to ensure sustainability.

This report outlines the overall financial performance for the year 2021 with comparative data for 2020.

2.0 Financial Analysis

2.1 Statement of Financial Position

Assets

For the year 2021, total asset increased by 4%. The main indicators that attributed to the increase in asset are: cash resources, investment securities and property and equipment.

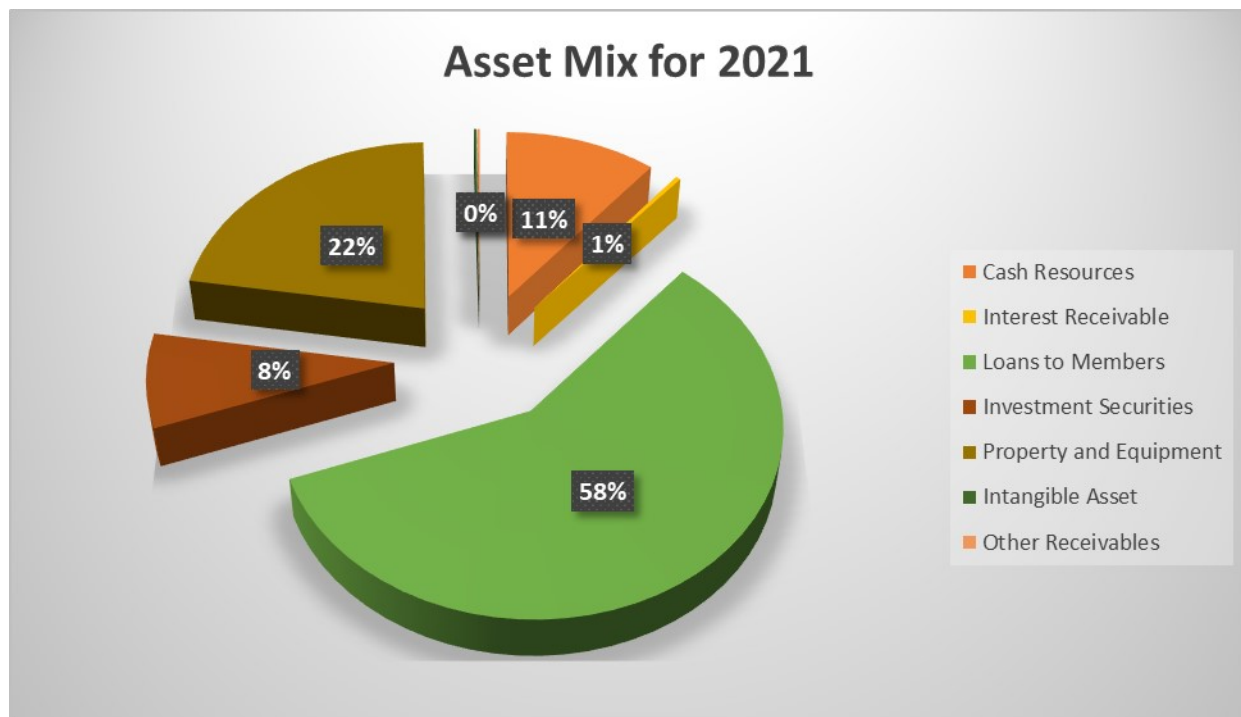
Loans to members decreased by \$862,668.00 or 6.4% in 2021 when compared to 2020. Due to the pandemic and the volcanic eruption, numerous members transferred their share deposit to clear their loans. Also, members opted to withdraw deposits instead of taking loans due the economic environment. Consequently, as the credit union grants loans to its members, we have recognized that we must reflect the inherent loans losses in the portfolio and make the necessary provision.

Our investment securities grew by \$62,566.00 for 2021 over 2020 which is 4%. SVGPCCU has been investing in short-term investments such as Treasury Bills (T-Bills) which provides for easy conversion of cash.

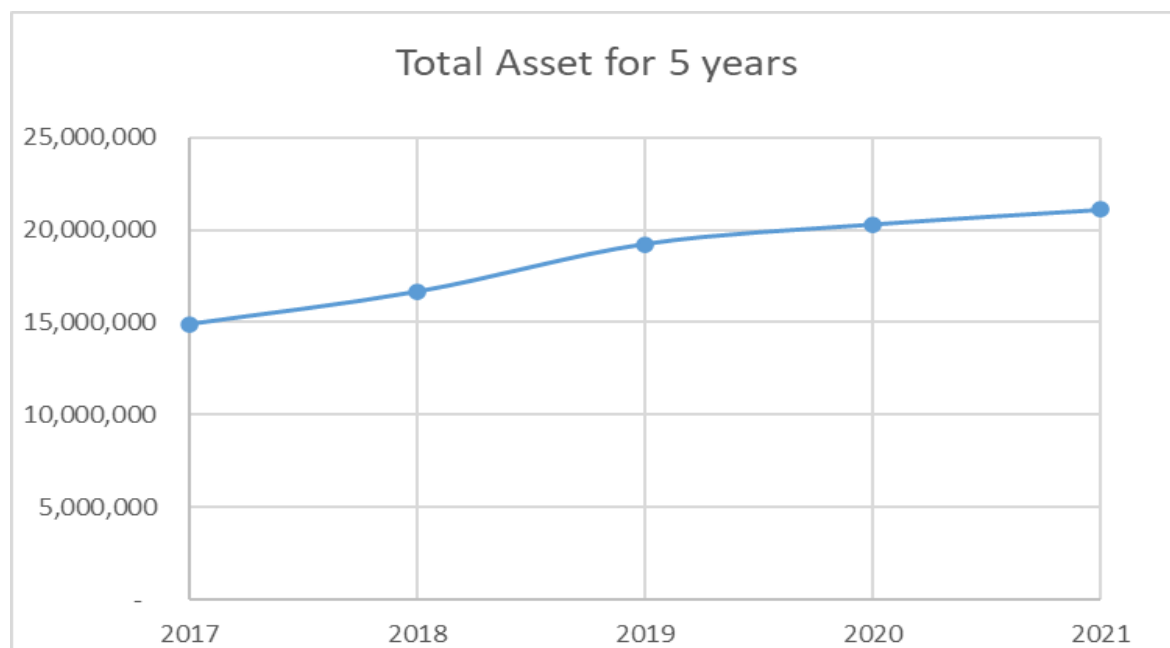
Cash and cash equivalent recorded a significant increase for 2021. The credit union consistently maintained a liquidity position above the required 15%. Through proper management of the cash resources and the decrease in loan applications, the credit union continues to meet the financial needs of its members and all its obligations.

The total asset grew from \$16.6 million to 19.2 million; an increase of \$2,575,006 or 15% for 2019. Key indicators for performance in assets are attributed to:

- Cash and Cash Equivalents
- Interest Receivable
- Investment Securities
- Loans to Members



The graph below depicts Total Assets for the last five (5) years. Over such time, the Credit Union's assets grew by **7.8 million or 69%**.



2.1.1 Liabilities

Member's Regular Deposits, Redeemable Shares and Other Deposits

Members' willingness to save is evident in the increases in their deposits throughout 2021. Members' regular deposits, redeemable shares and other deposits all showed increases for 2021 over 2020 by \$1,238,183.00 or 8%. The increases were mainly from the ordinary shares and ordinary deposits.

DEPOSITS/SHARES	2021	2020	INCREASE	PERCENTAGE
Member's Regular Deposit	3,970,642	3,929,419	41,223	1%
Member's Redeemable Shares	7,705,752	7,415,107	290,645	4%
Other Deposits	5,040,351	4,134,036	906,351	22%

2.1.2 Member Equity

Share Capital recorded an increase of \$101,650.00 or 8% for 2021 when compared to 2020.

Despite all the drawbacks, one notable achievement was the repayment of the building mortgage loan as at the end of December 2021.

3.0 STATEMENT OF COMPREHENSIVE INCOME FOR 2020

3.1 Revenue/Income For 2021

SVGPCCU was able to attain a surplus of \$92,635 for 2021. A decrease of \$19,050 or 17% due to the economic challenges and the increase in some expenses. Interest Income was mainly derived from the personal, vehicle and mortgage loans. Fees income and other income showed increases for 2021.

3.1.1 Expenditures/Expenses For 2021

Administrative and general expenses increased by \$145,904 or 14% for 2021. Interest expenses grew for 2021 by \$30,092 or 10%. As members deposits increase, interest paid will be higher than in previous years. Fixed deposit interest was the largest contributor to the interest expense.

Below is a table showing expenses with significant increases and decreases:

EXPENSES	2021	2020	INCREASE/ DECREASE	PERCENTAGE
Advertising and Promotion	92,400	29,788	62,612	210%
Agency Office Expense	15,841	24,641	(8,800)	-36%
Repairs and Maintenance	73,743	66,334	7,409	11%
Professional	8,415	0	8,415	100%
Meeting Expenses	35,435	42,519	(7,084)	-17%
Office, Stationary, Printing and Postage	39,537	43,364	(3,827)	-9%
Seminars & Conferences	17,681	28,998	(11,317)	-39%
Telephone Expenses	37,010	28,118	8,892	32%

4.0 CONCLUSION

As a member-based organization, the Board of Directors is committed to ensure that our members' investment/assets are managed properly. It is our mandate to oversee and report to the membership about the finances of the Credit Union and to continue to operate in a manner to ensure financial wealth and health for the institution and our members.

Therefore, we encourage our members to stay with our Credit Union and also encourage our friends and family members who are not yet members to become a member of our Credit Union, for we are stronger together amidst the challenges.

Bro. Levon Murray
Treasurer



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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

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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. Enville Williams	- President
Sis. Kathleen Nanton-Davis	- Vice President
Sis. Antonio John	- Secretary
Bro. Levon Murray	- Treasurer
Sis. Moreene Matthews	- Assistant Secretary/Treasurer
Bro. Richard Browne	- Director
Bro. Brenton Smith	- 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

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, 2021, the statements of profit or loss and other 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, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 International 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 2021 Annual Report

Management is responsible for the information included in the Credit Union's 2021 Annual Report, other than the financial statements and our auditor's report thereon. The Credit Union's 2021 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.
- 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 auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (cont'd)

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

- 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, actions taken to eliminate threats or safeguards applied.



BDO Eastern Caribbean
Kingstown, St. Vincent and the Grenadines
July 29, 2022

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Statement of Financial Position
As at December 31, 2021
(Expressed in Eastern Caribbean Currency)

	Notes	2021 \$	2020 \$
Assets			
Cash and cash equivalents	7	2,293,710	1,391,305
Interest receivable	8	75,997	84,772
Loans to members	9	12,264,551	13,115,219
Investment securities	10	1,714,118	1,651,552
Property and equipment	11	4,659,578	3,944,762
Intangible assets	12	40,969	40,128
Other receivables	13	35,895	64,287
Total assets		21,084,818	20,292,025
Liabilities			
Accounts payable and accrued liabilities	14	151,971	138,389
Interest payable	15	191,466	127,614
Members' regular deposits	16	3,970,642	3,929,419
Members' redeemable shares	17	7,705,752	7,415,107
Other deposits	18	5,040,351	4,134,036
Long-term loan	19	-	1,401,963
Total liabilities		17,060,182	17,146,528
Members' equity			
Share capital	20	1,323,895	1,222,245
Statutory reserve fund	21	398,275	378,848
Death benefit fund	22	138,726	133,201
Development fund	23	31,760	32,712
Revaluation reserve		1,392,249	708,236
Accumulated surplus		739,731	670,255
Total members' equity		4,024,636	3,145,497
Total liabilities and members' equity		21,084,818	20,292,025

The accompanying notes on pages 9 to 39 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 Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2021
(Expressed in Eastern Caribbean Currency)

	Notes	2021 \$	2020 \$
Revenue			
Interest income	24	1,403,914	1,380,704
Interest expense	25	(322,538)	(292,446)
Net interest income		1,081,376	1,088,258
Provision for loan losses	8,9	5,000	(62,162)
Provision for investment impairment		(3,232)	-
Administrative and general expenses	26	(1,198,364)	(1,039,552)
Fee income	27	65,733	61,753
Other income	28	191,190	172,915
Finance charge		(49,068)	(109,530)
Net income		92,635	111,682
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Increase in asset revaluation surplus	11	684,013	-
Items that are or may be reclassified subsequently to profit or loss			
Net movement on death benefit fund	22	5,525	25,225
Total comprehensive income		782,173	136,907

The accompanying notes on pages 9 to 39 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, 2021 (Expressed
in Eastern Caribbean Currency)

	Share Capital \$	Statutory Reserve Fund \$	Death Benefit Fund \$	Development Fund \$	Revaluation Reserves \$	Accumulated Surplus \$	Total \$
Restated balance as at January 1, 2020	1,102,720	354,630	107,976	32,052	708,236	586,495	2,892,109
Entrance fees	-	1,880	-	-	-	-	1,880
Development funds paid during the year	-	-	-	(4,924)	-	-	(4,924)
Issuance of shares	51,000	-	-	-	-	-	51,000
Profit for the year	-	-	-	-	-	111,682	111,682
Transfer to equity shares	68,525	-	-	-	-	-	68,525
Transfer to statutory reserve and development fund	-	22,338	-	5,584	-	(27,922)	-
Transfer to death benefit	-	-	25,225	-	-	-	25,225
Balance as at December 31, 2020	1,222,245	378,848	133,201	32,712	708,236	670,255	3,145,497
Entrance fees	-	900	-	-	-	-	900
Development funds paid during the year	-	-	-	(5,584)	-	-	(5,584)
Issuance of shares	22,800	-	-	-	-	-	22,800
Profit for the year	-	-	-	-	-	92,635	92,635
Transfer to equity shares	78,850	-	-	-	-	-	78,850
Transfer to statutory reserve and development fund	-	18,527	-	4,632	-	(23,159)	-
Transfer to death benefit	-	-	5,525	-	-	-	5,525
Revaluation	-	-	-	-	684,013	-	684,013
Balance as at December 31, 2021	1,323,895	398,275	138,726	31,760	1,392,249	739,731	4,024,636

The accompanying notes on pages 9 to 39 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, 2021
(Expressed in Eastern Caribbean Currency)

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Net income		92,635	111,682
Adjustments for:			
Impairment of investments	10	3,232	-
Amortisation of intangible assets	12	24,154	21,381
Depreciation expense	11	99,942	85,437
Finance charge		49,068	109,530
Provision for loan losses	8,9	(5,000)	62,162
Interest income	24	(1,403,914)	(1,380,704)
Interest expense	25	322,538	292,446
Net gains on death benefit through OCI		5,525	25,225
		(811,820)	(672,841)
Decrease/(increase) in loans to members		862,668	(527,476)
Decrease/(increase) in other receivables		28,392	(38,499)
Increase in members' regular deposit		41,223	909,849
Increase in other deposits		906,315	104,583
Increase in accounts payable and accrued liabilities		13,582	34,300
Cash generated from/(used in) operations		1,040,360	(190,084)
Interest received		1,405,689	1,365,029
Interest paid		(258,686)	(236,932)
Net cash generated from operating activities		2,187,363	938,013
Cash flows from investing activities			
Additions to property and equipment	11	(130,745)	(67,400)
Additions to intangible assets	12	(24,995)	-
Additions to investment securities		(65,798)	(661,319)
Net cash used in investing activities		(221,538)	(728,719)
Cash flows from financing activities			
Issuance of shares	20	22,800	51,000
Transfer of equity shares		78,850	68,525
Repayment of long-term loan		(1,401,963)	(868,470)
Issuance of members redeemable shares	17	1,332,675	1,426,571
Redemption of members redeemable shares	17	(1,042,030)	(857,189)
Interest paid on long term loan		(49,068)	(109,530)
Entrance fees	21	900	1,880
Payment made to the development fund	23	(5,584)	(4,924)
Net cash used in financing activities		(1,063,420)	(292,137)
Change in cash and cash equivalents		902,405	(82,843)
Net cash and cash equivalents - beginning of year		1,391,305	1,474,148
Net cash and cash equivalents - end of year	7	2,293,710	1,391,305

The accompanying notes on pages 9 to 39 are an integral part of these financial statements.

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. 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).

These financial statements have been authorised for issue by the Board of Directors on July 27, 2022.

ii. Basis of preparation

These financial statements have been prepared in accordance with the IFRS and have been prepared under the historical cost basis 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 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, 2021 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.

iv. Functional and presentation currency

These financial statements are presented in Eastern Caribbean dollars, which is the Credit Union's functional and presentation currency. All financial information in Eastern Caribbean dollars has been rounded to the nearest dollar.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2021

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

3. Summary of significant accounting policies

a. Financial instruments

Financial assets – classification, recognition, depreciation and measurement

The Credit Union classifies its financial assets into one 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 recognized in the 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, treasury bills, fixed deposit, bonds and cash and cash equivalents.

Cash and cash equivalents include 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.

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. The fair values of financial instruments that are not quoted in active markets are determined using the last traded value of the investments, where no such value exists, cost is used as an appropriate estimate of fair value. 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.

The Credit Union's financial asset measured at fair value through other comprehensive income pertains to its investment securities.

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

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

a. Financial instruments(cont'd)

Derecognition

The Credit Union derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or if it neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any cumulative gains or losses recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Credit Union is recognised as a separate asset or liability.

Financial liabilities - classification, recognition, derecognition and measurement

The Credit Union classifies its financial liabilities into the other financial liabilities category.

This classification pertains to financial liabilities that are not held for trading or not designated as at FVTPL upon the inception of the liability. Other financial liabilities comprise accounts payable and accrued liabilities, interest payable, members' regular and other deposits, members' redeemable shares and long-term loan.

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.

Accounts payable 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.

Accounts payable 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.

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

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

a. Financial instruments (cont'd)

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.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

b. Property and equipment

Property and equipment are 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%
Motor vehicles	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.

Buildings are subsequently carried at fair value. Valuations are performed by independent valuers.

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.

c. 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, 2021

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

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

d. Impairment of financial assets

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

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

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

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

Based on the above process, the Credit Union classifies its ECLs into Stage 1, Stage 2 and Stage 3. (See note 32 (a)).

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

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

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

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

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

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2021

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

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

d. Impairment of financial assets (cont'd) Calculation of ECLs

Stage 1

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

Stage 2

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

Stage 3

For financial assets considered credit-impaired, the Credit Union recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets.

e. 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.

f. Revenue recognition

i) Interest income and expense

i) 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.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED Notes to the Financial Statements
For the year ended December 31, 2021

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

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

f. Revenue recognition (cont'd)

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 Credit Union 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.

g. 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.

h. 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.

i. 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.

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.

4. Critical accounting estimates and judgments (cont'd)

The effect of a change in an accounting estimate is recognised prospectively by including it in profit or loss in the period of the charge, 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.

(i) 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.

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.

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.

(ii) Impairment of financial assets (Note 3(d)).

(iii) Impairment of non-financial assets (Note 3(e)).

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, 2021. Unless otherwise stated, the following standards, interpretations and amendments to interpretations and standards became effective and were adopted in the current year:

- *COVID-19-Related Rent Concessions (Amendments to IFRS 16)*. Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:
 - 0 The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
 - 0 The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
 - 0 There are no substantive changes to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The interpretation has no significant impact in the financial statements.

6. New standards, interpretations and amendments not yet effective

Relevant new and amended IFRS which are not yet effective for the year ended December 31, 2021 and have not been applied in preparing the financial statements are summarized below:

Effective for annual periods beginning on or after January 1, 2022:

- *IFRS 3 Business Combination – Reference to the Conceptual Framework*. The amendments are as follows:
 - Update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework,
 - Add to IFRS 3 a requirement that, for transactions and other events within the scope of the IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination, and
 - Add to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.
- *IAS 16 Property, Plant and Equipment – Proceeds before intended use*. This amendment prohibits deducting the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. This amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted. An entity applies the amendments retrospectively on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

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

- *IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract.* The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. This amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted.
- *Annual Improvements to IFRSs 2018-2021 Cycle.* The following amendments are effective for annual periods beginning on or after 1 January 2022:
 - *IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter.* The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
 - *IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities.* The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
 - *IFRS 16 Leases – Lease incentives.* The amendment to illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
 - *IAS 41 Agriculture – Taxation in fair value measurements.* The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flow when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

Effective for annual periods beginning on or after January 1, 2023:

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).* The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.
- *IFRS 17 Insurance Contracts.* IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.
- *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).* The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment is effective for annual reporting periods beginning on or after 1 January 2023. An amendment was made to defer the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2023.

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED**Notes to the Financial Statements****For the year ended December 31, 2021****6. New standards, interpretations and amendments not yet effective (cont'd)**

- *Definition of Accounting Estimates (Amendments to IAS 8)*. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.
- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*. The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)*
The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after April 1, 2021.

Under prevailing circumstances, the adoption of the foregoing new and amended IFRS is not expected to have any material effect on the financial statements of the Company.

7. Cash and cash equivalents

	2021 \$	2020 \$
Cash on hand	61,150	107,056
Cash at bank	2,232,560	1,284,249
	2,293,710	1,391,305

8. Interest receivable

	2021 \$	2020 \$
Interest receivable on personal loans	43,822	47,214
Interest receivable on mortgage loans	18,209	17,695
Interest receivable on student loans	14,511	14,914
Interest receivable on vehicle loans	16,251	11,505
Interest receivable on land loans	5,876	5,191
Interest receivable on land loans	5,652	7,491
Interest receivable on Christmas loans	708	1,142
Interest receivable on vacation loans	607	742
Interest receivable on other loans	474	1,991
Interest receivable on investments	106,110	107,885
	(30,113)	(23,113)
Allowance for losses	75,997	84,772

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2021

8. Interest receivable (cont'd)

Movement in the impairment allowance is as follows:

	2021	2020
	\$	\$
At 1 January	23,113	15,285
(Reversals)/increase during the period	7,000	7,828
At December 31.	30,113	23,113

9. Loans to members

Loans and advances are summarized as follows:

	2021	2020
	\$	\$
Personal loans	5,251,636	6,380,533
Mortgage loans	2,288,791	2,150,846
Vehicle loans	2,357,538	2,175,746
Student loans	226,671	251,708
Land loans	1,522,115	1,579,521
Educational loan	1,958	2,042
Vacation loan	18,192	39,100
Christmas loan	827,853	787,098
Staff loans	164,989	100,055
Incentive loans	37,158	100,962
Disaster ready	8,042	-
	12,704,943	13,567,611
Allowance for loan losses	(440,392)	(452,392)
	12,264,551	13,115,219

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

December 31, 2021	Current	Between 30 to 90 days	Over 90 days	Total
Gross carrying amount	11,190,100	1,100,657	414,186	12,704,943
Loss provision	87,894	14,119	338,379	440,392
December 31, 2020	Current	Between 30 to 90 days	Over 90 days	Total
Gross carrying amount	12,407,980	575,873	583,758	13,567,611
Loss provision	88,014	14,599	349,779	452,392

Movement in the impairment allowance is as follows:

	2021	2020
	\$	\$
At 1 January	452,392	398,058
(Reversals)/increase during the period	(12,000)	54,334
At December 31	440,392	452,392

10. Investment securities

Financial assets at amortized cost

	2021 \$	2020 \$
(i) Treasury bill		
Government of St. Lucia 91 days treasury bill, interest rate at 4.5%	1,423,196	1,368,799
(ii) Fixed deposits		
SVG Co-operative Credit Union League Term Deposit, interest rate at 3%	15,242	15,091
General Employees' Co-operative Credit Union Limited, interest rate at 2%	63,762	62,512
	79,004	77,603
(iii) Bonds		
St. Vincent and the Grenadines 7-year Government Bond, interest rate at 7%	75,000	75,000
Impairment provisions	(3,232)	-
	1,573,968	1,521,402
Financial assets at FVTOCI		
SVG Co-operative Credit Union League shares	90,000	80,000
St. Vincent Brewery Limited shares	50,150	50,150
	140,150	130,150
	1,714,118	1,651,552

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2021

11. Property and equipment

	Land	Building	Computers	Furniture and office equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$
Cost/revalued amount						
Balance at January 1, 2020	1,087,650	2,892,350	117,998	190,843	-	4,288,841
Additions	-	-	12,267	55,133	-	67,400
Balance at December 31, 2020	1,087,650	2,892,350	130,265	245,976	-	4,356,241
Balance at January 1, 2021	1,087,650	2,892,350	130,265	245,976	-	4,356,241
Additions	-	25,810	9,515	55,602	39,818	130,745
Revaluation	392,210	315,241	-	-	-	707,451
Balance at December 31, 2021	1,479,860	3,233,401	139,780	301,578	39,818	5,194,437
Accumulated depreciation						
Balance at January 1, 2020	-	130,155	66,042	129,846	-	326,043
Charge for the period	-	43,385	14,527	27,524	-	85,436
Balance at December 31, 2020	-	173,540	80,569	157,370	-	411,479
Balance at January 1, 2021	-	173,540	80,569	157,370	-	411,479
Charge for the period	-	43,442	15,179	34,121	7,200	99,942
Revaluation adjustment	-	23,438	-	-	-	23,438
Balance at December 31, 2021	-	240,420	95,748	191,491	7,200	534,859
Net book value						
As of January 1, 2020	1,087,650	2,762,195	51,956	60,997	-	3,962,798
As of December 31, 2020	1,087,650	2,718,810	49,696	88,606	-	3,944,762
As of December 31, 2021	1,479,860	2,992,981	44,032	110,087	32,618	4,659,578

The Credit Union's property was revalued on an open market basis on March 10 2022, effective December 31, 2021 by an independent firm, Property Masters Chartered Valuation Surveyors, Estate Agent and Property Consultant. The Directors have agreed to carry the land and buildings at revalued amount as per Construction & Property Development Services Ltd. The fair value was determined using level 3 fair value measurements.

The surplus arising on revaluation is recognized in other comprehensive income and included in revaluation reserves.

11. Property and equipment (cont'd)

Valuation techniques and significant unobservable inputs:

The valuation techniques and significant unobservable inputs used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationships between key unobservable inputs and fair value measurement
<i>Market comparable approach:</i> The approach relies heavily upon the principle of substitution. Recent sales of similar properties are gathered, and a meaningful unit of comparison is developed.	Sales of similar properties	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> Sales prices of similar properties were higher/(lower)
A comparative analysis of the subject is done, involving consideration for differences in location, time, terms of sales and physical characteristics.		

12. Intangible assets

	Computer software \$
Cost	
Balance at January 1, 2020 Additions	148,720
Balance at December 31, 2020	<u>148,720</u>
Balance at January 1, 2021	148,720
Additions	<u>24,995</u>
Balance at December 31, 2021	<u>173,715</u>
Accumulated amortization	
Balance at January 1, 2020	87,211
Charge for the period	<u>21,381</u>
Balance at December 31, 2020	<u>108,592</u>
Balance at January 1, 2021	108,592
Charge for the period	<u>24,154</u>
Balance at December 31, 2021	<u>132,746</u>
Net book value	
As of January 1, 2020	<u>61,509</u>
As of December 30, 2020	<u>40,128</u>
As of December 31, 2021	<u>40,969</u>

13. Other receivables

	2021 \$	2020 \$
Prepayments	33,354	63,027
Other receivables	2,541	1,260
	<u>35,895</u>	<u>64,287</u>

14. Accounts payable and accrued liabilities

	2021 \$	2020 \$
Accounts payable	137,971	124,389
Security deposit from tenants	14,000	14,000
	<u>151,971</u>	<u>138,389</u>

15. Interest payable

	2021 \$	2020 \$
Fixed deposits	<u>191,466</u>	<u>127,614</u>

16. Members' regular deposits

	2021 \$	2020 \$
Ordinary deposit	1,686,880	1,582,546
Members quick cash	1,276,520	1,203,664
Junior saver	1,007,242	1,143,209
	<u>3,970,642</u>	<u>3,929,419</u>

Members' deposits are repayable on demand. Interest is at the rate of 1.5% (2020: 1.5%) per annum.

17. Members' redeemable shares

Members' redeemable shares are redeemable in whole or in part at any time, subject approval by 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.

	2021 \$	2020 \$
Balance at beginning of the year	7,415,107	6,845,725
Shares received during the year	1,332,675	1,426,571
	<u>8,747,782</u>	<u>8,272,296</u>
Shares withdrawn during the year	(1,042,030)	(857,189)
Ordinary shares end of year	<u>7,705,752</u>	<u>7,415,107</u>

18. Other deposits

	2021 \$	2020 \$
Christmas club	47,814	83,761
Fixed deposits	4,985,611	4,043,349
Benefit club	6,926	6,926
	<u>5,040,351</u>	<u>4,134,036</u>

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

19. Long-term loan

	2021 \$	2020 \$
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 2020. Security is provided by way of legal mortgage over a commercial property located at Bay Street which comprises a building and land, and assignment of comprehensive insurance on building, shares and deposit held with the General Employees Co-operative Credit Union. The loan was fully paid on December 13, 2021.	-	1,401,963
Less: current portion	-	(178,905)
Non-current portion	<u>-</u>	<u>1,223,058</u>

20. Share capital

	2021 No. of shares	2021 \$	2020 No. of shares	2020 \$
Qualifying permanent shares				
Authorised number of shares of \$5 par value	Unlimited		Unlimited	
Issued and fully paid				
Balance, beginning of year	92,091	460,455	81,891	409,455
Issued during the year	4,560	22,800	10,200	51,000
Balance, end of year	<u>96,651</u>	<u>483,255</u>	<u>92,091</u>	<u>460,455</u>
Equity shares				
Authorised number of shares of \$5 par value	Unlimited		Unlimited	
Issued and fully paid				
Balance, beginning of year	152,358	761,790	138,653	693,265
Transfer from ordinary shares	15,770	78,850	13,705	68,525
Balance, end of year	<u>168,128</u>	<u>840,640</u>	<u>152,358</u>	<u>761,790</u>
Total share capital	<u>264,779</u>	<u>1,323,895</u>	<u>244,449</u>	<u>1,222,245</u>

The Credit Union is authorised to issue an unlimited number of shares at a par value of \$5.00 per share. These shares are 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.

	2021 \$	2020 \$
Fund balance - beginning of the year	378,848	354,630
Entrance fee	900	1,880
Transfer from net earnings	18,527	22,338
Fund balance - end of the year	398,275	378,848

22. Death benefit fund

	2021 \$	2020 \$
Fund balance - beginning of the year	133,201	107,976
Contributions received for the year	40,700	25,225
Benefits paid during the year	(35,175)	-
Fund balance - end of the year	138,726	133,201

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 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.

	2021 \$	2020 \$
Fund balance - beginning of the year	32,712	32,052
Transfer from net earnings	4,632	5,584
	37,344	37,636
Payment during the year	(5,584)	(4,924)
Fund balance- end of the year	31,760	32,712

24. Interest income

	2021 \$	2020 \$
Personal loans interest	754,004	774,716
Mortgage loans interest	174,922	147,524
Vehicle loans interest	264,948	233,738
Student loans interest	17,726	19,269
Land loans interest	78,498	120,524
Educational loans interest	-	43
Vacation loans interest	2,226	4,242
Christmas special loans interest	64,151	21,488
New mortgage loans interest	3,698	11,507
Staff loans interest	7,717	7,784
Interest from loans	1,367,890	1,340,835
Interest earned on savings	31,948	30,277
Interest earned on investments	4,076	9,592
	1,403,914	1,380,704

25. Interest expense

	2021 \$	2020 \$
Ordinary deposits	33,561	21,328
Ordinary shares	110,031	105,018
Christmas club	9,297	8,680
Junior savers	14,923	11,342
Fixed deposits interest	154,571	146,078
Retirement plan	155	-
	322,538	292,446

26. Administrative and general expenses

	2021	2020
	\$	\$
Advertising and promotion		
Agency office expense	54,715	29,788
Audit fees	15,841	24,641
Amortisation of intangible assets (Note 12)	17,226	17,226
Bad debts expense	24,154	21,381
Bank charges	1,872	4,402
CCCU convention expense	17,757	14,812
Cleaning expense	-	9,781
Computer software license and services	654	2,668
Credit Union week expenses	42,000	58,157
Credit Union week expenses	-	1,800
Depreciation expense (Note 11)	-	1,800
Donation	99,942	85,437
Electricity expense	7,563	5,067
Honorarium	26,595	27,194
Insurance expense – building and cash	2,400	4,100
Insurance expense - CUNA	23,992	23,993
Junior savers challenge expense	27,010	26,288
League dues	37,686	-
Meals and entertainment	7,488	6,653
Meeting expenses	1,959	2,737
Miscellaneous expense	35,435	42,519
Office expenses, stationary, printing and postage	2,096	471
Professional fees	39,537	43,364
Repairs and maintenance	8,415	-
Salaries, wages, and NIS contributions (Note 30)	73,743	66,334
Scholarship	522,646	411,420
Security expense	18,045	15,863
Seminars and conferences	19,627	20,603
Telephone expense	17,681	28,998
Training expense	37,010	28,118
Travel Water	8,326	6,550
rates	3,790	5,757
	3,159	3,530
	1,198,364	1,039,552

27. Fee income

	2021 \$	2020 \$
Shares processing fee	14,540	11,140
Loan processing fee	51,193	50,613
	<u>65,733</u>	<u>61,753</u>

28. Other income

	2021 \$	2020 \$
CCCU convention refund	12,911	-
Photocopies and faxes	2,264	6,080
Other service fees	15,323	1,641
Rental income	160,692	165,194
	<u>191,190</u>	<u>172,915</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

	2021 \$	2020 \$
Salaries, wages and bonuses	477,631	388,677
Staff medical	13,847	384
National Insurance Services contributions	23,178	19,917
Uniforms	7,990	2,442
	<u>522,646</u>	<u>411,420</u>
Average number of employees	<u>20</u>	<u>20</u>

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, members, 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:

	2021 \$	2020 \$
Directors and committees' members loans		
Board of directors	330,820	212,036
Committees' members	8,318	111,076
Loans outstanding at the end of the year	339,138	323,112
Directors and committees' members - deposits and shares		
Board of directors	87,718	82,384
Committees members	25,259	117,032
Deposits and shares at the end of the year	112,977	199,416
Management and staff loans		
Management and staff	758,388	652,655
Loans outstanding at the end of the year	758,388	652,655
Management and staff - deposit and shares		
Management and staff	118,709	79,901
Deposits and shares at the end of the year	118,709	79,901

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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:

	2021 \$	2020 \$
Financial assets		
<i>Amortised cost</i>		
Cash and cash equivalents	2,293,710	1,391,305
Interest receivable	82,997	84,772
Loan to members	12,257,551	13,115,219
Investment securities	1,577,200	1,521,402
	<u>16,211,458</u>	<u>16,112,698</u>

	2021 \$	2020 \$
<i>Fair value through OCI</i>		
Investment securities	<u>140,150</u>	<u>130,150</u>

	2021 \$	2020 \$
Financial liabilities		
<i>Amortised cost</i>		
Accounts payable and accrued liabilities	151,971	138,389
Interest payable	191,466	127,614
Members' regular deposits	3,970,642	3,929,419
Members' redeemable shares	7,705,752	7,415,107
Long-term loan	-	1,401,963
Other deposits	5,040,351	4,134,036
	<u>17,060,182</u>	<u>17,146,528</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).

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 \$Nil (2020: \$2,867,308) 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:

	2021 \$	2020 \$
Cash at bank	2,232,560	1,284,249
Investment securities	1,714,118	1,651,552
Loans to members	12,264,551	13,115,219
Interest receivable	75,997	84,772
	16,287,226	16,135,792

Credit risk in respect of loans to members 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 at bank, investment securities, loans to members and interest receivable.

3.2 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 and St. Vincent and the Grenadines, SVG Co-operative Credit Union League, and General Employees Co-operative Credit Union; 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 is analyzed below:

	Loan balances	ECL	Total
Stage 1	11,190,100	(87,894)	11,102,206
Stage 2	1,100,657	(14,119)	1,086,538
Stage 3	414,186	(338,379)	75,807
As at December 31, 2021	12,704,943	(440,392)	12,264,551
	Loan balances	ECL	Total
Stage 1	12,407,980	(88,014)	12,319,966
Stage 2	575,873	(14,599)	561,274
Stage 3	583,758	(349,779)	233,979
As at December 31, 2020	13,567,611	(452,392)	13,115,219

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

(a) Credit risk (cont'd)

Expected credit loss on interest receivable is analyzed below:

	Interest balances	ECL	Total
Stage 1	61,783	(289)	61,494
Stage 2	6,875	(249)	6,626
Stage 3	37,452	(29,575)	7,877
As at December 31, 2021	106,110	(30,113)	75,997

	Interest balances	ECL	Total
Stage 1	61,405	(386)	61,019
Stage 2	7,273	(137)	7,136
Stage 3	39,207	(22,590)	16,617
As at December 31, 2020	107,885	(23,113)	84,772

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.

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.

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

(b) Liquidity risk

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

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

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

Management undertakes continuous review of cash inflows and outflows and seeks to maintain 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.

	1 year \$	1 and 5 years \$	After 5 years \$	Total \$
As at December 31, 2021 Accounts payable and accrued liabilities				
	151,971	-	-	151,971
Interest payable	191,466	-	-	191,466
Members regular deposits	3,970,642	-	-	3,970,642
Members redeemable shares	7,705,752	-	-	7,705,752
Other deposits	5,040,351	-	-	5,040,351
	<u>17,060,182</u>	<u>-</u>	<u>-</u>	<u>17,060,182</u>
	1 year \$	1 and 5 years \$	After 5 years \$	Total \$
As at December 31, 2020 Accounts payable and accrued liabilities				
	138,389	-	-	138,389
Interest payable	127,614	-	-	127,614
Members regular deposits	3,929,419	-	-	3,929,419
Members redeemable shares	7,415,107	-	-	7,415,107
Other deposits	4,134,036	-	-	4,134,036
Long-term loans	<u>258,000</u>	<u>1,032,000</u>	<u>3,065,588</u>	<u>4,355,588</u>
16,002,565		<u>1,032,000</u>	<u>3,065,588</u>	<u>20,100,153</u>

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

(b) Liquidity risk

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.

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Notes to the Financial Statements
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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 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, 2021							
Financial assets							
Cash and cash equivalents	2,232,560	-	-	-	-	61,150	2,293,710
Investment securities	-	1,420,485	293,633	-	-	-	1,714,118
Loan to members	21,694	6,508	267,081	6,492,238	5,477,030	-	12,264,551
Interest receivable	8,383	3,465	4,307	39,613	20,229	-	75,997
	2,262,637	1,430,458	565,021	6,531,851	5,497,259	61,150	16,348,376
Financial liabilities							
Accounts payable and accrued liabilities	-	-	-	-	-	151,971	151,971
Members regular deposits	3,970,642	-	-	-	-	-	3,970,642
Members redeemable shares	-	7,705,752	-	-	-	-	7,705,752
Other deposits	5,040,351	-	-	-	-	-	5,040,351
Interest payable	-	-	-	191,466	-	-	191,466
	9,010,993	7,705,752	-	191,466	-	151,971	17,060,182
Total interest sensitivity gap	(6,748,356)	(6,275,294)	565,021	6,340,385	5,497,259	(90,821)	(711,806)

ST. VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2021

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 to 3 months	3 to 12 months	1 to 5 Years	Over 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$
As at December 31, 2020							
Financial assets							
Cash and cash equivalents	1,284,249	-	-	-	-	107,056	1,391,305
Investment securities	-	1,368,799	282,753	-	-	-	1,651,552
Loan to members	382,593	707,371	7,590,417	4,014,004	420,834	-	13,115,219
Interest receivable	11,238	795	1,526	50,347	20,866	-	84,772
	1,678,080	2,076,965	7,874,696	4,064,351	441,700	107,056	16,242,848
Financial liabilities							
Accounts payable and accrued liabilities	-	-	-	-	-	138,389	138,389
Members regular deposits	3,929,419	-	-	-	-	-	3,929,419
Members redeemable shares	-	7,415,107	-	-	-	-	7,415,107
Other deposits	83,761	-	179,223	3,862,485	8,567	-	4,134,036
Long term loan	18,810	20,865	808,028	213,201	341,059	-	1,401,963
Interest payable	-	-	-	127,614	-	-	127,614
	4,031,990	7,435,972	987,251	4,203,300	349,626	138,389	17,146,528
Total interest sensitivity gap	(2,353,910)	(5,359,007)	6,887,445	(138,949)	92,074	(31,333)	(903,680)

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: -

Financial assets	2021 \$	2020 \$
Cash at bank		
Investment securities	2,232,560	1,284,249
Loans to members	1,502,200	1,521,402
	12,264,551	13,115,219
	15,999,311	15,920,870
Financial liability		
Long-term loan Members	-	1,401,963
regular deposit	3,970,642	3,929,419
	3,970,642	5,331,382

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

	2021 %	2020 %
Financial assets		
Investment securities	1 to 3	1 to 7
Loans to members	7 to 13	7 to 12
Financial liabilities		
Deposits from members	1 to 4	1 to 4
Long-term loan	6	6

33. Commitments

(i) Loans to members

Loans to members approved but not yet disbursed at the end of the financial year amounted to \$113,479 (2020: \$250,324).

(ii) Dividends

Subsequent to the reporting date, the Board of Directors proposed total dividends payout of \$242,140 (2020: Nil) as follows

Qualifying permanent shares

Equity shares

2021 \$	2020 \$
157,170	-
84,970	-
242,140	-

The dividends proposed have not been recognised as a liability in the financial statements.

CREDIT COMMITTEE REPORT
TO THE 19TH ANNUAL GENERAL MEETING OF THE
SVGPCCU LTD FOR THE YEAR ENDING DECEMBER, 31ST 2021

1.0 Introduction

The SVG Police Co-operative Credit Union stands and continues to grow amidst the many economic challenges facing the country and by extension our cherished members. To affirm our commitment to creating a brighter future for our members, we have adopted the mantra “Stronger we are in this together” as we navigate through the difficulties associated with remunerative business practices.

2.0 Credit Committee Membership and Meetings

The Credit Committee remains diligent and continues to ensure that the financial needs of our members are satisfied. When assessing loans, we deliberate fairly and objectively using the established loan policy as a guide to provide the best results for our borrowing members. In place to facilitate this process is a knowledgeable, skilled and resourceful loan department that provides us with the necessary information, supported by the relevant documentation needed to be efficient and effective in our reasoning.

In the year 2021, we saw the retirement of Bro. Timothy Hazelwood and Bro. Enville Williams. As a result, two new members were elected to serve on the committee.

The undermentioned make up the Credit Committee and positions held for 2021:

Bro. Angus Morris	Chairman	(Elected Sept 2021)
Sis. Nikiesha Harry-Samuel	Secretary	(Elected Sept 2021)
Sis. Shericha Sutherland	Secretary	
Bro. Elton Jackson	Member	
Bro. Jerryyme Joseph	Member	
Bro. Timothy Hazelwood	Chairman	(Retired Sept 2021)
Bro. Enville Williams	Member	(Retired Sept 2021)

Despite the Covid-19 restrictions every effort was made to ensure that meetings were held weekly barring extenuating circumstances, at which point we utilized the virtual platform to accomplish our mandate. The record below reflects the attendance for the year under review:

Names	Credit Committee Meetings	All Committee Meetings	Grand Total
	Total (44)	Total (3)	Total (47)
Bro. Angus Morris	12	-	12
Sis. Nikiesha Harry-Samuel	12	-	12
Sis. Shericha Sutherland	40	3	43
Bro. Elton Jackson	33	2	35
Bro. Jerryyme Joseph	41	3	44
Bro Timothy Hazelwood	30	3	33
Bro. Enville Williams	19	0	19

3.0 Overview

The following summarizes the loan portfolio as at December 31st 2021 with comparative figures for 2020 and 2019.

YEAR	LOAN PORTFOLIO BALANCE
2021	\$12,727,779.61
2020	\$13,698,258.48
2019	\$12,771,656.06

A breakdown of loans issued during the year ended 31st December 2021 is set out hereunder:

4.0 Loans Granted By Purpose For 2021

CATEGORY	AMOUNT	TOTAL (Inclusive of Refinanced amount)
Consumer	425	\$4,370,162.39
Mortgage Loan	1	\$95,000.00
Student Loan	3	\$45,134.81
Vehicle Purchase	37	\$1,223,942.47
Land Loan	2	\$110,900.00
Xmas Loan	61	\$369,231.74
New Mortgage Loan	1	\$165,000.00
Staff Loan	10	\$276,715.53
Xmas Loan 10%	34	\$215,606.06
Bundle Loan	9	\$473,648.00
Gadget Loan	4	\$6,700.00
Top Up Loan	43	\$165,173.32
Debt Consolidation	10	\$326,844.00
Disaster Loan	2	\$8,100.00
Back To School Loan	9	\$21,536.24
Total Granted	651	\$7,873,694.56
Total Rejected	51	\$597,675.30
Total Deferred	2	\$23,180.00
Total Applications	704	\$8,494,549.86

5.0 Delinquency

The risk associated with the continued growth of the SVGPCCU cannot be denied. However, there has been a slight decrease in the delinquency rate, which now stands at 6.27% compared to 7.93% at the end of December 2020. A decrease of 1.66%.

The following table highlights the delinquent categories and amount outstanding for the year ending December 31st 2021.

Delinquency by Category	No.	Amount
Consumer	31	\$259,229
Mortgage Loan	1	\$138,118
Student Loan	4	\$74,778
Vehicle Purchase	4	\$115,548
Land Loan	2	\$20,003
Education Special Loan	2	\$2,009
Vacation Loan Special	1	\$6,082
Xmas Loan Special	3	\$4,314
Xmas Loan 10%	13	\$41,629
Bundle Loan	1	\$23,666
Top Up Loan	5	\$11,195
Debt Consolidation	6	\$80,054
10% Back To School Loan	1	\$1,096
7 % Land Loan	1	\$20,495
Incentive Loan	2	\$6,109
Total	77	\$804,325

A stark improvement must be noted in the reporting from the Recoveries Department, as it is evident that efforts are fervently made to contact delinquent account holders to dialogue and come to amicable solutions.

The Credit Committee will like to thank our many loyal members who honor their commitments. At the same time let us be reminded that loan arrears and missed payments affect members' credit record and may impact their ability to obtain credit in the future. To this end, members are encouraged to discuss their financial difficulties with us, so that the credit union will not be forced to seek legal redress.

6.0 Conclusion

As a Credit Committee we want to encourage our members to make use of our loan facilities with wisdom, and make the PCCU the first choice to fulfil your financial needs. Keep in mind that our objective is always to empower members financially, but we can only be effective in this regard if members live up to their commitments.

7.0 Acknowledgement

We would like to thank our fellow committee members for remaining true to the cause. A special thanks to the Management and Staff for their hard work and dedication. To you our members, always be reminded that “We Are Here To Serve!”



Bro. Angus Morris
Chairman

Sis. Nikieisha Harry-Samuel
Secretary

SUPERVISORY AND COMPLIANCE COMMITTEE REPORT TO THE 19th ANNUAL GENERAL MEETING OF THE SVGPCCU LTD FOR THE YEAR ENDING DECEMBER 31, 2021

1.0 Introduction

In accordance with the Co-operative Societies Act No.12 of 2012 section 66 and Sections 71-76 of the PCCU's Bye-Laws, the Supervisory and Compliance Committee is pleased to present its report for the year ended December 31st, 2021. The purpose of this report is to update members on our activities and progress for the year.

2.0 Composition

The Supervisory and Compliance Committee remains unchanged following the election of officers at the 18th Annual General Meeting. Brother Kenroy Boucher and Sister Lovitha Boyea were reelected.

The other members of the Committee are:

Sis. Lanel Black	-	Chairperson
is. Deorn Hoyte	-	Secretary
Sis. Glenda Abraham	-	Member

3.0 Meetings and Attendance

The Supervisory Committee held eleven (11) meetings up to the time of reporting. Attendance at meetings held during 2021 were as follows:

Committee Meetings			
Members	No. of Meeting	Present	Absent/Excused
Lanel Black	11	11	0
Deorn Hoyte	11	11	0
Kenroy Boucher	11	11	0
Glenda Abraham	11	10	1
Lovitha Boyea	11	11	0

4.0 Work Plan

In accordance with its mandate as outlined by the SVG Co-operative Societies Act No. 12 of 2012 and the Byelaws of SVGPCCU, the Supervisory and Compliance Committee's scope of work for the period 2021 included;

- Review of Board of Directors minutes and other pertinent documents
- Review of staff files (appraisal and performances)
- Compliance - compliance reports / meeting with Compliance Officer
- Examination of loan files

- Training
- Examination of approved policies and standards

5.0 Reviewing of Board of Directors Minutes and Other Pertinent Documents

All Board of Directors documents including minutes and reports within the reporting period were reviewed during our monthly meetings. The committee is satisfied that all reporting obligations are met. The committee commends the Board for their cooperation in matters brought to their attention.

6.0 Staff Appraisal and Performances

All staff files were examined. The exercise focused on ensuring pertinent documents were accurate, up-to-date and present on staff files. The overall contents of staff files reviewed were satisfactory.

The Committee reviewed the performance appraisal tool which is used to assess staff performance. Although there is need for improvement, the committee is in agreement with most of the content reviewed. Recommendations for improvements were brought to the attention of the Board of Directors.

7.0 Compliance

We are pleased to report that the post of Compliance Officer was filled by Miss Sophia Mc Fee in the last quarter of the year 2021. The compliance reports submitted were reviewed, discussed and all non-conformance brought to the attention of the Board of Directors. The committee looks forward to working with the Compliance Officer to ensure the PCCU is in compliance with its regulations and Bye-laws.

8.0 Examination of Loan Files

The Committee perused a number of loan files which were approved in accordance with the Loan Policy.

9.0 Training

The Committee attended the Volcano Preparedness and Credit Union Business Continuity Online Training provided by the SVG Police Co-operative Credit Union through the SVG Co-operative League in February 2021. This training was facilitated by Roslyn Cassell-Sealy. The committee looks forward to further training of its members to better serve the SVG PCCU.

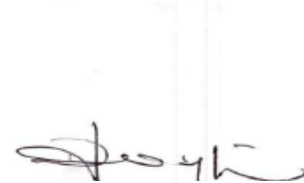
10.0 Policies and Standards

The Committee reviewed the loans policy which was previously approved by the Board of Directors. We are satisfied with the contents of the policy. Recommendations were brought to the attention to the Board of Directors.

5.0 Conclusion

The Committee is cognizant of the challenges faced by the Credit Union with the ongoing pandemic and urges all to remain optimistic and positive. We wish to take the opportunity to sincerely thank the Board of Directors, Management, Committees, Staff and members of SVGPCCU for their continued support and cooperation. Our ongoing commitment and dedication will augur well for the Credit Union's success.

Sis. Lanel Black
Chairperson

A handwritten signature in dark ink, appearing to read 'Deorn Hoyte', is written over a faint, rectangular stamp or watermark.

Sis. Deorn Hoyte
Secretary

EDUCATION AND MARKETING COMMITTEE REPORT TO THE 19TH ANNUAL GENERAL MEETING OF THE ST VINCENT AND THE GRENADINES POLICE CO-OPERATIVE CREDIT UNION LTD FOR THE YEAR ENDING DECEMBER 31, 2021

1.0 Introduction

The Education and Marketing Committee is please to submit to the nineteen (19th) Annual General Meeting, the following report on activities for the period under review.

2.0 Members

The following members were appointed by the Board of Directors to serve on the Education and Marketing Committee following the 19th Annual General Meeting. The committee meets once per month or otherwise needed.

Sis. Lanique Providence - Chairperson (outgoing)

Sis. Esther Mc Barnette – Member (outgoing)

Sis. Ingrid Hector - Member (outgoing)

Bro. Zebulan Williams – Member (outgoing)

Sis. Racquel Holder – Member

Sis. Nikeisha Andrews – Secretary

Bro. Donnie Collins – Chairperson (incoming)

Sis. Angenella Young – Member (incoming)

Sis. Velithha Baptise – Member (incoming)

Bro Sawandi Ralph – Member (incoming)

Sis Sophia Mc Fee – Staff member

Member	Education & Marketing meeting - 9	All Committee meeting - 3	Total
Sis Lanique Providence	6		
Sis Esther Mc Barnette	6		
Sis Nikeisha Andrews	9	1	
Racquel Holder	8	1	
Sis Ingrid Hector	6		
Bro Zebulan Williams	6		

3.0 2021 in review

Despite the pandemic Covid-19 and the La Soufriere Volcanic eruption, the committee work to increase membership and enhance the Credit Union's image by offering products and services, and strengthen the SVGPCCU commitment to the development of the co-operative sector.

4.0 Annual Scholarships And Bursaries Presentation Ceremony

The SVGPCCU offered two (2) full scholarships and twenty-six (26) bursaries for the year under review.

5.0 Membership

During the period under review there were one hundred and fourteen (114) new members joined the credit union along with seventy-one (71) new junior savers. The SVGPCCU membership as at period under review stood at two thousand four hundred and eighteen (2,418) and the junior savers accounts at one thousand four hundred and sixteen (1,416).

6.0 The Way Forward

- To continue to increase membership of the SVGPCCU
- To educate persons more about the services offer by the SVGPCCU
- Product enhancement
- To educate persons about the benefits of saving
- To work towards improving the life of our member.
- To fulfill our Co-operative Social Responsibilities.

7.0 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 Management and Staff of the SVGPCCU for their selfless support in execution of the committee's mandate. We also want to thank all the Committees and Members for their continued support.

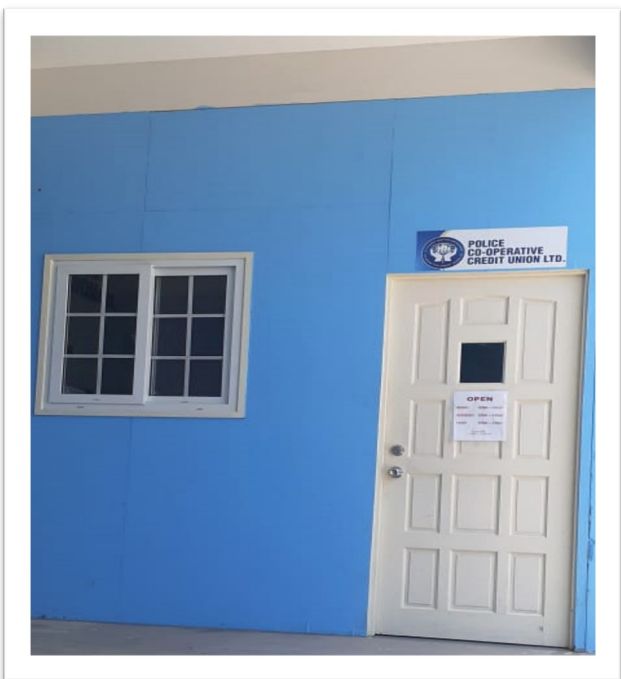


Sis. Lanique Providence
Chairperson

Membership Drive Before Bequia Branch Opening



Bequia Branch Office Opening Ceremony



Joint Scholarship Ceremony 2020



NOTES



GET REWARDED REFER-A-MEMBER PROGRAM



Members must register BEFORE the start of the program to receive their referral ID number.

Referral program open to members only of the Police Co-operative Credit Union.



For more details
bwilliams@svgpccu.com
Visit www.svgpccu.com

Rewards program
Starts Monday 21 June
Ends 31 December 2021





St. Vincent and the Grenadines Police Co-operative Credit Union Ltd

Email: info@svgpccu.com

Phone: 784-485-6840

Website: www.svgpccu.com



@policecooperativecreditunion

Bequia Branch

19TH
AGM