



39th Annual General Meeting

Theme:
Rethinking and Redefining Our Communal





Brand Ambassador Media Mogul, Farmer, Philanthropist?

Hollice 'Mr.Killa' Mapp, a titan of the entertainment industry, recording artist, emphatic performer has embraced the call of philanthropy wholeheartedly.

This media mogul has been on a mission to elevate youths through the use of technology, specifically providing training in the field of media management using his own media platform, Rebel Nation. Rebel Nation is a platform that encompasses A/V Media Services, FM Radio, Social Media Broadcasting & Content Creation. This opportunity grant youths the ability to receive training and develop a career from any field within the multi media umbrella.

We, at Communal, are especially proud to have Mr. Mapp as our Brand Ambassador and partner. One such venture of our partnership is the creation of employment in a sustainable way. This was done by supporting Mr. Mapp's vision of investing in the agricultural sector.

Agriculture is an excellent vehicle to reach a state of financial stability; our Brand Ambassador has created an amazing opportunity for the youths involved. He has developed a 6 Acre plot of land into a farm with diverse uses. Eco tourism, animal husbandry & vegetable farming are a few of the areas in which Mr. Mapp is focused and is granting the opportunity for youths to be a part of.

Mr. Mapp stands as a testament that there is more than one side to a coin.



VISION STATEMENT

To become the first choice financial institution for the community we serve.

MISSION STATEMENT

To enhance the quality of life of our members and of the entire community, by providing superior quality financial services to them through a well trained staff and the utilization of appropriate technology.

THEME FOR AGM 2020

Rethinking and Redefining Our Communal



OUR SONG

**With us there are no barriers
Cause we are all the same
The more of us the happier
The louder we'll proclaim.
That we are owner members
Our rule is honesty
We are the Credit Union
And all the world can see.**

Chorus

*Together we give and receive
Together we help each other to achieve
cause in our world today
It's not safe to be alone
Let's make each other's cares
To be our own.*

**We all will be true savers
Though it is great or small
We will become shareholders
Providing loans for all
So when great need arises
There's no uncertainty
Once in the Credit Union
There's help for you and me**

**We pledge to be of service
To better our land
We harbor no prejudice
Upon this theme we stand
One man one vote for members
Of high or low degree
For in the Credit Union
There's pure democracy.**

OUR PRAYER

Lord, make me an instrument of thy peace,
Where there is hatred let me sow love,
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
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 giving that we received;
It is in 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 so do,
Will have thy blessing and guidance,
Through Jesus Christ our Lord,
Amen**



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NOTICE OF THE 39TH ANNUAL GENERAL MEETING

Dear Member,

Notice is hereby given that the **39th Annual General Meeting** of The Communal Co-operative Credit Union Limited will be held on **Wednesday July 14th 2021**, at the **Grenada Trade Centre Annex**, Morne Rouge, St. George's beginning at **3:00 p.m.** with simultaneous Live Streaming via Zoom.

AGENDA

1. Call to Order
2. Ascertainment of Quorum
3. Adoption of Agenda
4. To receive and ratify the Minutes of the 38th Annual General Meeting.
5. To receive and discuss the following reports:
 - Board of Directors
 - Supervisory & Compliance Committee
 - Credit Committee
6. To receive and discuss the Audited Financial Statements for the year ended December 31, 2020.
 - Treasurer's Report
 - Auditor's Report
7. To receive the Nominations Committee Report and elect officers to the Management Committees.
8. To approve the budget for the year 2021.
9. To approve the payment of dividends to members
10. To appoint the Auditors for the ensuing year.
11. To discuss any other matters of interest to The Communal.
12. Conclusion of Meeting


PETRA FRASER (MS.)
SECRETARY

CORPORATE INFORMATION

THE COMMUNAL CO-OPERATIVE CREDIT UNION LTD

Halifax Street
St. George
Telephone: (473) 440-1755
Fax: (473) 440-7545
Email: comcreditunion@thecommunalcu.com
Website: www.thecommunalcu.com

GRAND ANSE BUSINESS CENTRE

Grand Anse Shopping Complex
Grand Anse
St. George
Telephone: 439-1755
Fax: 473-439-7545

PERDMONTEMPS BRANCH OFFICE

Perdmontemps
St. David
Telephone/Fax: (473) 440-4264

GOUYAVE BRANCH OFFICE

Central Depradine Street
Gouyave
St. John
Telephone/Fax: (473) 437-1129

CARRIACOU BRANCH OFFICE

Alexis Food Complex
Harvey Vale
Carriacou
Telephone: (473) 443-6699
Fax: (473) 443-8899

AUDITORS

BDO Eastern Caribbean

BANKERS

Republic Bank (Grenada) Ltd
Grenada Co-operative Bank
CIBC First Caribbean International Bank

SOLICITORS/ATTORNEYS

Law Office of George E. D. Clyne
Wilkinson, Wilkinson & Wilkinson
Grant Joseph & Co
Duncan Phillip & Associates

EXECUTIVE OFFICERS

PRESIDENT
Jennifer Gulston-Gittens

VICE PRESIDENT
David Bruno

TREASURER
Phil Antoine

SECRETARY
Petra Fraser

ASST. SECRETARY/TREASURER
Shawna Thomas-Cuffie

GENERAL MANAGER:
Lydia Courtney-Francis



STANDING ORDER

1. (a) A member shall stand when addressing the Chair. (b) Speeches shall be clear and relevant to the subject of the meeting.
2. A member shall only address the meeting when called upon by the Chairman to do so, after which he/she shall immediately take his/her seat.
3. No member shall address the meeting except through the Chairman.
4. A member shall not speak twice on the same subject except: (a) The mover of a motion has the right to reply (b) He/she rises to object or to explain (with permission of the Chair).
5. No speeches shall be made after the question has been put and carried or negated. 5. The mover of a procedural motion (adjournments, postponement, lay on table) shall have no right of reply.
6. A member rising on a point of order shall state the point clearly and concisely. (A point of order must have relevance to the Standing Orders). (a) A member shall not 'call' another member 'to order' but may draw the attention of the Chair to a 'Breach of Order'. (b) In no event can a member call the Chair 'to order.'
7. 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', 'Proceed to the next business' or the 'Closure', 'That the question be put now', may be moved at any time.
8. Only one amendment shall be before the meeting at one and the same time.
9. When a motion is withdrawn, any amendment to it fails.
10. The Chairman shall have, in addition to his ordinary vote, a "Casting Vote" in the case where there are equal votes on the motion at hand.
11. If there is an equality of votes on an amendment and if the Chairman does not exercise his casting vote the amendment is lost.
12. The Chairman shall make provisions for the protection of members from vilification (personal abuse).
13. No member shall impute improper motives against the Chairman, Board of Directors, Officers, or any other member.
14. Only members are allowed to vote.

BOARD OF DIRECTORS



DAVID BRUNO

JENNIFER GULSTON-GITTENS

PETRA FRASER



PHIL ANTOINE



SHAWNNA THOMAS-CUFFIE



ERNEST BLEASDILLE



DAWN WALKER



MICHAEL FRANCOIS



TROY NOEL

REPORT

Board of Directors

Brothers and sisters, the Board of Directors is pleased to present for your consideration the following report on the performance of your Credit Union and highlight some achievements for 2020.

First, we wish to express our sincere gratitude to each and every one of you for placing your confidence in us to provide oversight of the affairs of Communal. Please be assured that we were committed to the task and acted always in your best interest while demonstrating resilience during times of tremendous uncertainty.

INTRODUCTION OF THE BOARD OF DIRECTORS

During our 38th Annual General Meeting held on September 8, 2020, the following new members were elected to serve as Directors on Communal Board:

Dawn Walker – 1st 3-year term

Michael Francois – 1st 3-year term

Joel Noel – 1st 3-year term

Your Board of Directors for the period September 16, 2020 to Present were.

Jennifer Gulston-Gittens

David Bruno

Petra Fraser

Phil Antoine

Shawna Thomas-Cuffie

Ernest Bleasdille

Dawn Walker

Michael Francois

Joel Noel

At the first Joint Committee Meeting held on September 16, 2020 the following Directors were elected as the Executive of Communal Board of Directors:

Jennifer Gulston-Gittens

President

David Bruno

Vice President

Petra Fraser

Secretary

Phil Antoine

Treasurer

Shawna Thomas-Cuffie

Assistant Secretary/Treasurer

The following sub-committees of the Board were re-constituted to provide support and guidance to management in the conduct of their duties:

Finance & Investment Committee

Marketing Committee

Human Resource Committee

Mortgage Loan Committee

Annual General Meeting Committee

By-Laws Review Committee

CORPORATE GOVERNANCE

Subject to the provisions of the Act and the Regulations, the Board is primarily responsible for providing general direction, control and management of the society. During 2020, the Board met regularly, at least once each month, to consider the Monthly Financials, Management

Reports and attend to other pertinent matters. In addition, between September and March three (3) meetings were held jointly with Board, Credit and Supervisory and Compliance Committees.

Directors attended a Webinar on Corporate Governance – Knowing Your Responsibilities as the Board of Directors in the 21st Century, hosted by ComplianceAid Advisory Services.

THE BOARD'S REVIEW

The financial year 2020 was highly unusual, due primarily to the effects of the COVID-19 pandemic. Notwithstanding, Communal managed to increase its loans to members by \$17.281 million or 12.28% over the previous year. The Loan Portfolio now stands at \$157.933 million. The Board wishes to applaud the efforts of Management and staff for this achievement, which, under the circumstances, was commendable. We wish to also thank you our members for choosing your Credit Union to meet your borrowing needs. Interest income from loans was \$10.631 million as opposed to \$10.188 million in 2019 reflecting an increase of \$442,503 or 4.34%. In terms of interest payments, a total of \$4.380M was paid on deposits in 2020 compared to \$4.154 million during the previous 12 months. An increase of \$226,218 or 5.45%.

For the year under review a surplus of \$790,873 before transfers was realized.

THE ECONOMIC ENVIRONMENT

Due to the Covid-19 pandemic and the “Great Lockdown” which went into effect worldwide around April to curb the spread of the disease, the global economy was severely impacted.

According to the IMF's World Economic Global Report released in October 2020, the world economy was projected to contract by an estimated 4.4% in 2020 compared to 2.8% in 2019. Although global economic recovery is expected to return to pre-pandemic levels of activity, that will no doubt take some time. A growth rate of 5.2% is forecasted for 2021 although there is exceptional uncertainty in that regard. However, with the roll-out of vaccinations, gradual re-openings and hopefully, sound economic policies by Governments, there is optimism.

Grenada's economy is heavily dependent on Tourism. Other related sectors driving the economy include Transportation, Construction and Tertiary Education. Hence, with Grenada closing its borders to visitors, the evacuation of students by St. George's University, the “lock down” that went into effect, all as a response to Covid-19, economic activity was brought to a virtual halt by the beginning of the second quarter. Members employed in tourism and other related sectors were therefore directly affected as their employers were forced to reduce staff and, in some cases, halt operations entirely. As a result, Communal, as did other financial institutions, offered a temporary moratorium on loan repayment to affected members.

According to the Government's 2020 Economic Review released in November 2020, the country's Real Gross Domestic Product growth was expected to decline by 12.2% in 2020. Also of interest, according to the Labour Force Survey report, is the rate of unemployment which climbed to 28.4% by mid-2020 from an historic low of 15.1% at the end of 2019.

THE CREDIT UNION SECTOR PERFORMANCE (ENVIRONMENT)

Sources: Grenada Authority for the Regulation of Financial Institutions (Sector)

Audited Financials (Communal)

December 2020			
Indicator	Sector	Communal	Communal's Share
Membership	76,537	21,126	27.6%
Shares & Deposits	\$916 Million	\$205.642 Million	22.45%
Loans	\$798 Million	\$157.933 Million	19.78%
Total Assets	\$1.1 Billion	\$223.896 Million	20.35%

SUMMARY OF COMMUNAL'S OPERATIONS FOR 2020

Apart from the relocation of the Carriacou office from Hillsborough to a new and upgraded facility in Tyrell Bay, Harvey Vale, the first two months of 2020 were mostly routine. However, by March, the World Health Organization (WHO) declared COVID-19 as a global Pandemic and as such, we had no choice but to shift our focus on managing the impacts of COVID-19 on our organization and operations. The following are some of the measures that were undertaken to safeguard and protect staff and members and ensure that the business remained resilient.

Outfitted lobbies at all branches to satisfy COVID-19 protocols.

Implemented staff rotation while many worked remotely from home,

Increased E-banking services and encouraged members to utilize our services through the use of our Mobile App or On-line Banking

Engaged and encouraged on-line communication with members via email and social media,

Provided psychological and counseling support to staff through our Employee Assistance Program (EAP)

During the height of the pandemic Communal partnered with key resource experts to produce a mini-series entitled "Development Agenda 2020 with CCCU" which looked at post Covid-19 Impact and Opportunities. The event had an international reach as it was aired on GBN and streamed live on various social media platforms. Some agenda items covered were: The Psychological Impact of Covid, Rural Development, Economic Perspectives on the Development of Small Businesses and A discussion on the Way Forward Post Covid. The initiative provided Communal with insights into areas for opportunities going forward.

Created Communal Social Fund in April to assist members whose livelihoods were severely affected as a result of the pandemic. A committee comprised of Management and Board representatives was commissioned to administer the fund which benefitted sixty-eight (68) families at a cost of approximately \$51,000.

OTHER ACTIVITIES

Based on the philosophy of "People Helping People", in 2004, our then General Manager Mr. Brian Campbell conceptualized and established The Grenada Communal Co-operative Credit Union Foundation. However, for some reason the entity remained dormant. Fast forward to 2020 and the disruption brought about on

people's lives in so many ways by the pandemic, it was decided that the time was right for a re-birth of the Foundation. Hence, on October 31, 2020 the Foundation was launched. Funding is through members contributions and social partners, locally, regionally and internationally. It will embark on humanitarian projects geared at uplifting the lives of not just our members but people in our communities and throughout the length and breadth of our nation. We encourage you to sign up to make your contributions, whether monthly, quarterly or annually.

The Board approved the position of Business Development Officer to strengthen the Grand Anse Business Center through the provision of additional services for members.

The position of IT Manager was filled to adequately lead the department in fulfilling the requirements of the organization's Information Technology Systems and drive the e-commerce aspect of the business.

A Member Satisfaction survey was conducted as we wanted to get feedback from a wide cross section of our membership on what their experiences were like while doing business at Communal. Are we meeting your expectations? Where are we falling short? How we can improve experiences and be of better service. The results were revealing, and we will draw from these as we endeavor to be of better service to our existing and future members.

By the time the AGM is held a similar survey of our staff would have been completed. We embarked on this to ensure that we are in a good position to deliver excellent service to you.

Desirous of ensuring that Communal's goals and objectives remain relevant in this everchanging financial space and post Covid, the Board commenced the process of reviewing its strategy

and re-defining the plans for the organization for the next three (3) years.

FUTURE PROSPECTS

The Board recognizes the need to address some systemic issues within the organization. Therefore, in 2021 the focus will be on the review and implementation of key policies, re-engineering of processes and procedures and embarking on an effective Enterprise Risk Management Framework to minimize threats thus helping to achieve overall objectives and improve our financial position.

Simultaneously, with the expected enactment of The Co-operative Societies Regulations 2021, Communal will also embark on a major review of its By-Laws to ensure that we are fully compliant and relevant in this financial space. We hope to have it at an advanced stage of completion in time for presentation and approval at the next Annual General Meeting.

ACKNOWLEDGEMENTS

The Board wishes to express its profound appreciation to Members of the Committees, the Management team and Staff for all of your contributions during 2020. It was indeed a tough year, and we have to bear in mind that some challenging times are ahead. However, many of you might be familiar with this quote by Robert H. Schuller "Tough times never last, but tough people do". Let us pledge to continue our hard work, dedication and commitment to ensure every success for Communal.

Best wishes to you all!



Jennifer Gulston-Gittens
President



TRAINING AND DEVELOPMENT

The Human Resource Unit continues to work with and provide support to all the Departments to ensure the Human Resource function of The Communal is efficiently coordinated to achieve the objectives of the organisation.

With the advent of the Covid19 Pandemic during the early months of 2020 some of the planned activities of the Human Resource Unit got pushed aside. However, these will reviewed and included in the workplan for year 2021.

Communal remains committed to provide training to our staff. Although most of our planned training sessions for 2020 were cancelled, we were still able to provide training to staff at all levels of the organisation. The table below details the areas of training accessed by staff for the year 2020.

TRAINING	PROVIDER	DATE	ATTENDEES
Caribe DE Educators Training Programme	CaribDE	January 2020	Karena Tyson
Office Etiquette	Alice Thomas-Roberts	February 25	Alana Pascal Shenel Alexander
Leading from the middle	Alice Thomas-Roberts		All Supervisors
Opening membership forms online	Sharetec	August 11	Mellisa Robertson; Larissa La Touche-Francis
Financial Statement Analysis	Caricris	August 18-21	Kimberly Andrews; Kervis Renaud; Elsa Hastick; Kingsturn Noel
Contract and Employment Law	Chambers of Wilkinson, Wilkinson & Wilkinson	August 21	Ann-Marie Montrose; Larissa La Touche-Francis Loans Department
Statutory Power of sale by Financial Institutions	Chambers of Wilkinson, Wilkinson & Wilkinson	August 28	Loans Department
Cash Flow Analysis	Caricris	September 18	Kervis Renaud
Understanding Financial Statements	Jamaica Institute of Financial Services	September 2-3	Fiona Alexander-Baptiste; Kervis Renaud; Elvis Frederick

Certified Anti-Money Laundering Specialist	ACAMS	October 16	Larissa La Touche-Francis
Enterprise Risk Management	Caribbean Confederation of Credit Unions	October 22	Sheldon Baptiste; Janelle Gabriel; Larissa La Touche-Francis
Consumer Loan and Underwriting Course	Caribbean Confederation of Credit Unions	On-going (Course material available for 1 year)	All Loans Officers
Disruptive leadership	Go Blue Inc.	November 19-20	Sherene Thomas Larissa La Touche-Francis Tara Eastman-Charles

In addition to the structured training offered by Communal, several staff members are currently pursuing higher education, while others have completed short term training courses locally and online. A total of \$22,365 was refunded to staff for studies in keeping with Article 22(8) of the Union Agreement.

FOCUS 2021

Employee Development will be the primary focus of the unit for year 2021. Following the Performance Evaluation exercise a training plan will be developed focused on more targeted training specific to individual training needs.

Career Coaching will also form part of the training plan.

A robust job rotation plan is also being developed for implementation throughout the organisation. The job rotation exercise gives employees a greater understanding of the overall functioning of the organisation and helps to broaden their skills.

Management expresses thanks to the Board of Directors and other Management Committees for the support and guidance provided in 2020 and look forward to working as a cohesive team in achieving set objectives as we seek to take Communal to the next level of success.

MANAGEMENT TEAM



Lydia Courtney-Francis



Fiona Alexander-Baptiste



Sheldon Baptiste



Mellisa Robertson



John Marryshow



Kimberly Andrews



Ann Marie Montrose



Larissa La Touche-Francis



ACCOUNTS DEPARTMENT



Fiona Alexander-Baptiste



Kervis Renaud



Karel Collier



Koss St. Bernard



Carol Paul



Cordina Miller



Shevon Noel



Elvis Frederick



Bryan Robinson



Alison Noel

LOANS AND CREDIT ADMINISTRATION



John Marryshow



Elsa Hastick



Lorna Cyrus



Alonzo Pope



Germain Knights



Shirley Stephen



Stonna Barry



Glennesha Williams

MEMBER SERVICE



Mellisa Robertson



Jeanette Ratoo



Keston Calliste



Alana pascal



Betty Charles



Shenel Alexander



Rodney Jessamy



Mary Holder

INTERNATIONAL DEBIT CARD UNIT



DELINQUENCY & SECURITIES DEPARTMENT



MARKETING TEAM



RISK AND COMPLIANCE



PERDMONTEMP'S BRANCH



GRAND ANSE BUSINESS CENTRE



Kimberley Andrews



Suteann Telesford



Kirian Hosten



Michele Boney



Anique Silvester



Glendon Roberts



Tara Eastman-Charles

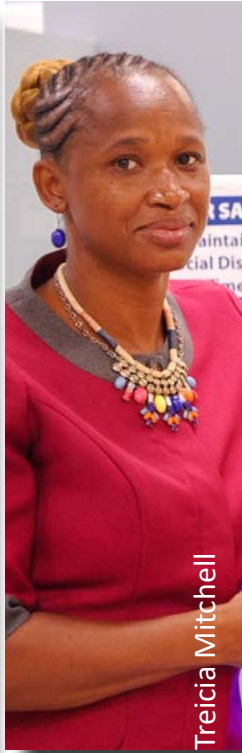
CARRIACOU BRANCH



Cassandra Cox-Peters



Husby Adams



Treicia Mitchell

GOUYAVE BRANCH



Ronda Charles



Verdessa Morain

IT DEPARTMENT



Sheldon Baptiste



Lyndon Clyne



Jayde Williams

COMMUNAL SMALL BIZ LOAN



...MY SMALL BIZ
...MY COMMUNAL
...MY SUCCESS



**CASH
SUPPORT**



**PROFESSIONAL
ADVICE**



**MARKET
ACCESS**

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439-1755



comcreditunion@thecommunalcu.com

CREDIT COMMITTEE REPORT

For the year ended December 31, 2020

The Credit Committee hereby submit its annual report to its valued members of The Communal Co-operative Credit Union informing of the performance for the year ended December 31st, 2020. It was indeed a challenging year for us all, and we thank God for his mercies, as we sought to enhance the lives of our members.



The 38th Annual General Meeting of The Communal Co-operative Credit Union was held on September 8th, 2020 under the theme “Demonstrating Resilience in times of Uncertainty. At the meeting Ms. Lisa Grappy was elected as the newest member to serve on the Credit Committee.

Her appointment was in accordance with No. 59 of Article XVII of the Bye laws which states: “that the composition of the Credit Committee shall consist of at least five (5) but no more than seven (7) members”. The Committee now comprises the following members:

CURRENT COMMITTEE MEMBERS	
NAME	POSITION
Allen Gilbert	Chairman (Sep 2020)
Roslyn Telesford	Secretary
Glendalyn Phillip	Member
Austin Redhead	Member
Pamela Aird	Member
Lisa Grappy	Member (New member – Sep 2020)

1.1 Chairman’s Remarks:

As chairman, it has been a privilege serving since the last annual general meeting (AGM 2020). It’s a great experience for all the members of the committee who serve in other professional capacities. In spite of challenging lives, busy work schedules and the advent of COVID-19, the committee continued to meet virtually after the pandemic affected our region. We have been exposed to economic patterns, social activities that determines how members spend and borrow; this knowledge aids in our own personal and professional development including our ability to review loan applications effectively.

2 LOANS/CREDIT

2.1 Loans Disbursed

The table below shows the loans disbursed in the various categories, including the number of loans, the total value in each category and the percentages of the total value of loans disbursed.

Table 2.1

Loans Disbursed 2020			
Purpose	Number	Amount	Percentage
Business (other)	113	10,054,886.37	17%
Medical	15	239,075.57	0%
Education	45	605,197.58	1%
Personal expenses	1,092	12,187,293.86	21%
Vacation & Travel	16	306,896.12	1%
Vehicle repairs, License, Ins	16	465,931.85	1%
Debts Consolidation	84	4,272,815.93	7%
Business-vehicle purchase	19	941,014.68	2%
Business-goods for resale	29	1,348,064.37	2%
Fisheries & Farming	7	124,447.23	0%

Furniture & Appliance	35	542,465.87	1%
Motor vehicle purchase	186	6,330,113.17	11%
Land purchase	28	2,210,929.57	4%
House Purchase & Construction	106	14,157,677.72	24%
House repairs	168	4,938,620.16	8%
Reschedule	9	378,533.81	1%
Totals	1,968	59,103,963.86	

2.1.1 It can be noted from Table 2.1 that majority of loans disbursed are small loans for personal expenses, however the largest value comes from house purchase and construction type loans, as we continue to enable people to achieve their dreams. It is also significant to note, that fisheries and farming loans have been very small, indicative that our farming industry

personnel may not be aware of how they can access these facilities or maybe it's a clear indication of where the macroeconomic focus of our country is. With the focus of Government Policy favouring agriculture and agri-business during this pandemic period, we expect to see an uptake in these categories of loans.

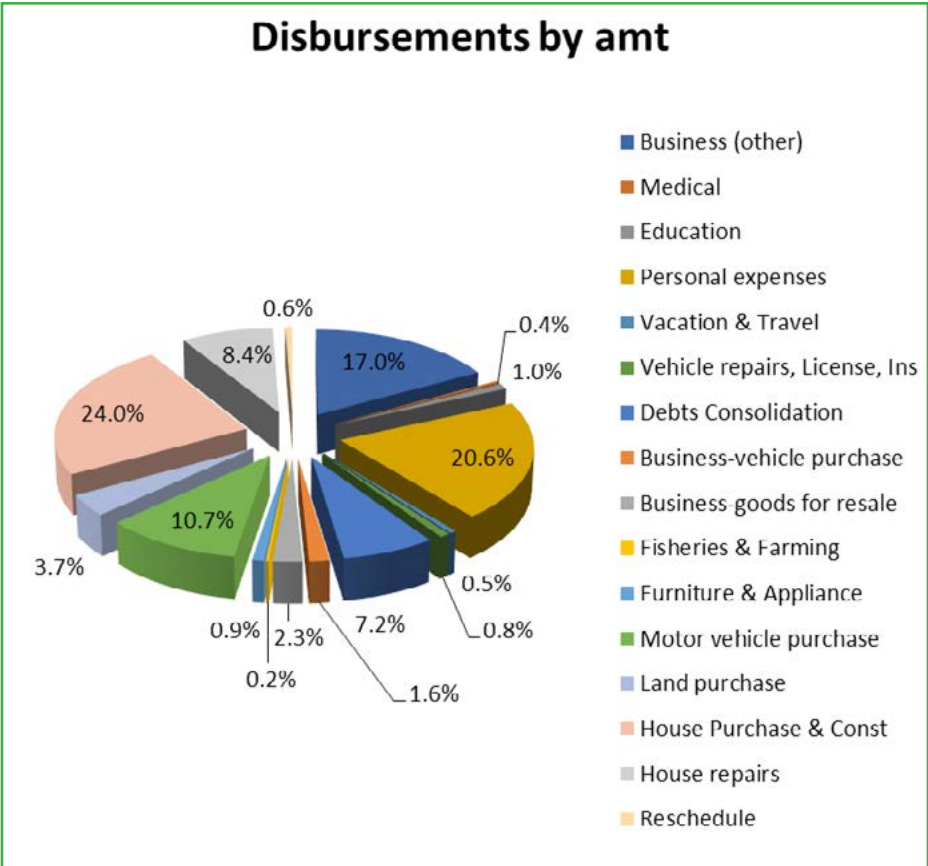


Chart 1 - Loans disbursed represented in a pie chart.

2.1.2 The total disbursements for the year 2019 was \$67 million and has decreased to 59 million in 2020, a reduction of 13%. This decrease is believed to be as a result of the inactivity created by the Covid-19 pandemic. As the economy turns around the CCCU looks forward to an influx of loan activities and projected growth in the years to come.

2.2 Loans Reviewed by the Credit Committee

2.2.1 Before the months of the lockdown that was created as a result of the COVID-19 pandemic, the Credit Committee (CC) reviewed an average on 10 loans per meeting (week), however, after the lockdown the average went down to 7. Also bear in mind that in the months

of April 2020 and the first half of May 2020, there were no loan activity for the CC, however the Office handled loans within the office limits. This information suggest that the COVID-19 pandemic significantly affected the CCCU’s focal business activity.

2.2.2 Below are 2 tables reflecting the CC’s review of loans including categories. It is important to note the following: (1) The CC does not review or approve loans under 50k which represents 90% of the number of loans reviewed, therefore there will be a significant disparity between Table 2.1 above and Table 2.3. below. (2) The value of loans approved may not be the value of loans disbursed for varying reasons.

Table 2.2 - CC Loan reviewed and approval summary

Date	(All)		
SUMMARY OF LOAN DECISIONS MADE UNDER CREDIT COMMITTEE LIMIT			
Decision Made	Count of Decision	Sum of Net loan amt	% of total net loan amt
Approved	119	EC\$16,491,523.68	61%
No decision	1	EC\$9,000.00	1%
Not Approved	75	EC\$13,960,647.43	38%
Grand Total	195	EC\$ 30,461,171.11	100.00%

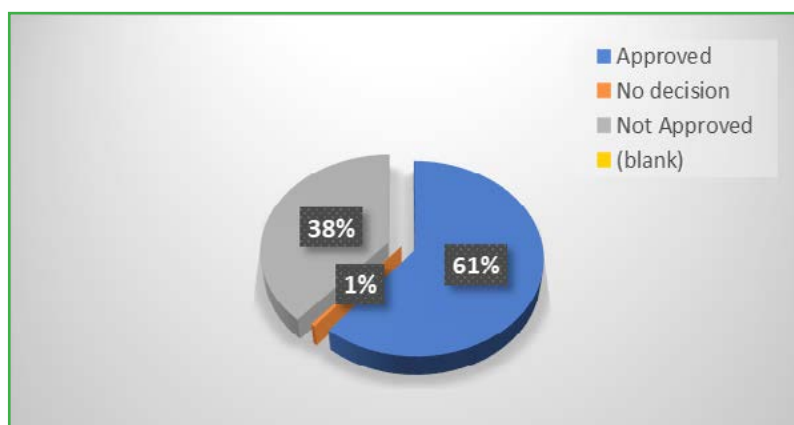


Chart 2 - loans decisions by committee 2020

2.2.3 38% of loans had to be declined or deferred, and for justifiable reasons:

2.2.3.1 Major reasons for loan decline

- Risky venture
- High DSR (debt service ratio)
- Delinquent credit history

- Insufficient security

2.2.3.2 Major reasons for loan deferral

- Improper/substandard/incomplete estimates
- Insufficient financial background information
- Lack of/weak proof of income

Table 2.3 - Loans approved by the CC in categories

Decision	Approved
Date	(All)

Value of Loans Approved by Categories

Loan Categories	Sum of Net loan amt	Count of net loan amt	Sum of net loan amt
Business (other)	EC\$ 1,479,193.19	7	9.0%
Business-goods for resale	EC\$ 100,000.00	1	0.6%
Business-vehicle purchase	EC\$ 735,366.00	8	4.5%
Debts Consolidation	EC\$ 2,394,214.77	13	14.5%
Education	EC\$ 168,294.50	2	1.0%
Furniture & Appliance	EC\$ 30,000.00	1	0.2%
House Purchase & Const.	EC\$ 6,334,112.91	25	38.4%
House repairs	EC\$ 753,890.79	10	4.6%
Land purchase	EC\$ 2,879,781.25	22	17.5%
Medical	EC\$ 80,022.01	1	0.5%
Motor vehicle purchase	EC\$ 1,416,688.00	19	8.6%
Reschedule	EC\$ 19,518.16	7	0.1%
Vehicle repairs, License, Ins	EC\$ 100,442.10	3	0.6%
Grand Total	EC\$ 16,491,523.68	119	100.0%

2.2.4 The top categories continue to be house purchase and construction, land purchase, motor vehicle purchase and debt consolidation.

2.3 Delinquencies

In spite of the negative growth in the economy and the fact that many individuals have either lost their jobs or had cuts in income. The Credit Union had to treat with moratorium for its members during this difficult time and while request were met, we also saw an impact on the delinquency which rose during the months immediately after the pandemic to over 12%, however due to the hard work of the Recoveries Team, it showed a drop to 7.08% at December 31st, 2020.

2.3.1 Recoveries and Mitigation

The CCCU Team Collection continues to provide members with moratoriums, reduce repayment plans and refer loans for restructuring where applicable; 70% of restructuring loans have been approved.

The Loan recovery team continues to strengthen its efforts to recover equity on delinquent loans in an effort to bring the delinquency ratio to under 5%.

3.0 TIPS FOR APPLYING FOR LOANS

We want to encourage members to apply the following tips as they get themselves ready for lending:

- Begin by saving a small percentage (5 to 20%) of earnings every month.
- Keep good records of all financial and business transactions made if self-employed.
- Always visit a loans officer first to see how much money you can qualify for

and get advice on what is needed and how to proceed.

- Always get job letters and other important documents on a credible letterhead.
- Always use a credible valuator or building contractor to get your builders estimate. A good builders estimate must have; a brief concise description of the proposed building; a proposed location of the building; the size of the building; the cost of all phases including a total; and the signature of the estimator/valuator.
- Avoid bad debts, it could stain your records and hinder further opportunities to qualify for loans

4. OPPORTUNITIES, CHALLENGES AND RECOMMENDATIONS

4.0 Opportunities

4.1 Positives from Covid-19

Covid-19 resulted in the committee meeting via virtual means. This allowed for more flexible meeting times; the ability to start and end later, without having to think about driving home thereafter. This also resulted in reduced cost to the CCCU for facility usage and other accommodations.

4.2 Capacity Building and Professional Development

The CC applauds the CCCU with its directorate and management team, for providing various training sessions and symposiums, geared towards the further development of its credit staff.

4.2 Challenges

4.2.1 Challenges to Effective and Efficient Review Meetings

- Technological glitches
 - Internet drops result in sporadic drop in calls
 - Communication (emails or messages) doesn't always get to all members.
 - Quality of virtual meetings can be poor at times; repetition results in slightly longer meetings
- Incomplete Applications
 - All relevant/necessary information are not always available for review meetings. We must note however that the situation is realizing continuous improvement over time.

4.3 CC's recommendations and Outlook for 2021

4.3.1 The Credit Committee made recommendations to have the loans policy reviewed and updated and are pleased to state that the process has begun. A consultant has been engaged to carry-out the review, revision and oversee implementation. Aspect to look forward to:

- CC having more of an oversight role than approving role.
- Changes in the lending approval limits; allowing for faster approval process.
- Some procedural changes.

FOCUS 2021/2022

Role of the Credit Committee:

The future role of Credit Committee is one of change and more effectiveness for our Credit Union.

In keeping with section 60 of the Act and section 30 of the Draft New Regulations, the Credit Committee should meet at least once per month but more frequently as requirements demand, to

- A. make recommendations to the board on the performance of the Credit Function and regarding standards, policies and procedures to be followed by the Credit Union for approving and granting loans;
- B. monitor lending, tracking and collection activities, procedures and results through reports requested and provided by management;
- C. review lending activity reports (e.g. applications, loans pending, denied, extensions and consolidations) from management;
- D. approve loans within its authority limit as referred by the General Manager.
- E. ensure that the General Manager implements appropriate policies and procedures to improve underwriting, appraisal and collections, to reduce delinquent accounts and charge-offs; and
- F. assess the state and growth of the portfolio based on the performance reports submitted to it by the General Manager and make recommendations for improvement.

We are committed to working to improve our Communal and together with you our members, build our organisation.



ALLEN GILBERT

Chairman

SUPERVISORY AND COMPLIANCE COMMITTEE'S REPORT

For the year ended December 31, 2020

This report was prepared in accordance with the requirements of Section 66(1) (F) of the Co-Operative Societies Act No. 08 of 2011 with Amendments in 2017 and the By-Laws of The Communal Credit Union which was revised in May 2008.

The Supervisory and Compliance Committee is pleased to present its report for the year ending December 31, 2020 at this the 39th Annual General Meeting of the Communal Credit Union. The report covers the period January to December 2020 and presents an appraisal and opinion of the performance, actions, considerations and activities completed during the year under review.



Go green

The Committee acknowledges the seven overarching principles of the Credit Union League which was sanctioned by the Credit Union National Association (CUNA) in the execution of its functions. The seven principles are as follows:-

1. Voluntary and open membership
2. Democratic member control
3. Member's economic participation
4. Autonomy and independence
5. Education, Training and Information
6. Co-operation among Co-operatives
7. Concern for community

COMPOSITION OF THE COMMITTEE

Subsequent to the Annual General Meeting, the Supervisory and Compliance Committee was constituted on September 16, 2020. Mrs. Theresa Benjamin-Noel was elected to serve as Chairman and Ms. Kenita Paul elected as Secretary.

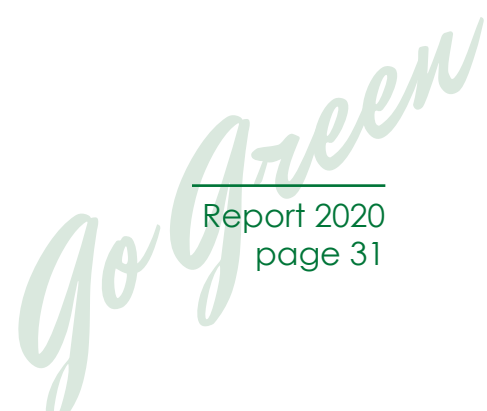
Your esteemed committee comprises of the following members and particulars of attendances are captured in the table below:

Mrs. Theresa Noel	- Chairman
Ms. Kenita Paul	- Secretary
Mr. Clint Roberts	- Member
Mr. Anthony Phillip	- Member
Ms. Desnor Paul	- Member

MEETINGS AND ATTENDANCE					
	Merge and centre	Regular Meetings		Joint Committee Meetings	
Members	Portfolio	No. of Meeting Held	Attendance	No. of Meeting Held	Attendance
Theresa Noel	Chairman	10	10	2	1
Kenita Paul	Secretary	10	10	2	2
Devon La Touche	Member	10	4	2	1
Anthony Phillip	Member	10	8	2	2
Desnor Paul	Member	10	9	2	2
Clint Roberts	Member	10	6	2	1

*Devon La Touche tenure expired September 8, 2020

*Clint Roberts joined the committee September 16, 2020.



METHOD OF OPERATIONS

The role of the Supervisory and Compliance Committee is to act as an internal auditor to safeguard the assets of the Communal Credit Union by reviewing and sample testing operational procedures; monitoring the management of the Credit Union and ensuring compliance within the Act, regulations, By-laws and policies of the Credit Union. To this end, the Supervisory and Compliance Committee (SCC) accomplished the following task during the period under review:

1. Performed Cash Counts at all branches;
2. Verified Assets Register Management and Assets Protection;
3. Reviewed member's Equity Share register
4. Reviewed the Board Minutes
5. Reviewed Bank Reconciliations
6. Reviewed Members Complaints
7. Conducted Meetings with the Compliance Officer, Loans Officers and the Management Team
8. Reviewed the Membership Data
9. Monitored the Management Committee meeting attendance;
10. Reviewed the loan files of Directors and Committee members to ensure proper servicing and no impairment in the security offered
11. Examined Draft Audited Financial Statements
12. Examined random monthly samples of new loan applications and existing loans.
13. Analyzed the top fifty (50) largest delinquency loan files

14. Verified and reviewed monthly financial statements and financial reports
15. Monitored the performance of the institutional capital
16. Conducted a Meeting with the Credit Committee
17. Reviewed the following Policies:
 - o 1. Loans & Collections Policy
 - o Investments Policy
 - o Personnel Policy, and the
 - o Compliance Policy
18. Reviewed new accounts to ascertain AML/CTF compliance

Training

No training opportunities were provided due to COVID-19

The Committee would also like to take this opportunity to express thanks to all requisite staff for their co-operation and patience during these undertakings.

Findings Related to The Scope of Works Undertaken

- a. Results for the Cash Counts were satisfactory;
- b. Attendance by management committee members were generally good;
- c. Meetings were held as needed and the annual report was prepared;
- d. Recommendations were made to management with regards to recovery and loan administration.

- e. We note the improvement in the work of Security and Delinquency toward the end of the year. The unit needs to continue its proactive approach when dealing with delinquent loans

RECOMMENDATIONS

In order to improve the general operations of The Communal Credit Union, the Supervisory and Compliance Committee offered the following recommendations:

1. AML/CTF continuous development of and effective program demonstrating our commitment to conducting business ethically and responsibly.
2. Development and promotion of new products and services for members and direct targeting to increase loan portfolio
3. Promotion of the Communal's vision and core principles at all branches aimed at educating members.
4. Investment in attractive and lucrative long-term investment opportunities to increase earning capacity
5. Continuous training opportunities for staff and committee members to develop competencies and efficiencies
6. The Communal should ensure that all processes facilitated on the paperless platform is robust to mitigate from all potential risk. Members must be able to verify their information before affixing their signature to any form before a transaction is finalized.

7. Create innovative ways to stimulate interest amongst members to increase the level of participation in Communal activities especially the Annual General Meeting and the Credit Union Day celebrations through community engagements.

CONCLUSION

General findings etc. /improvements

The Supervisory and Compliance Committee is satisfied that appropriate measure are in place to propel The Communal Credit Union compared to 2018.

ACKNOWLEDGEMENTS

The Supervisory and Compliance Committee wishes to express appreciation for the invaluable assistance, guidance and commitment of the Board of Directors, Credit Committee, General Manager, Deputy Manager, Managers, supervisors, staff, Grenada Cooperative League and GARFIN in making it possible for this Committee to accomplish its task during the period under review

As chairperson of the Supervisory and Compliance Committee, I have been privileged to work with a dedicated team and would like to take this opportunity to extend gratitude for their time and the wisdom that they have provided.

THERESA NOEL
Chairperson



The Communal Co-operative
Credit Union Ltd.

EMERALD

LINE OF CREDIT

GET FROM
\$1,000
UP TO
\$300,000

**QUICK &
EASY PROCESS**

**SPECIAL
INTRODUCTORY RATES**

Specially Designed for our Small Business Owners
and Members with the need for Cash Overdraft
Facility with no Major Interest & Fees.

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The Evolution of Compliance

The year 2020 is marked by the global coronavirus pandemic and has left behind a long-term impact on the financial services sector. It has resulted in financial institutions and regulators across the globe operating in an entirely new environment with the increasing need for online services, changing customer behavior, new threats of money laundering and terrorism financing and other influential factors. It is therefore critically important that The Communal is mindful of the potential risk of criminals exploiting the unprecedented situation through illicit activities and maintain a robust Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) compliance framework.

Moreover, the pandemic has shown that digital transformation is an urgent need in all sectors including the financial industry. The new normal is that “digitization is a must”. Social distancing and lockdown circumstances have led to a more digitized financial reality of online business operations, contactless payments, increasing use of debit cards and digital currency etc. However, while online financial services respond to the new customer behavior, it also offers users new opportunities to launder illicit proceeds.

In response to these changes, new practices and regulatory policies have emerged to ensure AML/CTF compliance requirements. The Financial Action Task Force (FATF) and national regulators have encouraged or authorized financial institutions to utilize a risk based approach and provide risk-based flexibility in the implementation of AML/CTF requirements and the application of customer due diligence (CDD) and risk assessment. Needless to say that ongoing vigilance is the key to mitigate financial crime risks in the midst of the pandemic and beyond. In all of this, the major challenge for Financial Institutions including our Credit Union is to find the balance between being compliant to all regulatory standards and optimising service quality.

In order to effectively achieve both of these objectives, we therefore encourage our valued members to assist us by keeping the personal information on your account current and by providing the following updated documents for our records:

- Two (2) pieces of Valid Picture Identification (NIS Card/Driver’s License/ Voter’s Registration Card/Passport)
- Proof of residential address (Utility bill/ Lease Agreement/Property Tax Notice)
- Proof of income and employment (Official Payslip/Job Letter/ Business Registration)

***Compliance is our responsibility,
Compliance is our obligation!***





SMART

Loan



- + ZERO DOWNPAYMENT*
- + SAME DAY APPROVAL
- + JOIN TODAY AND APPLY

"The Future of Learning is Fun"



Be Smart, Get Your Smart Loan Today!

 **440-1755**

 **439-1755**



*Terms and conditions and conditions apply.

The Grand Anse Business Centre

Defining Anew: 2020 & Beyond

The year 2020 was indeed an extraordinary year. The onset of the COVID-19 pandemic created a significant shift in business activities worldwide. The Grenadian economy saw a significant impact on our Tourism sector with the closure of major hotels and guest houses and the reduction in air traffic to our island. These circumstances have not only impacted the financial stability of our members, but it has also impacted the operations of our Credit Union, The Communal.

However, it was a year that brought new opportunities for us as an organization to perfect our way of doing business meeting the changing needs of our members. The good book says that “...in the midst of tribulation we have to be of good cheer.”

Revenue from loans continues to be the major revenue generator at The Communal. The Grand Anse Business Centre continued to do its part toward the overall profitability of the organization. The Branch was able to achieve a recorded 32% increase in lending from that recorded in 2019, a commendable effort amidst times of uncertainty. This was owing to our 2020 loan promotion.

During the period November to December 2020, we launched our sole loan product “**Choose Your Loan**”. For the first time a bundle approach was taken in offering promotional terms on all our loan products; vehicle purchase, land purchase, construction, consumer spending and consolidation. This initiative was not to limit the lending needs of our member but to reach everyone at their place of need. It is gratifying to us that this intended purpose was realized.

The Business Centre continues to serve several of our business members and while 2020 would have hindered some of our plans towards training and development of our business niche, we are committed to the continuous development and wellbeing of our members and our country. Our work at The Business Centre is driven by the continued support of our valued members, to whom we are most grateful for.

The focus for the next two years would be on our young entrepreneurs through the creation and adjusting of our established products. Communal’s collaborations with key stakeholders will have tremendous benefits for member ventures. The success of our members aligns with the core value of ‘Member Focused’ through ‘Innovation’. The Communal, Grand Anse Business Centre will be a catalyst for diverse opportunities.



NOMINATION'S COMMITTEE REPORT

ANNUAL GENERAL MEETING 2021

INTRODUCTION

The Board of Directors, at its meeting on April 20th, 2021 acting in accordance with Article XIII (41) (2), appointed a Nomination's Committee for the purpose of proposing members to fill vacancies for which elections would be held at the 40th Annual General Meeting.

THE NOMINATING COMMITTEE COM- PRISED OF THE FOLLOWING PER- SONS:

Mrs. Dawn Walker

Member of the Board of Directors

Mr. Stephen Nelson

Member

Mr. Sheldon Baptiste

Member of Staff

NOTICE OF RETIREMENT

Board of Directors:

This year the President of the Board Mrs. Jennifer Gulston-Gittens has completed her second term and is due to retire.

Ms. Petra Fraser and Mr. David Bruno have completed their first term and have expressed their willingness to continue for a second term. The other directors are completing their first and second terms.

Supervisory Committee:

Mrs. Theresa Noel has completed her first term and has agreed to continue for a second term. The other members are completing their first and second terms.

Credit Committee:

One committee member, Mr. Austin Redhead has completed his second term and is due to retire. The other members are completing their first and second terms.

The General Membership at this meeting may make its own nominations from the floor to fill any vacancies on the respective committees.

The criteria for accepting nominations and the recommendations to fill the vacancies on the management committee are based on International Credit Union norms of good governance especially covering the principles of integrity, together with the following:

- Commitment to serve without reward.
- Availability to attend meetings.
- Good financial standing with the Credit Union
- Expertise and experience
- Demonstration of interest in the Credit Union Movement
- Good inter-personal skills/team player



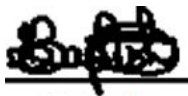
The Nominations Committee recommendations are as follows:

	RETIRED/RESIGNED	NOMINATED	TERM
Board of Directors	Mrs. Jennifer Gulston- Gittens	Lawrene Griffith	1st
Credit Committee	Mr. Austin Redhead	Sheena Lewis	1st

The following persons will continue to serve unfinished terms on the various committees:

BOARD OF DIRECTORS	Year Elected	End of First Term	End of Second Term
Mr. Ernest Bleasdille	2016	2019	2022
Mrs. Shawna Thomas- Cuffie	2016	2019	2022
Mr. Phil Antoine	2019	2022	2025
Ms. Petra Fraser	2018	2021	2024
Mr. David Bruno	2018	2021	2024
Mr. Michael Francois	2020	2023	2026
Mr. Troy Noel	2020	2023	2026
Mrs. Dawn Walker	2020	2023	2026
SUPERVISORY COMMITTEE			
Mr. Anthony Phillip	2016	2019	2022
Ms. Kenita Paul	2016	2019	2022
Mrs. Theresa Noel	2018	2021	2024
Ms. Desnor Paul	2019	2022	2025
Mr. Clint Roberts	2020	2023	2026
CREDIT COMMITTEE			
Ms. Roslyn Telesford	2016	2019	2022
Mrs. Glendalyn Phillip-Samuel	2018	2021	2023
Ms. Sandra Aird	2019	2022	2025
Mr. Allen Gilbert	2019	2022	2025
Mrs. Lisa Grappy-James	2020	2023	2026

The Nominations Committee expresses thanks to all persons of the Management Committee for agreeing to serve the Credit Union.



SHELDON BAPTISTE

Chairperson





COMMUNAL GRAND ANSE **BUSINESS CENTRE**



EXPRESS OVERNIGHT **DEPOSITS**

- + Express deposit means your deposits are available to you quickly.
- + Overnight deposit gives you the ability to make deposits 24/7.

Offering the services needed to start or
GROW YOUR BUSINESS



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comcreditunion@thecommunalcu.com

TREASURER'S REPORT

For the year ended December 31, 2020

During the 1st quarter of the year under review, the World Health Organization (WHO) declared Covid-19 a global pandemic, the result of which saw the onset of a catastrophic public health and economic crisis that brought the entire global economy to a near standstill in 2020. With the vote of confidence conveyed by fellow Directors, whom you have elected, to serve as Treasurer during these challenging times, I am extremely pleased to report on the financial performance of Communal for the year ended 31st December 2020.

This report, inclusive of the Audited Financials, is submitted in accordance with Section 56(E) of our Byelaws and section 130 (1) of the Cooperative Societies Act of 2017.

STATEMENT OF FINANCIAL POSITION

Assets

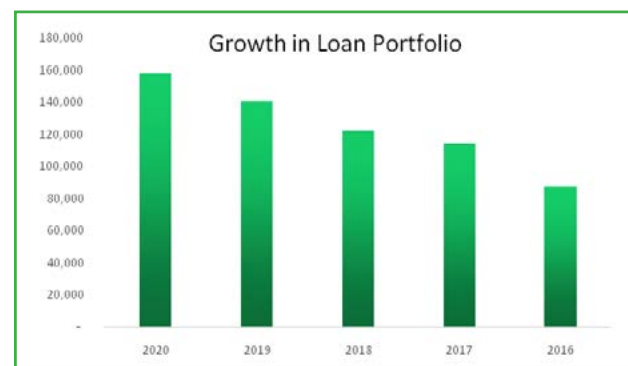
The assets of Communal refer to the resources owned and leveraged to enhance operations while fostering value creation and stimulating growth. Our assets are broadly categorised into earning and non-earning assets. While earning assets embody all the attributes of value creation and growth stimulation by providing a generally steady and reliable source of revenue, non-earning assets do not deliver any revenue. As such, it is always imperative to optimise the distribution, subject to prudential and regulatory guidelines, of our assets between these broad categories so as to maximize the derived benefit for our membership.

Communal's earning assets consist of loans and investments. At the end of the year under review, earning assets stood at \$187.4M,

representing a year-on-year increase of \$5.7M (3.1%). This movement represents the lowest level of growth in earning assets within the past five (5) years and is primarily attributable to the continuing difficult investment environment for financial assets, which was only exacerbated by the Covid-19 Pandemic. Given our generally risk-averse investment policy, so crafted in order to preserve and safeguard the underlying value of our financial investments, coupled with the ever-increasing inherent risks within the local and regional economies, the trend of a declining investment portfolio with progressively diminishing yields continued.

Notwithstanding, our loan portfolio grew to \$157.9M, representing a year-on-year increase of \$17.3M (12.3%). In light of the extremely harsh reality of the local economy suffering from ballooning unemployment due to the fallout from the Covid-19 Pandemic, the growth in loans to members is highly commendable, and at a rate almost identical to pre-Covid levels further underscores Communal's robust support to our loyal and valued members during these challenging times riddled with great uncertainty.

The growth in our loan portfolio over the past five (5) years is highlighted below:



Communal's non-earning assets consists of property, plant and equipment (inclusive of intangible assets and right of use assets), inventories, receivables and prepayments and cash and cash equivalents. Globally, non-earning assets stood at \$36.4M, representing a year-on-year increase of \$7.4M (25.6%), the movement of which is predominantly due to increases in receivables and prepayments and cash and cash equivalents. While non-earning assets should ideally be maintained at its lowest possible level, there can be mitigating factors that would necessitate the growth experienced during the year under review. With our expanded ATM network, receivables relating to the usage of our ATM by non-members increased substantively (\$3.0M or 50.2% compared to the corresponding period in 2019), which augurs well for increased revenue vis a vis ATM transaction fees. Additionally, cash and cash equivalents increased by \$4.5M (33.0%), which can be attributed to the reduced investment portfolio but also remains around its historical average of approximately \$18m. On the other hand, and to a far lesser extent, the growth in inventories of \$110K or 126.4% is almost entirely due to increased procurement of the requisite supplies for the pending roll-out of our chip and pin ATM/ Visa cards as we transition away from the less secure and outdated magnetic strip cards.

In summary, Communal's total assets stood at \$223.9M, representing year-on-year growth of \$13.1M (6.2%) and consolidating our position within the sector. Notwithstanding, the ever-dwindling investment opportunities in financial assets coupled with globally diminishing yields underscore the need for a review of our investment policy as well as a major investment(s) in real property, which will satisfy a myriad of objectives vis a vis buttressing our

investment portfolio while shifting non-earning cash and cash equivalents into an earning asset(s) and further augment our positioning within the sector.

The growth in total assets over the past five (5) years is highlighted below:



Liabilities

The liabilities of Communal refer to our obligations to members as well as other non-member individuals and entities that must be settled over time. Our liabilities are broadly categorised into current and non-current liabilities, which can be more specifically identified by the required time within which they must be settled. Current liabilities ought to be settled within twelve (12) months whereas the stipulated settlement time for non-current liabilities exceeds one (1) year.

Communal's current liabilities are comprised mainly of members' deposits and non-interest-bearing liabilities and our lease liability to a lesser extent. During the period under review, members' deposits stood at \$193.8M, representing an increase of \$12.9M (7.1%) – its lowest level of growth over the past five (5) years. The growth in members' deposits over the past five (5) years is highlighted below:



This slower-than-usual growth in member deposits is understandable and can be attributed to high unemployment and subdued income resulting from the Covid-19 Pandemic and necessitating greater withdrawals/lesser savings to satisfy basic and other needs. Non-interest-bearing liabilities stood at \$5.9m at year-end, representing a decrease of \$0.6m (9.2%). The most significant areas of variance are related to ATM payables (decreased by \$1.0m or 17.8%), payroll payables (increased by \$168.2K or 277.7%) and sundry creditors and accruals (increase by \$77.3K or 50.9%). The reduction in ATM payables can be attributed to increased or greater usage of Communal's ATMs by our membership as opposed to other non-Communal ATMs, which is a positive development. The increase in payroll payables is due to the requisite accruals being made given the expiry of the current CBA in December 2019 while the increase in sundry creditors and accruals are likely due to increased procurement of supplies since the onset of Covid-19.

Communal's non-current liabilities are comprised solely of the non-current portion of our long-term leases on properties utilized to facilitate operations at Gouyave, Grand Anse and Carriacou, which stood at \$319k, representing an increase of \$190.4k (148.0%) attributable to expected increases due to lease extensions required for continued operations in the highlighted locations.

In summary, Communal's total liabilities stood at \$200.2m, representing year-on-year growth of \$12.4m (6.6%). Although the growth in liabilities was marginally greater than that of our assets, its overall level remained well within accepted prudential guidelines, which is positive in respect of Communal's continued operations in the foreseeable future.

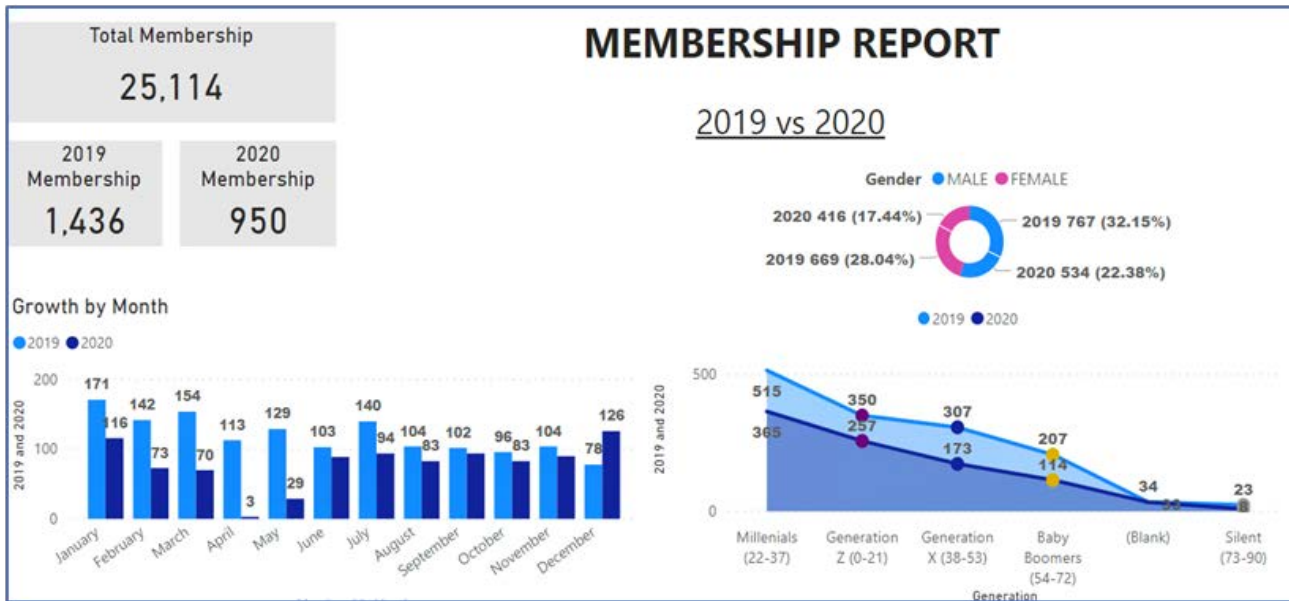
Capital

The capital of Communal refers to net difference between total assets and total liabilities, which essentially is the added value created during the course of our operations that ascribe benefits to our membership. Capital is crucial to facilitating our daily operations and establishes the requisite platform for future growth and development. Our capital structure is broadly categorised into institutional capital (inclusive of members qualifying equity shares, statutory reserves, and accumulated surpluses) and members non-qualifying equity shares.

Communal's institutional capital is the aggregate of members qualifying shares, statutory reserves, and accumulated surpluses, all of which constitute the foundation upon which we operate. As with any foundation, the stronger it is, the stronger its ability withstand future adverse economic shocks and uncertainties such as Covid-19 while simultaneously providing the impetus for future growth and value creation.

Qualifying shares, the purchase of which is a pre-requisite for membership, stood at \$6.3M, representing an increase of \$316.9K (5.3%) and is commensurate with an increase in overall membership, especially among the demographic containing young professionals, culminating to a total membership in excess of 25k despite the current pandemic. This trend in membership growth and its varying demographics continue to underscore the confidence in Communal as a viable financial entity.





Statutory reserves and accumulated surpluses stood at \$3.4M and \$8.4M representing year-on-year growth of \$180.7K (5.7%) and \$127.7K (1.5%), respectively. For the second consecutive year, Communal has exceeded the required benchmark of 7% for institutional capital, with our ratio being 8.1% at the year-end, which is noteworthy. As such, this allows the payment of a dividend for the period under review.

Communal's members non-qualifying equity shares refer to the additional share purchases beyond that required for membership, which stood at \$5.5M, representing an increase of

\$76.1K (1.4%). This increase in non-qualifying equity shares, after a decline in 2019, is another indicator of confidence in Communal as members seek to promote their financial and overall well-being via sound investments.

In summary, Communal's capital structure remains strong though there is room for improvement given our size, operational risks (current and future) and the pending passage of new regulations by GARFIN. The financial ratios evaluating our performance against the industry standards are highlighted below:

FINANCIAL RATIOS REPORT

	Required	Actual	Actual
	Ratio	Ratio 2020	Ratio 2019
EFFECTIVE FINANCIAL STRUCTURE			
Net Loans / Total Assets	70-80%	70.54%	66.52%
Deposits / Total Assets	70-80%	86.56%	85.83%
Institutional Capital / Total Assets	7%	8.10%	8.32%
Shares/Total Assets	10-20%	5.29%	5.43%
Total Capital/Total Assets	10%	10.59%	10.92%
ASSET QUALITY			
Total Loan Delinquency / Gross Loan Portfolio	<=5%	7.08%	4.88%
Non-Earning Assets / Total Assets	<=5%	15.90%	13.59%
LIQUIDITY			
Liquid Assets-Short-Term Liabilities / Unencumbered Deposits	Min. 15%	27.00%	27.00%
SIGNS OF GROWTH			
Growth in Loans to Members	≥ 10%	12.29%	14.83%
Growth in Savings Deposits	20%	7.10%	10.03%
Growth in Institutional Capital	>5%	3.58%	21.95%
Growth in Total Assets	> or =inflation	6.22%	12.49%
Growth in Membership	>12%	3.09%	4.90%

Statement of Comprehensive Income

With our local economy in decline, suffering from growing unemployment resulting in deteriorating delinquency and increased exposure, Communal still managed to grow its revenue, which amounted to \$13.2M. Loan income, which is our primary source of revenue, experienced year-on-year growth of \$442K or 4.2%. In respect of expenditure, interest expense (interest paid on deposits) amounted to \$4.4M, which represents an increase of

\$226.2K or 5.2% as Communal continues to provide the most attractive interest rates on the market. On the other hand, general and administrative expenditure amounted to \$7.7M, which represents a mere increase of 1.8%. Overall, Communal achieved a net surplus before transfers of \$790.8K, which is creditable -- all things considered.

Our income and costs to operate our Communal is analyzed below:

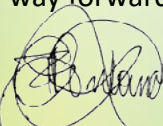
CATEGORY	2020	2019	Increase/	%
Income on Members' Loans	10,630,650	10,188,147	442,503	4%
Interest on Investments	1,322,224	1,401,238	-79,014	-6%
Rental Income	237,000	229,800	7,200	3%
Other Income / Recoveries	1,090,599	1,438,640	-348,041	-24%
TOTAL INCOME	13,280,473	13,257,825	22,648	0%
OUR COST TO OPERATE THE CREDIT UNION WAS:				
Operating Expenses	8,109,138	7,960,110	-149,028	2%
Interest to Members	4,380,462	4,154,244	-226,218	5%
TOTAL COSTS	12,489,600	12,114,354	-375,246	3%
NET INCOME BEFORE PROVISIONS	790,873	1,143,471	-352,598	-31%

CONCLUSION

With the post-Covid-19 road to recovery seemingly a long and arduous one, Communal's commitment to the well-being of our membership remains resolute and unquestionable amidst these unprecedented times. While it is easy to fall prey to pessimism, or the sense that we, whether individually or as a Cooperative, cannot make a difference, however, amid this disruption, it has become abundantly clear that Communal has a once-in-a-generation opportunity to harness digital technology to define the way we do business. Although this year has taught us that no business is 100 percent resilient, those fortified by digital technology are more resilient and more capable of transforming and adapting when faced with sweeping changes like those we are experiencing. The world is at

an inflection point, and digital technology, the resource allocation on which is expected to increase significantly in the coming years, will be key to defining what comes next. At Communal, we are well positioned to not only participate in this growth but drive it by expanding our impact and building the key technologies that empower every individual and institutional member to achieve more.

I take this opportunity to express my sincere gratitude to our Board of Directors, management, staff, and members of Communal for this opportunity to serve as Treasurer and wish each of you every success as we chart the way forward together.



PHIL ANTOINE
Treasurer



**THE COMMUNAL
CO-OPERATIVE CREDIT
UNION LIMITED**

Financial Statements

**for the year ended December 31, 2020
with comparative figures for 2019**



THE COMMUNAL CO-OPERATIVE CREDIT UNION LIMITED

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

INDEPENDENT AUDITOR'S REPORT

To the Members of
The Communal Co-operative Credit Union Limited
Grenada

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Communal Co-operative Credit Union Limited ("the Credit Union"), which comprise the statement of financial position as at December 31, 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of 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.

INDEPENDENT AUDITOR'S REPORT (cont'd)

To the Members of
The Communal Co-operative Credit Union Limited
Grenada

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 auditors' report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (cont'd)

To the Members of
The Communal Co-operative Credit Union Limited
Grenada

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

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

A handwritten signature in blue ink that reads "BDO".

BDO Eastern Caribbean
Kingstown, St. Vincent and the Grenadines
July 2, 2021

THE COMMUNAL CO-OPERATIVE CREDIT UNION LIMITED
Statement of Financial Position
As at December 31, 2020
With comparative figures as at December 31, 2019
(Expressed in Eastern Caribbean Dollars)

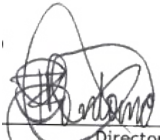
	Notes	2020 \$	2019 \$
EARNING ASSETS			
Investment properties	4	3,168,800	3,168,800
Loans to members	5	157,933,071	140,651,835
Investment securities at amortised cost	6(i)	26,160,523	37,767,510
Investment security at fair value through OCI	6(ii)	99,745	99,745
Total earning assets		187,362,139	181,687,890
NON-EARNING ASSETS			
Property, plant, and equipment	7	7,023,965	7,084,132
Intangible assets	8	566,042	850,000
		7,590,007	7,934,132
Other assets			
Right-of-use asset	9(i)	442,613	293,449
Inventories	10	197,058	87,332
Receivables and prepayments	11	10,149,204	7,136,691
Cash and cash equivalents	12	18,154,860	13,645,448
Total non-earning assets		28,943,735	21,162,920
TOTAL ASSETS		223,895,881	210,784,942
CAPITAL AND LIABILITIES			
Institutional capital			
Members qualifying equity shares	13(i)	6,337,875	6,020,990
Statutory reserve	14	3,367,844	3,186,964
Accumulated surplus		8,437,618	8,309,146
		18,143,337	17,517,100
Members' non-qualifying equity shares	13(ii)	5,497,402	5,421,265
Other funds and reserves			
Development fund	15	23,726	34,304
Members' health fund reserve	16	44,929	54,239
		68,655	88,543
TOTAL EQUITY		23,709,394	23,026,908
Non-current lease liability	9(ii)	319,111	128,687
Current liabilities			
Current portion of lease liability	9(ii)	172,207	176,733
Members' deposit	17	193,807,195	180,952,617
Non-interest-bearing liabilities	18	5,887,974	6,499,997
TOTAL LIABILITIES		200,186,487	187,758,034
TOTAL EQUITY AND LIABILITIES		223,895,881	210,784,942

The notes on pages 56 to 84 are an integral part of these financial Statements.



 Chairman

APPROVED ON BEHALF OF THE BOARD



 Director

THE COMMUNAL CO-OPERATIVE CREDIT UNION LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2020
With comparative figures as at December 31, 2019
(Expressed in Eastern Caribbean Dollars)

	Note	2020 \$	2019 \$
INCOME			
Loan interest income	19	10,630,650	10,188,147
Interest expense	20	(4,380,462)	(4,154,244)
Net interest income		6,250,188	6,033,903
Interest income - investment		1,322,224	1,401,238
Other operating income	21	1,032,083	1,303,663
Lease interest expense	9(ii)	(93,147)	(28,647)
Net income		8,511,348	8,710,157
General and administrative expenses	22	(7,673,611)	(7,538,572)
Bad debts recovered		58,516	134,977
Rental income		237,000	229,800
Expected credit loss expense		(342,380)	(392,891)
		790,873	1,143,471
Net surplus for the year before transfers		790,873	1,143,471
Deduct: Transfer to statutory reserve		(158,175)	(228,694)
Transfer to development fund		(23,726)	(34,304)
Net surplus for the year after transfers		608,972	880,472

The notes on pages 56 to 84 are an integral part of these financial Statements.

THE COMMUNAL CO-OPERATIVE CREDIT UNION LIMITED
Statement of Changes in Members' Equity
For the year ended December 31, 2020
With comparative figures as at December 31, 2019
(Expressed in Eastern Caribbean Dollars)

	Qualifying Shares \$	Non- qualifying Shares \$	Statutory Reserve \$	Other Fund and Reserves \$	Accumulated Surplus \$	Total \$
Balance at 1 January, 2019	4,021,200	5,952,582	2,921,270	120,451	7,438,661	20,454,164
Adoption of IFRS 16 Leases	-	-	-	-	4,689	4,689
Net movement in shares	1,999,790	(531,317)	-	-	-	1,468,473
Entrance fees	-	-	37,000	-	-	37,000
Net movement on other funds and reserve	-	-	228,694	(31,908)	(277,675)	(80,889)
Net surplus for the year	-	-	-	-	1,143,471	1,143,471
Balance at 31 December, 2019	6,020,990	5,421,265	3,186,964	88,543	8,309,146	23,026,908
Net movement in shares	316,885	76,137	-	-	-	393,022
Entrance fees	-	-	22,705	-	-	22,705
Net movement on other funds and reserve	-	-	158,175	(19,888)	(662,401)	(524,114)
Net surplus for the year	-	-	-	-	790,873	790,873
Balance at 31 December, 2020	6,337,875	5,497,402	3,367,844	68,655	8,437,618	23,709,394

The notes on pages 56 to 84 are an integral part of these financial Statements.

THE COMMUNAL CO-OPERATIVE CREDIT UNION LIMITED
Statement of Cash Flows
For the year ended December 31, 2020
With comparative figures as at December 31, 2019
(Expressed in Eastern Caribbean Dollars)

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Net surplus for the year before transfers		790,873	1,143,471
Adjustments for non-cash transactions:			
Depreciation	7, 22	616,297	723,165
Amortisation	8, 22	283,958	290,068
Depreciation expense on right-of-use assets	9(i), 22	146,148	169,913
Bad debts recovered		(58,516)	(134,977)
Bad debt		342,380	392,891
Lease interest expense	9(ii)	93,147	28,647
Operating surplus before working capital changes		2,214,287	2,613,178
Decrease/(increase) in inventories		(109,726)	26,035
Increase in receivables and prepayments		(3,012,513)	(1,848,987)
Increase in members' deposits		12,854,578	18,151,884
Increase/(decrease)/in non-interest-bearing liabilities		(612,023)	2,374,836
Cash generated from operating activities		11,334,603	21,316,946
Lease payments		(202,561)	(181,900)
Net cash generated from operating activities		11,132,042	21,135,046
Cash flows from investing activities			
Increase in investment securities		11,606,987	(10,884,681)
Purchase of property, plant, and equipment		(556,130)	(1,311,757)
Purchase of intangible asset		-	(21,168)
Increase in members' loans		(17,565,100)	(18,367,945)
Net cash used in investing activities		(6,514,243)	(30,585,552)
FINANCING ACTIVITIES			
Entrance fees received		22,705	37,000
Net movement in other funds and reserves		(524,114)	(80,889)
Shares issued		393,022	1,468,473
Net cash provided by financing activities		(108,387)	1,424,584
Net increase/(decrease) in cash and cash equivalents		4,509,412	(8,025,922)
Net cash and cash equivalents - January 1, 2020		13,645,448	21,671,370
Net cash and cash equivalents - December 31, 2020		18,154,860	13,645,448

The notes on pages 56 to 84 are an integral part of these financial Statements.

THE COMMUNAL CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Eastern Caribbean Dollars)

1. Corporate information

The Credit Union was registered on 19th October, 1965 under the Co-operative Societies Ordinance as amended by the Co-operative Societies Act No. 8 of 2011 for the purpose of affording members of the Credit Union the opportunity to accumulate savings and to obtain credit for provident or productive purposes at reasonable rates of interest. The Credit Union employed on average fifty-five (55) persons during the year (2019:56).

2. Significant accounting policies

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

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards are issued by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors and authorised for issue on June 25, 2021.

(b) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- Financial instruments - fair value through profit or loss
- Investment property

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Credit Union's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in Note 3.

(c) Changes in accounting policies and disclosures

(i) New accounting standards, amendments and interpretations

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Credit Union's annual financial statements for the year ended December 31, 2020 except for the adoption of new standards and interpretations below.

2. Significant accounting policies (cont'd)

(c) *Changes in accounting policies and disclosures (cont'd)*

(ii) New accounting standards, amendments and interpretations (cont'd)

a) *New standards, interpretations and amendments effective from 1 January 2020*

New standards impacting the Board that will be adopted in the annual financial statements for the year ended 31 December 2020, and which have given rise to changes in the Board's accounting policies are:

- *Definition of a Business (Amendments to IFRS 3)*. The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:
 - clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
 - narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
 - add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
 - remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
 - add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendment has no significant impact in the Credit Union's financial statements.

- *Definition of Material (Amendments to IAS 1 and IAS 8)*. The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

The amendment has no significant impact in the Credit Union's financial statements.

- *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)*. The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

The amendment has no significant impact in the Credit Union's financial statements.

2. Significant accounting policies (cont'd)

(c) *Changes in accounting policies and disclosures (cont'd)*

(ii) New accounting standards, amendments and interpretations (cont'd)

a) *New standards, interpretations and amendments effective from 1 January 2020 (cont'd)*

- *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.
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)*. The amendments prohibit deducting from 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 recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendment has no significant impact in the Credit Union's financial statements.

- *Annual Improvements to IFRS Standards 2018-2020*. Makes amendments to the following standards:
 - IFRS 1 - 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 - 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 derecognise 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 - 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 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

2. Significant accounting policies (cont'd)

(c) *Changes in accounting policies and disclosures (cont'd)*

(ii) **New accounting standards, amendments and interpretations (cont'd)**

b) New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Board has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2020:

- Disclosure of Accounting Policies (*Amendments to IAS 1 and IFRS Practice Statement 2*)
- Definition of Accounting Estimates (*Amendments to IAS 8*)

The Credit Union is currently assessing the impact of these new accounting standards and amendments.

(d) **Property, plant and equipment**

Land and Buildings comprise properties located at Halifax Street, St. George and Perdmontemps, St. David. Land and buildings are stated at cost, less subsequent depreciation on buildings. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amounts or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Credit Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation reserve in the fund. Decreases that offset previous increases of the same assets are charged against the surplus directly in the fund; all other decreases are charged to the statement of comprehensive income.

2. Significant accounting policies (cont'd)

(d) *Property, plant and equipment (cont'd)*

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The rates used are as follows:

	Per annum
Buildings	2.5%
Leasehold improvements	20%
Furniture, fixtures, and equipment	10%
Computers	20%
Motor vehicle	20%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

(e) *Intangible assets*

(i) **Recognition and measurement**

Intangible assets that are acquired by the Credit Union and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(ii) **Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) **Amortization**

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The intangible assets are amortized as follows:

	Per annum %
Computer software	20%

2. Significant accounting policies (cont'd)

(f) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property of the Credit Union comprises of land and building situated at Herbert Blaize Street, St. George's held for long-term rental yields and which is not occupied by the Credit Union. Investment property is treated as a long-term investment and is carried at fair value. The Credit Union investment property is being depreciated using the straight-line method over a period of forty (40) years.

(g) Financial instruments

(i) Classification and measurement

Initial recognition

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Credit Union recognises loans to borrowers on the date on which they are originated. All other financial instruments (including regular-way purchases and sale of financial assets) are recognised on the trade date, which is the date on which the Credit Union becomes a party to the contractual provisions of the instrument.

Initial measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVPL) whereby transaction costs are added to, or subtracted from, this amount.

Measurement categories of financial assets and liabilities

The Credit Union classifies all of its assets at either:

- Amortised cost or
- FVPL

The Credit Union retained the existing requirements in IAS 39 for the classification of financial liabilities which is at amortised cost.

2. Significant accounting policies (cont'd)

(g) *Financial instruments (cont'd)*

(i) Classification and measurement (cont'd)

Amortised cost

The Credit Union measures its cash and cash equivalents, debt securities, mortgage and other loans and contributions and other receivables at amortised cost. Financial assets are measured at amortized cost if both of the following conditions are met:

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

Financial assets at fair value through profit or loss

Financial assets in this category are those that are designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

The Credit Union irrevocably elected to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income.

When equity investment designated as measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to accumulated surplus.

Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other income when the right to the payment has been established.

(ii) Impairment

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.

The Credit Union has been recording an allowance for expected credit losses for all loans and individual debt securities and accounts receivable.

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.

2. Significant accounting policies (cont'd)

(g) *Financial instruments (cont'd)*

(ii) Impairment (cont'd)

Impairment of financial assets (cont'd)

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.

Stage 1

When financial assets are first recognised, the Credit Union recognises an allowance based on 12 months ECLs. Stage 1 financial assets also include facilities where the credit risk has improved and the financial assets have been reclassified from Stage 2.

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. Stage 2 also include facilities, where the credit risk has improved, and financial assets have been reclassified from Stage 3.

Stage 3

Financial assets considered credit-impaired. Here the Credit Union records an allowance for the Lifetime ECLs.

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.

2. Significant accounting policies (cont'd)

(g) *Financial instruments (cont'd)*

(ii) Impairment (cont'd)

Calculation of ECLs

Stage 1

The 12mECL is calculated as the portion of LTECLs 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 12mECL 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 LTECLs. 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.

(iii) Impairment of other financial assets

Investment securities and Cash and cash equivalents

The Credit Union's cash at bank and investment securities are deposits placed with reputable institutions and countries where there has been no significant default. The Credit Union therefore considers the risk of default to be low. The ECLs on these instruments were therefore determined to be zero.

Receivables and prepayments

The Credit Union's receivables and prepayments are mostly short-term with minimal exposure to risk. The ECLs on these instruments were assessed on an individual basis.

(iii) Write offs

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally when the Credit Union determines that the borrower does not have assets or resources of income that would generate sufficient cash flows to repay the amount subject to the write-off. However, the financial assets could still be subject to enforcement activities in order to comply with the Credit Union's procedures.

2. Significant accounting policies (cont'd)

(g) Financial instruments (cont'd)

(iv) Derecognition of financial assets

The Credit Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Credit Union neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Credit Union recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Credit Union retains substantially all the risks and rewards of ownership of a transferred financial asset, the Credit Union continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(v) Financial liabilities

When financial liabilities are recognised, they are measured at fair value of the consideration given plus transactions costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost.

Financial liabilities are derecognized when they are extinguished, that is when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability extinguished and the consideration price is recognised in the statement of comprehensive income.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank and short-term demand deposits with original maturities of three (3) months or less.

(i) Receivables and prepayments

Receivables are amounts due in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets.

(j) Accounts payables

Payables are obligation to pay for goods or services that have been acquired in the ordinary course of the business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

(k) Equity shares

Members' shares are classified as equity.

2. Significant accounting policies (cont'd)

(l) Provisions

Provisions are recognised when the Credit Union has a legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

(m) Employee benefits

Pension benefits

The Credit Union operates a defined contribution pension plan. The Credit Union pays fixed contributions into the fund and has no legal or constructive obligation to pay further contributions. The Credit Union's contribution is recorded as an expense in the statement of comprehensive income.

(n) Revenue recognition

i) Interest income

Interest income is recognized on an accrual basis.

ii) Investment income

Investment income is recognized on an accrual basis.

iii) Rental income

Rental income is recognised on the accrual basis.

(o) Dividends

Dividends that are paid during the period are accounted for as an appropriation of surplus in the statement of changes in members' equity.

(p) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the statement of financial position date. The resulting profits and losses are dealt with in the statement of comprehensive income. There are no foreign currency borrowings.

(q) Borrowings

Borrowings are recognised at fair value net of transaction cost incurred. Borrowings are subsequently stated at amortized cost: any difference between the proceeds, net of transaction cost, and the redemption value is recognised in the statement of comprehensive income over the period of borrowings. Borrowings are classified as current liabilities unless the Credit Union has an unconditional right to defer settlement of the liability for at least twelve (12) months after the statement of financial position date.

2. Significant accounting policies (cont'd)

(r) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Credit Union's incremental borrowing rate is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Credit Union if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Credit Union is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Credit Union revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

2. Significant accounting policies (cont'd)

(s) Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Transactions entered into with related parties in the normal course of business are carried out on commercial terms and conditions and market rates during the year.

3. Critical accounting estimates and judgments in applying accounting policies

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Credit Union's reported assets, liabilities, revenues, and expenses. The items which may have the most effect on these financial statements is set out below.

Valuation of property

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

Fair value of equity investments

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

Property, plant, and equipment

Management exercises judgment in determining whether future economic benefits can be derived from expenditures to be capitalized and in estimating the useful lives and residual values of these assets.

Calculation of expected credit loss allowances

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to change in circumstances and of forecast economic conditions. The Credit Union's historical credit loss experience and forecast of economic conditions may also not be representative of actual default in the future.

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4. Investment properties

	2020 \$	2019 \$
Land at Green Street	186,250	186,250
Building at H.A. Blaize Street	1,273,751	1,273,751
Cost - ending of year	1,460,001	1,460,001
Revaluation	1,708,799	1,708,799
Fair value - ending of year	<u>3,168,800</u>	<u>3,168,800</u>
Carrying amount - January 1	3,168,800	3,168,800
Carrying amount - December 31	<u>3,168,800</u>	<u>3,168,800</u>

During the 2019 financial year, the Credit Union's investment properties were revalued based on valuations performed by an independent appraiser. The fair value of the investment properties were determined using the market comparable approach.

5. Loans to members

	2020 \$	2019 \$
House and land	83,172,915	76,801,480
Motor vehicle	13,748,633	12,209,526
Business	9,386,527	8,262,030
Promotional	13,804,093	14,298,486
Personal and others	38,170,015	29,605,001
Total loans	158,282,183	141,176,523
Interest receivable	926,541	408,585
	<u>159,208,724</u>	<u>141,585,108</u>
Less: Allowance for expected credit loss	(1,275,653)	(933,273)
	<u>157,933,071</u>	<u>140,651,835</u>

These loans are secured by mortgages, bills of sale and personal guarantees. Interest is payable at rates ranging between 4.99% and 15% per annum.

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6. Investment securities

(i) Debt securities at amortised cost

	2020 \$	2019 \$
(a) Treasury bills and notes		
Government of St. Lucia - 365 day treasury bills	1,949,553	1,949,553
Government of St. Lucia - 3 year treasury notes	3,000,000	3,000,000
Government of St. Lucia - 5 year treasury notes	-	1,000,000
Government of Grenada - 365 day treasury bills	4,278,728	5,148,804
Government of Antigua - 180 day treasury bills	-	1,541,003
Government of Antigua - 365 day treasury bills	2,880,135	2,866,651
Government of Antigua - 2 year treasury notes	400,000	400,000
Government of Antigua - 3 year treasury notes	1,000,000	1,000,000
	13,508,416	16,906,011
(b) Bonds		
Eastern Caribbean Home Mortgage Bank - 1 year bond	1,500,000	5,000,000
Government of St. Lucia - 2 year bond	1,748,076	1,748,077
Government of St. Lucia - 5 year bond	1,000,000	1,000,000
Government of St. Lucia - 6 year bond	700,000	700,000
Government of Dominica - 5 year bond	-	500,000
Government of St. Vincent - 3 year treasury bond	509,000	509,000
Government of St. Vincent - 7 year treasury bond	871,787	1,059,644
	6,328,863	10,516,721
(c) Term deposits		
First Citizens Investment Services	741,747	4,883,684
Grenada Co-operative League Limited - Deposit (i)	602,823	585,265
Grenada Co-operative League Limited - Deposit (ii)	247,622	247,622
Ariza Credit Union Limited	1,846,478	1,821,126
Grenada Union of Teachers Co-operative Credit Union Limited	1,252,562	1,216,080
Grenville Co-operative Credit Union Limited	1,408,012	1,367,001
Gateway Co-operative Credit Union Limited	224,000	224,000
	6,323,244	10,344,778
	26,160,523	37,767,510

(ii) Equity security at fair value through other comprehensive income

9,949 ordinary shares in the Grenada Co-operative League Limited	99,745	99,745
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Notes to the Financial Statements
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7. Property, plant, and equipment

	Land	Buildings	Leasehold improvement	Furniture, fixtures, and equipment	Computer equipment and Software	Motor vehicles	Work-in-progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
As at January 1, 2019	1,051,566	4,913,885	679,685	1,787,944	1,518,028	109,995	38,301	10,099,404
Additions	-	8,000	868,069	99,696	246,809	-	89,184	1,311,758
As at December 31, 2019	1,051,566	4,921,885	1,547,754	1,887,640	1,764,837	109,995	127,485	11,411,162
As at January 01, 2020	1,051,566	4,921,885	1,547,754	1,887,640	1,764,837	109,995	127,485	11,411,162
Additions	-	-	110,143	58,844	249,806	-	137,337	556,130
Transfers	-	-	-	-	127,485	-	(127,485)	-
As at December 31, 2020	1,051,566	4,921,885	1,657,897	1,946,484	2,142,128	109,995	137,337	11,967,292
Accumulated depreciation								
As at January 1, 2019	-	1,210,765	128,030	1,152,708	1,046,365	65,997	-	3,603,865
Charge for the year	-	122,955	199,906	158,651	219,654	21,999	-	723,165
As at December 31, 2019	-	1,333,720	327,936	1,311,359	1,266,019	87,996	-	4,327,030
As at January 01, 2020	-	1,333,720	327,936	1,311,359	1,266,019	87,996	-	4,327,030
Charge for the year	-	122,955	200,497	61,345	209,501	21,999	-	616,297
As at December 31, 2020	-	1,456,675	528,433	1,372,704	1,475,520	109,995	-	4,943,327
Carrying amounts								
As at January 01, 2019	1,051,566	3,703,120	551,655	635,236	471,663	43,998	38,301	6,495,539
As at December 31, 2019	1,051,566	3,588,165	1,219,818	576,281	498,818	21,999	127,485	7,084,132
As at December 31, 2020	1,051,566	3,465,210	1,129,464	573,780	666,608	-	137,337	7,023,965

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8. Intangible assets

	Intangible assets \$	Total \$
Cost		
As of January 1, 2019	1,398,625	1,398,625
Additions	21,168	21,168
As of December 31, 2019	1,419,793	1,419,793
As of January 1, 2020	1,419,793	1,419,793
Additions	-	-
As of December 31, 2020	1,419,793	1,419,793
Accumulated depreciation		
As of January 1, 2019	279,725	279,725
Charge for the year	290,068	290,068
As of December 31, 2019	569,793	569,793
As of December 31, 2019	569,793	569,793
Charge for the year	283,958	283,958
As of December 31, 2020	853,751	853,751
Net book value		
As of January 1, 2019	1,118,900	1,118,900
As of December 31, 2019	850,000	850,000
As of December 31, 2020	566,042	566,042

9. Leases

(i) *Right of use asset*

	2020 \$	2019 \$
January 1, 2020	293,449	463,362
Increase due to extended lease term	295,312	-
Amortisation	(146,148)	(169,913)
December 31, 2020	442,613	293,449

Right-of-use assets include leased office space.

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9. Leases

(ii) Lease liability

	2020 \$	2019 \$
January 1, 2020	305,420	463,362
Increase due to extended lease term	295,312	-
Adjusted through retained earnings -2019	-	(4,689)
Interest expense	93,147	28,647
Lease payments	(202,561)	(181,900)
December 31, 2020	491,318	305,420
Current portion	(172,207)	(176,733)
Non-current portion	319,111	128,687

The discount rate applied is 7.84%.

10. Inventories

	2020 \$	2019 \$
IDC materials	151,796	24,085
Stationery and office supplies	13,206	18,338
Advertising and promotional materials	31,771	44,909
T-Shirts	285	1,070
	197,058	87,332

11. Receivable and prepayments

	2020 \$	2019 \$
Matured financial assets	1,745,282	1,745,282
ATM receivables	9,171,026	6,106,588
Prepayments	271,579	276,703
Other receivables	344,545	196,764
Interest receivable on investments	362,054	556,636
	11,894,486	8,881,973
Less: Allowance for expected credit loss	(1,745,282)	(1,745,282)
	10,149,204	7,136,691

Matured financial assets relate to matured fixed deposits with British American Insurance Company Limited and CLICO International Life totaling \$1,745,282. This amount has been provided for in full as there is considerable doubt concerning recovery.

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12. Cash and cash equivalents

	2020 \$	2019 \$
Cash on hand	6,456,228	3,633,228
Cash at bank	11,698,632	10,012,120
	18,154,860	13,645,448

13. Equity shares

(i) *Qualifying shares*

	2020 No. of shares	2020 \$	2019 No. of shares	2019 \$
Qualifying shares				
Authorised number of shares of \$5 nominal value	Unlimited		Unlimited	
Issued and fully paid				
Balance, beginning of year	1,204,198	6,020,990	804,240	4,021,200
Issued during the year	63,377	316,885	399,958	1,999,790
Balance, end of year	1,267,575	6,337,875	1,204,198	6,020,990

Qualifying shares are mandatory non-withdrawable shares and each member is required to own a minimum of sixty (60) fully paid up shares of \$5.00 each.

(ii) *Non-qualifying shares*

	2020 \$	2019 \$
Issued and fully paid		
Balance, beginning of year	5,421,265	5,952,582
Issued during the year	76,137	-
Repurchased during the year	-	(531,317)
Balance, end of year	5,497,402	5,421,265

Non-qualifying shares represent non-mandatory shares purchased by members who have not met the mandatory minimum qualifying share requirement amount of \$300.00 (60 shares @ \$5.00 each) and shares purchased by members in excess of the mandatory minimum qualifying share requirement.

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14. Statutory reserve

	2020	2019
	\$	\$
Balance at beginning of the year	3,186,964	2,921,270
Add: Transfer from surplus	158,175	228,694
Entrance fees	22,705	37,000
Balance at ending of the year	<u>3,367,844</u>	<u>3,186,964</u>

In accordance with Section 125 (4) of the Co-operative Societies Act No. 8 of 2011, at least 20% of the surplus for the year shall be transferred to a Reserve Fund. Entrance fees collected during the year are also credited to this reserve.

15. Development funds

	2020	2019
	\$	\$
Balance, beginning of year	34,304	11,623
Transfer from earnings in current year	23,726	34,304
Payment from funds	(34,304)	(11,623)
Balance, end of year	<u>23,726</u>	<u>34,304</u>

This fund is calculated at 3% of the surplus for the year and is payable to the Grenada Cooperative League Limited in accordance with Section 126 of the Co-operative Societies Act No. 8 of 2011.

16. Members' health fund reserve

	2020	2019
	\$	\$
Balance, beginning of year	54,239	60,739
Payment from funds	(9,310)	(6,500)
Balance, end of year	<u>44,929</u>	<u>54,239</u>

2% of the previous year's operating surplus is allocated to this fund to provide medical assistance to members.

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17. Members' deposits

	2020	2019
	\$	\$
Term deposits	29,958,204	28,453,317
Regular savings	136,919,489	127,721,486
Special savings	215,624	505,261
Education savings plan	645,863	707,533
Retirement saving plan	5,067,965	5,169,406
Escrow savings	7,975,250	7,915,571
Gold account	176,061	205,798
Su Su savings	126,005	164,800
Tiered savings	7,262,297	5,310,918
Other deposits	5,460,437	4,798,527
	193,807,195	180,952,617

Interest is payable on these amounts at rates varying between 0.2% and 5% per annum.

18. Non-interest-bearing liabilities

	2020	2019
	\$	\$
Interest payable	417,219	365,978
Death claims payable	264,318	225,737
Sundry creditors and accruals	229,347	152,068
Payroll payables	228,842	60,677
Insurance payables	42,583	40,267
ATM payables	4,511,951	5,489,071
Payable to members	115,664	115,889
Accrued liability	24,823	22,540
Other payables	53,227	27,770
	5,887,974	6,499,997

19. Loan interest income

	2020	2019
	\$	\$
House and land	5,053,847	4,879,325
Motor vehicle	975,221	1,035,255
Business	585,762	584,560
Promotional	1,678,076	2,106,764
Personal and others	2,337,744	2,582,244
	10,630,650	10,188,147

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20. Interest expense

	2020	2019
	\$	\$
Term deposits	727,664	724,917
Regular savings	3,059,687	2,941,050
Education savings plan	21,127	19,917
Retirement saving plan	146,822	144,318
Gold account	9,071	7,487
Su Su savings	4,730	5,850
Tiered savings	73,546	38,903
Other deposits	337,815	271,802
	<u>4,380,462</u>	<u>4,154,244</u>

21. Other operating income

	2020	2019
	\$	\$
Application fees	488,667	604,162
ATM transactions	199,959	185,561
Closure of accounts fees	15,474	85,427
Commission	2,259	2,602
Financial statement fees	4,440	16,335
Foreign exchange gain	6,430	15,736
IDC transactions	141,372	126,433
Late fees	17,268	68,143
Miscellaneous	2,353	4,607
Over the counter fees	152,923	192,609
Sale of passbooks	536	996
Service charges	402	1,052
	<u>1,032,083</u>	<u>1,303,663</u>

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22. General and administrative expenses

	2020 \$	2019 \$
Advertising and promotions	392,295	582,128
Bank Charges	192,053	98,053
Depreciation	1,046,403	1,183,146
Governance	43,751	167,220
Honorarium	110,270	92,695
League dues	115,000	115,000
Office Expenses	180,144	172,765
Other Administrative Cost	1,762,909	1,467,377
Personnel Costs	3,133,631	2,956,041
Securities	255,579	234,278
Utilities	441,576	469,867
	<u>7,673,611</u>	<u>7,538,572</u>

23. Income tax

The Credit Union is exempt from the payment of Income Tax under Section 25 (P) of the Income Tax Act 1994.

24. Commitments

(i) Undisbursed members' loans

At the end of the financial year the Credit Union had commitment in respect of loans approved and not disbursed amounting to \$5,239,300 (2019: \$4,035,470).

ii) Operating leases

As at 31st December, the Credit Union was committed to lease payments as follows:

	2020 \$	2019 \$
Within one (1) year	208,930	176,733
Between one (1) to two (2) years	346,650	128,687
	<u>555,580</u>	<u>305,420</u>

25. Financial risk management

The Credit Union's activities expose it to the following risk from the use of financial instruments:

- Credit risk
- Liquidity risk
- Currency risk
- Interest rate
- Operational risk

Risk management structure

The Credit Union of Directors is responsible for the overall risk management approach and for approving the risk strategies, principles, policies, and procedures. Day to day adherence to risk principles are carried out by the executive management of the Credit Union in compliance with the policies approved by the Credit Union of Directors.

The Credit Union's risk management policies are established to identify and analyse the risk faced by the Credit Union, to set appropriate risk limits and controls, to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Credit Union through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The following committees are part of the management team of the Credit Union.

Credit committee

This committee considers all applications for loans and makes recommendations to the Credit Union in respect of the applications and performs such duties as prescribed in the articles of the Co-operative Act, the regulations and the By-Laws of the Credit Union.

Supervisory Committee

The supervisory committee examines the books of the Credit Union, confirms the deposits of the members, and performs such other duties as are prescribed by the Co-operative Act, the regulation and the By-Law of the Credit Union.

Investment Committee

The Investment Committee is elected by the Board of Directors. This Committee assists in identifying the current and future investment opportunities available to the Credit Union.

25. Financial risk management (cont'd)

Credit risk

Credit risk is the risk of financial loss to the Credit Union if a member or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from the Credit Union's receivables from the inability of members to repay loans, the inability of investments and cash and cash equivalents to be recuperated or interest on them to be realized, and receivables to not materialize.

Management credit risk

The Credit Union's main objective as regards to credit risk is to protect against any unwanted counterparty credit exposures, maintain credit risk at a manageable level and identify and avoid material credit failure that would impart earnings.

The Credit Union measures and manages credit risk on an aggregate basis by including all existing relationships with a particular customer or related entity of the same corporate organization. When measuring credit risk, the Credit Union takes a conservative view towards uncertainty and error in the direction of overstating the risk.

Loans

Exposure to credit risk is managed through regular analysis of the ability of borrowers to settle outstanding balances and meet repayment obligations, and by changing lending limits when appropriate.

Other financial assets

With respect to credit risk arising from the other financial assets of the Credit Union, which comprise cash and cash equivalents and investments, the Credit Union's exposure to credit risk arises from default of the counter-party. The Credit Union seeks to hold its funds with financial institutions which management regards as sound. The markets for investments are monitored regularly to ensure the returns are guaranteed.

Exposure to credit risk

The Credit Union's maximum exposure to credit risk before collateral held and other credit enhancement is as follows:

	Maximum exposure	
	2020 \$	2019 \$
Cash and cash equivalents	18,154,860	13,645,447
Investment securities	26,260,268	37,867,255
Receivables and prepayments	10,149,204	7,136,691
Members' loans	157,933,071	140,651,835
	212,497,403	199,301,229

THE COMMUNAL CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Eastern Caribbean Dollars)

25. Financial risk management (cont'd)

Exposure to credit risk (cont'd)

Concentration of credit risk on members' loans:

	2020 \$	2019 \$
House and land	83,172,915	76,801,480
Motor vehicle	13,748,633	12,209,526
Business	9,386,527	8,262,030
Promotional	13,804,093	14,298,486
Personal and others	38,170,015	29,605,001
	<u>158,282,183</u>	<u>141,176,523</u>

Analysis of gross carrying amount and corresponding ECL are as follows:

Members' loans	Stage 1	Stage 2	Stage 3	Total
Balance at December 31, 2020				
Gross loans	117,886,398	31,144,510	10,177,816	159,208,724
ECL	(192,411)	(170,890)	(912,352)	(1,275,653)
Net balance	<u>117,693,987</u>	<u>30,973,620</u>	<u>9,265,464</u>	<u>157,933,071</u>
Balance at December 31, 2019				
Gross loans	125,871,608	9,715,975	5,588,940	141,176,523
ECL	(109,345)	(32,727)	(791,201)	(933,273)
Net balance	<u>125,762,263</u>	<u>9,683,248</u>	<u>4,797,739</u>	<u>140,243,250</u>

	2020 %	2019 %
Stage 1	74.05	89.16
Stage 2	19.56	6.88
Stage 3	6.39	3.96
	<u>100.00</u>	<u>100.00</u>

THE COMMUNAL CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the year ended December 31, 2020
(Expressed in Eastern Caribbean Dollars)

25. Financial risk management (cont'd)

Credit risk (cont'd)

Analysis of gross carrying amount and corresponding ECL are as follows:

Receivables and prepayments	Stage 1	Stage 2	Stage 3	Total
Balance at December 31, 2020				
Gross receivables	10,149,204	-	1,745,282	11,894,486
ECL	-	-	(1,745,282)	(1,745,282)
Net balance	10,149,204	-	-	10,149,204
Balance at December 31, 2019				
Gross loans	7,545,276	-	1,745,282	9,290,558
ECL	-	-	(1,745,282)	(1,745,282)
Net balance	7,545,276	-	-	7,545,276

	2020 %	2019 %
Stage 1	85.34	81.21
Stage 2	0.00	0.00
Stage 3	14.66	18.79
	100.00	100.00

Write off policy

The Credit Union writes off a loan when it determines that the loan is uncollectible after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer meet the obligation, and that proceeds from collateral will not be sufficient to recover the entire exposure.

Collateral

The amount and type of collateral required depends on an assessment of the credit risk of the counter-party. The Credit Union has guidelines that set out the acceptability of different types of collateral.

The types of collateral held by the Credit Union are registered mortgages over property, bills of sale on motor vehicles and other assets, liens on deposits and shares, guarantees and promissory notes.

25. Financial risk management (cont'd)

Credit risk (cont'd)

Analysis of gross carrying amount and corresponding ECL are as follows:

Collateral (cont'd)

Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

Liquidity risk

Liquidity risk is the risk that the Credit Union will encounter difficulty in meeting obligations from its financial liabilities.

Management of liquidity risk

The Credit Union's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Credit Union's reputation. Liquidity, funding risk, and related processes and policies are overseen by management of the Credit Union.

Liquidity management is primarily designed to ensure that funding requirement of the Credit Union can be met or to satisfy the demands of customers for additional borrowing. The primary source of funds of the Credit Union is from members' deposit. Additional funds are also sourced through credit facilities from the Credit Union's bankers.

All of the Credit Union's financial liabilities at year end are payable on demand.

Currency risk

Currency risk is the risk that the value of cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Credit Union operates primarily in the Eastern Caribbean Dollars and is therefore not subject to significant foreign currency risk. However, some of its transactions are in United States Dollars but as the Eastern Caribbean Dollar is pegged to the United States Dollar, there are no significant currency risk exposures.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk

Floating rate instrument expose the Credit Union to cash flow interest risk whereas fixed rate instruments expose the Credit Union to fair value interest rate risk.

Management of interest risk rate

The Credit Union's exposure to interest risk is managed through the matching of funding products with financial services and monitoring market conditions and yields.

25. Financial risk management (cont'd)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Credit Union's processes, personal, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of good corporate behaviour. Operational risk arises from all of the Credit Union's operations. The Credit Union's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Credit Union's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall Credit Union standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Risk mitigation, including insurance where this is effective

26. Related party transactions

A number of transactions have been entered into with related parties in the normal course of business. These transactions were carried out on commercial terms and at market rates.

Key management comprises directors and senior management of the Credit Union. Compensation to and other balances with these individuals are as follow:

	2020 \$	2019 \$
a. Balances held by directors and key management at year-end were:		
Loans and advances	1,630,577	520,286
Deposits and shares	788,674	1,229,147
b. Compensation paid to key management		
Salaries	832,184	702,313

THE COMMUNAL CO-OPERATIVE CREDIT UNION LIMITED

BUDGETED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDING 2021

	ACTUAL 2019	REFORECAST 2020	ACTUAL 2020	BUDGET 2021	VARIANCES	VARIANCES %
INCOME						
Income from loans	10,792,311.13	11,112,540.84	11,119,317.33	12,952,074	1,832,757	16%
Rental	229,800.00	231,600.00	237,000.00	225,600	(11,400)	-5%
Investments	1,401,237.94	1,235,113.01	1,322,224.28	1,024,502	(297,722)	-23%
Miscellaneous	834,476.00	569,492.52	601,932.52	578,856	(23,077)	-4%
New revenue measures					-	
TOTAL INCOME	13,257,825.07	13,148,746.37	13,280,474.13	14,781,032	1,500,558	11%
					-	
EXPENSES						
Interest on members deposits	4,154,244.01	4,362,098.04	4,380,462.12	4,594,990	(214,528)	-5%
Personnel Costs	2,956,040.94	3,096,359.55	3,133,631.27	3,936,227	(802,595)	-26%
Financial Charges	129,567.94	198,569.43	283,073.44	146,241	136,832	48%
Governance	167,219.56	49,705.20	43,751.01	52,000	(8,249)	-19%
Depreciation	1,183,144.88	1,036,978.71	1,046,402.00	977,474	68,928	7%
Utilities	469,867.26	437,597.77	441,575.80	481,679	(40,104)	-9%
Members loan/savings Insurance	472,852.45	514,297.60	495,264.72	540,372	(45,108)	-9%
Marketing & Scholarship	582,128.24	402,729.41	392,294.61	382,460	9,835	3%
General Admin	764,491.37	908,460.58	1,063,213.59	1,181,674	(118,460)	-11%
Delinquency	392,891.00	690,000.00	342,380.00	720,000	(377,620)	-110%
Office Rental	11,880.00	203,203.15	988.85	203,280	(202,291)	-20457%
Business insurance	72,408.37	85,560.29	84,876.64	85,560	(684)	-1%
League Dues	114,999.96	114,999.96	114,999.96	115,000	-	0%
Honorarium	92,695.00	118,240.00	110,270.00	121,775	(11,505)	-10%
Building, Equip, Maint, Taxes	276,607.03	241,153.78	287,231.34	264,305	22,927	8%
Security Equipment and service	234,278.36	252,113.05	255,579.10	216,000	39,579	15%
Credit Union celebrations	39,037.61	20,000.00	13,605.51	20,000	(6,394)	-47%
New activities					-	
TOTAL EXPENSES	12,114,354	12,732,067	12,489,600	14,039,038	(1,549,438)	-12%
SURPLUS \ (LOSS)	1,143,471	416,680	790,874	741,994	(48,880)	-6%

Resolutions

1. APPROVAL OF BUDGET

Whereas it is required by the Byelaws Article XI, Section 37 B-8 that this Annual General Meeting receive and approve the budget for the current financial year

And whereas the Budget is presented at the Annual General Meeting for approval on page 85 of this booklet, with the following main categories:

2020	- \$'000
Total Income	14,781
Total Expenses	14,039
Surplus	742

Be it resolved that the 2021 Budget, be approved as presented, by this Annual General Meeting.

2. APPOINTMENT OF AUDITORS

Whereas it is the requirement of Section 136 (c) that, appointment of Auditors for the Credit Union shall be on a rotation basis, and no one auditor can serve the Credit Union for more than five (5) consecutive years

And Whereas the firm of BDO has served The Communal for the past two (2) years

Be it resolved that the firm of **BDO Eastern Caribbean** be appointed as auditors for the ensuing year, in order to conform to the regulations.

3. PAYMENT OF DIVIDEND

Whereas it is required by the Byelaws Article XXII that the members at an Annual General Meeting may declare dividends out of Net Surplus, after setting aside the prescribed reserves, and recovering all or any deficit previously incurred,

And whereas the benchmark for the payment of such dividend in accordance with Section 129 of the Co-operative Societies Act of 2011 and as amended in 2017, must be on attainment of Institutional Capital of at least 7% to Total Assets ratio,

Be it resolved that a dividend of 2.25% be declared on all qualifying shares paid up before and during dividend period of 2020.

Minutes of the 38th Annual General Meeting of the Communal Co-operative Credit Union

The theme of the AGM is “Demonstrating Resilience in times of Uncertainty.”

Meeting was held on September 8th at the Grenada Trade Center Annex.

The meeting commenced at 4:14 pm and the opening session was chaired by The President of the Board of Directors. Due to the COVID-19 pandemic and the protocols set by the Ministry of Health and enforced by the RGPF, this AGM did not have the customary opening ceremony.

The agenda was amended to add items 10 and 11 which were Presentation of Awards and Any other Business respectively. Item 8.3 was deleted as stated by Mr. Edwin Thomas, this item should have been included as an agenda item. Prayer was led by Director Phil Antoine.

The notice of the meeting and the agenda was read by Director Shawna Thomas-Cuffie, Secretary to the Board of Directors. Having surpassed the 200 members mark, a quorum was ascertained a motion was moved for the adoption of the agenda by Ms. Pamela Aird and seconded by Shirley Benjamin.

Jusceno Jacob, Chairman of the Board of Directors in his welcome opening remarks stated the novel experiences the Credit Union would undergo due to COVID-19. He spoke about us using this opportunity to operate and manage better even in the midst of a pandemic. He stated the role of the Board and management in dealing with this health disaster. He asserted

that the financial strain COVID-19 could cause on the organization.

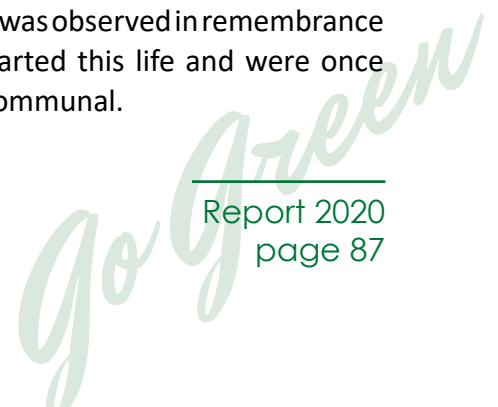
Jude Hector, Director who had had to leave in the middle of his position on the Board of Directors was recognized by the Board of Directors. Dir. Hector contributed immensely to the Board, particularly in within our strategic plan, and helping with HR (Human Resource) matters for the Board. So we (the Board of Directors), are really appreciative of Jude for his short tenure with us on the Board of Directors and wish him well in his future endeavors.

The business session of the AGM was chaired by the President of the Board, Mr. Jusceno Jacob who also called the meeting to order. Due to the COVID-19 restrictions the meeting was live-streamed in three different locations including Carriacou.

The President of the Board then introduced the Board of Directors at the head table to the AGM body along with all the members of the Supervisory and Compliance Committee and the Credit Committee.

The President of the Grenada Credit Union League, Mr. Phillip Telesford was given a special welcome. Also, Mr. Denis Felix, Manager of GARFIN who was viewing on ZOOM was also extended a special welcome from the chairman.

A minute of silence was observed in remembrance of those who departed this life and were once members of the Communal.



Greetings From GCCL President

He took the opportunity to congratulate The Communal Co-operative Credit Union on this occasion of its 38th AGM and the ability to be able to conduct this important meeting, being the third of its kind among credit union during this time, given the current pandemic. He applauded the theme “Demonstrating resilience in times of uncertainty” as extremely important and timely. He cited that the COVID-19 experience teaching lessons and adding value in many circumstances. The technology implemented during the present AGM is indeed a benefit of COVID. He expressed elation in witnessing people in the outer parishes, including Carriacou through technology can fully participate and contribute to the life of the organization. This credit union, he asserted as of December 2019, has \$200 million in assets and added together with the rest of the movement is now at \$1 billion.

Board of Directors Report

The Chairman of the Board then requested that a motion to adopt the Board of Director’s Report. The motion was moved by Ms. Dawn Walker and seconded by Mr. Austin Redhead.

The report was presented by the President of the Board, Jusceno Jacob. The Credit Union implemented the Financial Action Task Force rules and regulations. Two dedicated staff at compliance and risk management was also a great achievement with extensive training for all staff in compliance and risk management. Comparing 2018 to 2019 there were significant improvements in all areas. In terms of investments there was 38% growth and investments. In total assets the credit union surpassed \$200 million in assets. Loans increased significantly by about 51.5 percent. Deposits too increased as well as membership growth.

The Communal Co-operative Credit Union has 34% of the membership of credit union members on the island. Reductions in delinquency were stellar at 4.8% below the limit of 5% recommended by polls. Some very aggressive actions were taken in the area of delinquency to realize a decline. The institutional capital ratio of beyond 7% was another stellar achievement as it now stood at 8.32%. However, with all of this, the Credit Union is grappling with a number of challenges including delinquency management, the loans portfolio and improving member experience.

The implementation of the Social Fund was lauded as great venture by The Communal Co-operative Credit Union in response to the needs of our members affected by COVID-19. Over 120 families were assisted by this fund. Agenda2020 was mentioned as a cutting edge programme for stark improvements in the economy and was aired on GBN.

The surplus made for the year 2019 was a shared vision achievement and the Credit Union was commended for all the achievements met. The Chairman then thanked the Management Committee, management and staff for their hard work.

Mr. Edwin Thomas commended the Credit Union on an excellent year and a job well done. He lauded the training which were done island wide throughout the organization and stated he hoped for the Credit Union to achieve more success.

Supervisory and Compliance Committee Report

A motion was moved for the adoption of the Supervisory and Compliance Report by Ms. Janelle Thomas and seconded by David Searles.

This report was presented by the chairman of the committee, Ms. Theresa Noel. She noted that the movement was moving into new frontiers and this presented the Credit Union with opportunities. Therefore the risks which come with such exposure must be managed especially during the COVID-19 period. Ms. Noel highlighted the challenges the credit union face with members' accounts to be in compliance with the regulations set.

It was reported that updated members' accounts improved in the last year. Members must comply with the AML and CFT regulations by providing the Credit Union with the following to valid IDs, proof of address, proof of income, updated contact information, telephone numbers, email addresses, etc. She emphasized the need for members to make a concerted effort to submit all requested documentation to the relevant departments.

Credit Committee Report

The motion to adopt the Credit Committee Report was moved by Mr. Allan Patrick and seconded Ms. Shelly Ann Benjamin.

The report was presented by the chairman of the Credit Committee, Mr. Allen Gilbert. He highlighted some areas which need to be improved on for the coming year. He shared that the Credit Union is committed to making the loans process an expedient one and implored the membership to help the process by co-operating with the Credit Union.

Mrs. Zarah Chase commented on the long, unbearable process some members like herself experience when applying for loans. It was suggested that a special system be implemented to deal with commercial loans specifically.

Auditor's Report

Adoption of audit was moved by Ms. Shelly Mitchell and seconded by Ms. Kizzy Simon.

A representative of the firm BDO, Mr. Reuben John read the auditor's report of December 2019. He presented the main areas and gave brief explanations where necessary. In other words, the auditors had to ensure disclosures, adequately support, compliment and explain the numbers that are in the financial statements. And at the end of the audit, we also obtain a letter of representation confirming that the information that was provided for us during the audit was adequate and was in complying with our requirements.

Treasurer's Report

A motion was moved for the adoption of the Treasurer's report by Mr. Raymond Lockiby and seconded by Mr. Michael Francois.

The report was presented by the treasurer, Director David Bruno. The Communal Co-operative Credit Union experienced growth in the financial assets of 10.8 million or 40% and that include mainly treasury bills, term deposit and government bonds. And at the end of the financial year those assets stood at \$37.8 million. The liquidity stood at 27%, the benchmark is 15%.

Director David Bruno highlighted some crucial aspects of the financial report. He shared on the financial status of the Credit Union for the past year in the areas of growth and surplus. \$880,000 at the end of all the allocations was the net surplus. This left an undistributed surplus of \$4.7M.

The Chairman of the Board then requested that the motion to approve the financial statement

for the financial year ended 2019. The majority agreed for the approval.

Nominations Committee Report

Mrs. Kathy Ann Thompson of the Nominations Committee gave a report on the composition of the Board of Directors, Credit Committee and Supervisory and Compliance Committees. She also informed the AGM about the vacancies and also the requirements to serve on the various committees. She went on to quote the expectations from The Co-operatives Act. The Nominations Committee finally expressed thanks to the persons who served and those who agreed to serve.

Elections

The elections process was led by Mr. Edwin Thomas, Past President of the Board of Directors of The Communal Co-operative Credit Union. He listed the names submitted and also made a few remarks above service to the Credit Union.

No nominations were made from the floor and were thereby ceased. A motion was moved by Janelle Thomas to cease nominations and seconded by Austin Redhead.

The elected officials to serve are as follows:

Board of Directors

1. Dawn Walker
2. Michael Francois
3. Troy Noel

Supervisory Committee

Clint Roberts

Credit Committee

Lisa Grappy-James

Members exiting the committees were Dir. Claudia Alexis, Dir. Jude Hector and President Jusceno Jacob from the Board of Directors. Mr. Kirt Hercules from the Credit Committee. Also, Mr. Devon La Touche from the Supervisory and Compliance Committee.

Minutes

The confirmation of the minutes was moved by Mr. Michael Cuffie and seconded by Ms. Sandra Aird.

There was a few typographical errors corrected in the minutes.

However, there were some concerns and questions arising from the minutes. Mr. Redhead raised a question concerning the use of the Farmer's ID as a Class A identification for the Credit Union. The General Manager, Lydia Courtney-Francis addressed this by saying that ID is not taken as a main ID in the Credit Union as it has its purpose for which it was implemented.

Mrs. Zarah Chase-Dragon commented on how indigent people especially women are treated by the Credit Union in a negative manner. She highlighted her own experience when her loan was declined. The member was scathed by the whole process due to the lengthy time, lack of communication, many documents to submit which led to undue duress and emotional distress. She reported that even when seeking an update from certain members of the Board of Directors, she was snubbed.

The Chairman of the Board responded to the allegations by stating that the facts of the case were not shared in totality and correctness and the AGM forum was not the place for clarity on such a matter. At that point the member insisted on concluding her concerns to the AGM body.

The General Manager, Lydia Courtney-Francis in her explanation of the decline in the delinquency rate explained that a new system rolled out in 2018 which was a very precise on the management and reporting of delinquency. She shared that reports could be viewed daily to show the debts. The delinquency team was now using these reports, she asserted. That new system came with notifications and that is a main benefit as the department uses both technology and human resource in this type of intervention. The General Manager thanked the staff for their hard work in this effort.

Resolutions

1. Increase in Qualifying Shares

Whereas Article VIII of the By Laws requires a member to hold forty (40) shares at a par value of \$5.00 each;

And Whereas these Qualifying Equity Shares form part of the Credit Union's Institutional Capital

And Whereas the Credit Unions have been advised that the Co-operative Society Act 2011 requires an Institutional Capital of 7%

And Whereas one of the factors for Communal to achieve the stipulated ratio is through Equity Qualifying Shares

Be It Resolved that the permanent Share Holding of members of The Communal be increased to One Hundred (100) per person. And be it further resolved that such permanent shares are non-withdrawable from The Communal

Be It also Resolved that the By Laws be updated to reflect this change.

Vote: 62 members-Annex

12 members- Satellite

MAJORITY VOTED FOR THE RESOLUTION.

2. Approval of Budget

Whereas it is required by the By Laws Article XI, Section 37 B-8 that this Annual General Meeting receive and approve the budget for the current financial year

And whereas the Budget is presented at the Annual General Meeting for approval on page 36 of this booklet, with the following main categories:

2020	- \$
Total Income	13,148,240
Total Expenses	12,638,354
Surplus	509,886

Be it resolved that the 2020 Budget, be approved as presented by this Annual General Meeting.

Vote: 64 members-Annex

10 members- Satellite

MAJORITY VOTED FOR THE RESOLUTION.

3. Appointment of Auditors

Whereas it is the requirement of Section 136 (c) that, appointment of Auditors for the Credit Union shall be on a rotation basis, and no one auditor can serve the Credit Union for more than five (5) consecutive years

And Whereas the firm of BDO has served The Communal satisfactorily for the past year

Be it resolved that the firm of BDO Eastern Caribbean be appointed auditors for the ensuing year, in order to conform to the regulations.

Vote: 64 members-Annex

12 members- Satellite

MAJORITY VOTED FOR THE RESOLUTION.

4. Payment of Dividend

Whereas it is required by the By Laws Article XXII that the members at an Annual General Meeting may declare dividends out of Net Surplus, after setting aside the prescribed reserves, and recovering all or any deficit previously incurred,

And whereas the benchmark for the payment of such dividend in accordance with Section 129 of the Co-operatives Societies Act of 2011 and as amended in 2017, must be on attainment of Institutional Capital of at least 7% to Total Assets ratio,

Be it resolved that a dividend of 4% be declared on all qualifying shares paid up before and during dividend period of 2019.

Vote: 64 members-Annex

12 members- Satellite

MAJORITY VOTED FOR THE RESOLUTION.

Awards and Recognition

Members of the Board of Directors, Supervisory and Compliance Committee and the Credit Committee whose terms have expired were acknowledged for their service to The Communal Co-operative Credit Union. They were all awarded plaques and gifts as tokens of gratitude for service.

The President Jusceno Jacob thanked the members for their presence at the AGM and bid them a safe journey home.

Adjournment

The meeting ended at 7:15pm.

Shawna Thomas-Cuffie, H.S Psy.

Secretary to Board of Directors

NOMINATION FORM

THE COMMUNAL CO-OPERATIVE CREDIT UNION LTD.

Board of Directors:

A. Lawrene Griffith

B. _____

C. _____

Credit Committee:

D. Sheena Lewis

E. _____

F. _____



BIOGRAPHY



Ms. Sheena Lewis

Ms. Sheena Lewis has been employed with the Government of Grenada for the past 14 years. She currently serves as the Acting Comptroller of Inland Revenue Division, Ministry of Finance.

She holds a Master's in Public Management (Hons.) from the Korea Development Institute School of Public Policy and Management and Bachelor of Science in Accounting (Hons.), from the University of the West Indies.

Ms. Lewis possesses excellent communication, leadership, analytical and interpersonal skills. During her career, she has worked with regional and international experts on developing and implementing key strategic and change management framework.

She is involved in community and church activities. She is a teacher at her church's children's church program, and she volunteers as the church secretary. Ms. Lewis has been a member of the credit union for the past 14 years and is humbled by the opportunity to serve.



Ms. Lawrene Griffith

LIB. (Hons.) UWI | L.E.C. Hugh Wooding Law
School Attorney-at-Law

Lawrene Griffith is an attorney-at-law of almost six (6) years' call, legal researcher, legal consultant and law lecturer.

Lawrene is no stranger to hard work and is an embodiment of what can be achieved through hard work and discipline. She started her legal career as a legal secretary. After a two and a half year stint to learn as much about the law as possible, she attended the University of the West Indies' Cavehill Campus where she obtained her Bachelor of Laws degree with honours, and then went on to complete her legal education at the Hugh Wooding Law School. Lawrene graduated from Hugh Wooding Law School as the best performing Grenadian student for the 2013 to 2015 period, receiving the Grenada Bar Association's Prize for Excellence and a place on the prestigious Principal's Roll of Honour.

After working as an associate attorney in the beginning of her career, Lawrene now operates her own private law practice. Lawrene has been a member of the Credit Union since the year 2020.



Brand Ambassador presenting Shopping Voucher to Choose Your Loan Promotion Winner



Choose Your Loan Promotion Winner with Brand Ambassador receiving a smartphone



Brand Ambassador presenting Prize to Small Business Owner for the Choose Your Loan Promotion



Choose Your Loan Promotion Winner with Brand Ambassador receiving his smartphone prize



Choose Your Loan Promotion Winner receiving Cash Prize



Choose Your Loan Promotion Shopping Voucher Winner, Dr. Vonda Thompson with Brand Ambassador, Mr. Hollice 'Mr. Killa' Mapp



Choose Your Loan Promotion Cah Prize Winner, Mr. Cassius Gludd with Brand Ambassador, Mr. Hollice 'Mr. Killa' Mapp



Small business Choose Your Loan Promotion Winner with Brand Ambassador



Shopping Voucher Wnner of the Choose Your Loan Promotion with Brand Ambassador



President Jennifer Gulston-Gittens introducing The Communal, Foundation Inc.



Presentation of second 'CARE' logo at the Foundation Launch



Presentation of the 'CARE' logo to guests



Presentation of the Communal Foundation logo by Mr. Killa

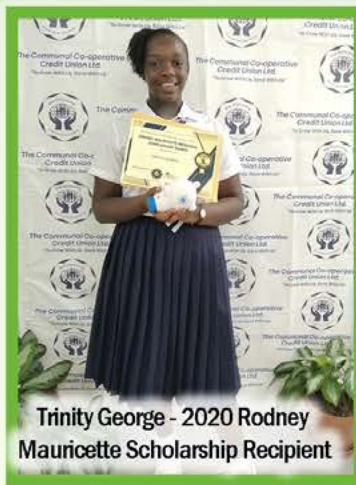


Dir. Shawna Thomas-Cuffie introducing the Communal Assistance & Relief Effort (CARE) at the Foundation Launch



Guests at the Foundation Launch, October 2020





Trinity George - 2020 Rodney Mauricette Scholarship Recipient



Mya Humphrey, 2020 Rodney Mauricette Scholarship Recipient



Christian Francis, 2020 Rodney Mauricette Grant Recipient



Alexandra Joseph - 2020 Rodney Mauricette Grant Recipient



Quanell Walker, 2020 Rodney Mauricette Grant Recipient



Karema Batson, 2020 Rodney Mauricette Grant Recipient with Ms. Glennisha Williams, Loans Receptionist



Kelsie St. Paul (2020 Rodney Mauricette Scholarship Recipient) with Mr. Christopher Holder, Loans & Credit Manager Ag.



Kelsie St. Paul, 2020 Rodney Mauricette Scholarship Recipient



Trinity George (2020 Rodney Mauricette Scholarship Recipient) with Ms. Shirley Stephens, Loan Officer



Shania Stewart-Chittan - 2020 Rodney Mauricette Scholarship Recipient



Shamau Andrews, 2020 Rodney Mauricette Scholarship Recipient with Mr. Leroy Peters, Securities & Delinquency Officer



Zhenavia Williams, 2020 Rodney Mauricette Grant Recipient



Coming Closer to You Campaign - Red Gate, St. David



Coming Closer to You Campaign - Sauteurs, St. Patrick



Presentation to Loan Promotion Winner



Presentation to Mrs. Culetta Campbell by Mr. Sheldon Baptiste, IT & Operations Manager

Deceased Members 2020

Margaret Batson	Springs, St. George
Verna Belfon	Non-Pariel, St. Mark
Joslin Telesford	Westerhall, St. David
Henry Gilbert	Laura Land. St. David
Cecilia Samuel	Laura Land. St. David
Agatha Lewis	Woburn, St. George
Vaughn Francis	Perdmontemps, St. David
Eileen Maricheau	Hope Vale, St. George
Terry Thomas	Burns Point, St. George
Renetha Francis	St. Paul's St. George
Deborah Andrews	St. Georges Estate
Ralph Borris	Grand, Anse, St. George
Joseph Charles	Pomme Rose, St. David
Alexander Smith	Gouyave, St. John
Dunbar Horsford	Dudmar, St. David
Norman Roberts	Mt. Alexander, St Patrick
Francis Gilbert	Westerhall, St. David
Doreen Munro	Woburn, St. George
John Mc Donald	Perdmontemps, St. David
Francis James	La Mode, St. George
Austin Smith	Mt. Gay, St. George
Alister Scott	455 Schenectdy Av 1L, Brooklyn N.Y. 11203 U. S. A





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