

2014  
annual report

# BEYOND boundaries

A JOURNEY TO  
**FINANCIAL  
FREEDOM**



GRENADA PUBLIC SERVICE  
(CO-OP) CREDIT UNION LTD.  
*Expect More From Your Credit Union*

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# Standing Orders

1. (a) A member to stand when addressing the Chair  
(b) Speeches to be clear and relevant to the subject before the meeting
2. A member shall only address the meeting when called upon by the Chairman to do so, after which he (she) shall immediately take his (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 the motion – who has the right to reply
  - (b) He rises to object or to explain (with the permission of the Chair.)
5. The mover of a procedural motion – (Adjournment, laid on the table, motion to postpone) to have no right to reply.
6. No speeches to be made after the "Question" has been put and carried or negated.
7. A member rising on a "Point of Order" to state the point clearly and concisely. (A "Point of Order" must have relevance to the "Standing Orders").
8. A member shall not "Call" another member "To Order" but may draw the Chair to a "Breach of Order".
  - (b) In no event can a member call the chair to order.
9. A "Question" should not be put to the vote if a member desires to speak on it or move an amendment to it except that "a Procedural Motion", "the Previous Question", "Proceed to the next business" or the closure 'That question be put now' may be moved at any time.
10. Only one amendment should be before the meeting at one and the same time.
11. When a motion is withdrawn, any amendment to it fails.
12. The Chairman shall have in addition to his ordinary vote, a "casting Vote" in the case of equality votes.
13. If there is an equality of votes on an amendment, and if the Chairman does not exercise his (her) casting vote, the amendment is lost.
14. Provisions to be made for protection by the Chairman from vilification (personal abuse)
15. No member shall impute improper motives against the Chairman, Board of Directors, Officers or any other member.

## OUR MISSION

To enhance the quality of life of members through the equitable provision of relevant financial products and services

## OUR VISION

To maintain leadership in the Credit Union sector

## CORE VALUES: TAGS

We are committed to:

### **Trust:-**

Act in members' best interest  
Open and honest  
Democracy based

### **Access:-**

Affordable financial services  
Personalised Service  
Flexibility in delivery

### **Growth:-**

Providing loans for Provident and Productive purposes  
Improving quality of life  
Growing both the Credit Union and its members

### **Self-help:-**

Mobilizing savings to finance loans  
Sustainable operations  
People helping people



# CREDIT UNION

## Prayer

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

Oh 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 receive,  
It is in pardoning, that we are pardoned,  
And it is in dying that we are born to eternal life.

Bless, Oh Lord our deliberations and grant that  
Whatever we may say and do  
Will have thy blessing and guidance  
Through Jesus Christ Our Lord

# CREDIT UNION

## Song

With us there are no barriers  
'Cause we're 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

We all will be true savers  
Though it be great or small  
We will become shareholders  
Providing loans for all  
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 harbour 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

# NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting (AGM) of the Grenada Public Service Co-operative Credit Union Ltd is scheduled for Thursday 11<sup>th</sup> June 2015 at 3:00pm at the Grenada Trade Center, Grand Anse, St. George.

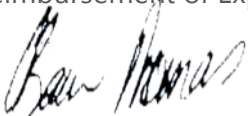
## AGENDA

### OPENING SESSION

- 1.1 Call to order and welcome
- 1.2 Credit Union prayer
- 1.3 Silent tribute
- 1.4 Apologies for absence
- 1 Greetings from Guest Societies
- 2 Remarks by invited officials
- 3 Break

### BUSINESS SESSION

1. Elections
- 1.2 Nominating Committee Report
- 1.3 Voting
- 1.4 Sitting of new Directors
2. Consideration of Minutes of the Annual General Meeting (AGM) held 24<sup>th</sup> April 2014
3. Committee Reports
- 3.1 Board of Directors
- 3.2 Credit
- 3.3 Supervisory & Compliance
- 3.4 Treasurer and Auditors
- 3.5 Budget 2015 and 2016
4. Resolutions
- 3.1 Allocation of Surplus
- 3.2 Appointment of Auditors
- 3.3 Approval of Budget
- 3.4 Reimbursement of Expenses to Committees



**Mrs. Gemma Bain Thomas**

Secretary



# CORPORATE

## Information

### Credit Union House

906 Church Street,  
St. George's, Grenada  
P.O. Box 886  
Telephone: (473) 440 1759 / 8296 /2099  
Fax: (473) 440 8031  
Website: [www.gpsccu.org](http://www.gpsccu.org)  
Facebook: [www.facebook.com/gpsccu](https://www.facebook.com/gpsccu)  
[www.facebook.com/excelclub](https://www.facebook.com/excelclub)

### Grenville Branch Office

Canal Road  
Grenville,  
St. Andrew's  
Telephone: (473)438-4929/4930  
Fax: (473) 438-4928

### Carriacou Branch Office

Church Street  
Hillsborough,  
Carriacou  
Telephone: (473) 443-7461  
Fax: (473) 443-8520

### Auditors:

Pannell Kerr Foster

### Bankers:

RBTT Bank (Grenada) Ltd  
Grenada Co-operative Bank Ltd.  
Republic Bank Ltd.

### Solicitors/Attorneys:

Law Office of George E. D. Clyne  
Wilkinson, Wilkinson & Wilkinson

### Executive Officers

Bro. Phillip Telesford	-	President
Bro. Christopher DeAllie	-	Vice-President
Bro. Garvin Roberts	-	Treasurer
Bro. Ernie James	-	Asst. Treasurer
Sis. Gemma Bain Thomas	-	Secretary
Sis. Annette Henry	-	Asst. Secretary

### Members:

Bro. Augustine Francis Balwant  
Bro. Carlyle Felix  
Bro. Duane Noel

### Management:

General Manager  
Sis. Lucia Livingston-Andall

Manager Loans & Credit Administration (Ag.)  
Sis. Florence Anne Williams

Manager Finance and Operations  
Bro. Kippling Charles

# Connect to the World with CONNEX!

## A World of Convenience with :

- Use at Merchants Nationwide
- International Shopping Made EASY
- Easy Online Transactions
- Access to your Cash ANYTIME, ANYWHERE
- Low Fees



**GRENADA PUBLIC SERVICE  
(CO-OP) CREDIT UNION LTD.**  
*Expect More From Your Credit Union*





# BOARD OF DIRECTORS



**Bro. Phillip Telesford**  
**Bro. Christopher De Allie**  
**Sis. Gemma Bain-Thomas**  
**Sis. Annette Henry**  
**Bro. Garvin Roberts**  
**Bro. Ernie James**  
**Bro. Carlyle Felix**  
**Bro. Francis Balwant**  
**Bro. Duane Noel**

President  
Vice President  
Secretary  
Assist. Secretary  
Treasurer  
Assist. Treasurer  
Member  
Member  
Member



# MANAGEMENT



**Lucia Livingston-Andall (Mrs.)**  
General Manager

**Kippling Charles**  
Manager of Finance & Operations



**Florence Anne Williams (Mrs.)**  
Manager of Loans & Credit  
Administration (Ag.)

# STAFF MEMBERS

## Administration Department

Roxanne Antoine	Human Resource Officer /Administrative Officer (Ag.)
Kimalene Regis	Marketing Officer
Edwin Francis	Marketing Assistant
Michelle Cambridge	Snr New Member Services Officer
Sonia La Touche- Cadet	New Member Officer
Janice Darbeau	Receptionist
Nghia Haynes	Clerical Officer
Kenisha Moses	Clerical Officer
Richard George	Clerical Assistant
Tiffani Hall	Administrative Assistant/ Filing Clerk
Kendra Noel	Administrative Assistant/ Filing Clerk



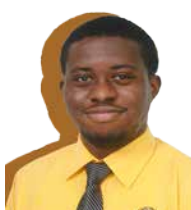
## Finance & Operations Department

Neika Johnson	Assistant Accountant
Lenus Walker	Systems Administrator
Ozimba Toussaint	IT Officer
Randy Frank	IDC Supervisor
Candia Nicholas	Audit Officer
Jaydelle Celestine	Member Service Assistant
Rick Hastick	Member Service Assistant
Frances Gilbert	Member Service Assistant
Nerissa Chitterman	Member Service Assistant
Raquel Langdon	Member Service Assistant
Kishon Palmer	Member Service Assistant
Iyana Brown	Member Service Assistant
Michael Marshall	Member Service Assistant
Kurt Bartholomew	Member Service Assistant
Aiden Peters	Member Service Assistant



## Loan & Credit Department

Gerlan Peters	Senior Loans & Credit Admin Officer
Charlyn Bowen	Delinquency Control Assistant
Heather Thomas	Delinquency Control Officer
Mondella Lynch	Securities Officer
Edlyn Lalsee	Credit Admin Assistant
Sabrina Rodney-Ogilvie	Loan Analyst
Sindy Ann Morain	Loan Analyst
Caryl Hayes	Loan Analyst
Marietta Mitchell	Assistant Loans Analyst
Geoffrey Grey	Micro Credit Officer
Kesha Bartholomew	Clerical Officer
Geanelle Mitchell	Administrative Assistant/Clerk



## Carriacou Branch

Princess Herry-John	O/C Carriacou Branch
Wineth Stewart	Member Service Assistant



## Grenville Branch

Kevin Gilbert	O/C Grenville Branch (Ag.)
Londell Francique	Member Service Assistant
Neisha Allard	Clerical Officer





# Operating Highlights

	2014	2013	2012	2011	2010
Gross Loans	184,918,340	169,675,663	148,890,170	139,749,060	129,080,742
Net Loans	181,227,850	165,618,297	145,332,804	136,691,694	126,823,376
Investments	20,861,531	19,740,317	20,268,965	15,014,274	16,179,094
Fixed Assets	11,591,861	2,870,311	2,774,459	2,528,729	2,554,090
<b>Total Assets</b>	<b>226,862,880</b>	<b>194,114,968</b>	<b>176,212,175</b>	<b>158,654,747</b>	<b>149,851,829</b>
<b>Liabilities</b>					
Member Regular Shares	92,375,572	80,963,969	76,247,301	71,259,230	67,341,420
Other Deposits	104,250,972	80,169,838	67,267,567	56,694,747	54,670,256
<b>Total Deposits</b>	<b>196,626,544</b>	<b>161,133,807</b>	<b>143,514,868</b>	<b>127,953,977</b>	<b>122,011,676</b>
<b>Capital</b>					
Member Equity Shares	8,333,352	6,673,159	5,473,453	4,103,606	3,271,759
Surplus and Reserves	16,137,960	14,379,511	13,184,017	11,797,730	9,679,366
<b>Institutional Capital</b>	<b>24,471,312</b>	<b>21,052,670</b>	<b>18,657,470</b>	<b>15,901,336</b>	<b>12,951,125</b>
<b>Income</b>					
Interest on loans	16,348,778	14,875,261	13,586,098	12,618,749	12,153,135
Other Income	1,016,403	1,334,894	961,645	1,443,759	1,295,848
<b>Total Income</b>	<b>17,365,181</b>	<b>16,210,155</b>	<b>14,547,743</b>	<b>14,062,508</b>	<b>13,448,983</b>
<b>Expenditure</b>					
Interest on Deposits	8,738,811	7,614,551	7,000,063	6,740,953	6,300,031
Other Expenses	5,598,431	5,483,418	5,021,421	4,510,284	4,052,863
<b>Total expenses</b>	<b>14,337,242</b>	<b>13,097,969</b>	<b>12,021,484</b>	<b>11,251,237</b>	<b>10,352,894</b>
<b>Surplus</b>					
Operating Surplus for the Year	3,027,939	3,112,186	2,526,259	2,811,271	3,096,089
Provision for Risk Assets	1,000,000	1,227,326	500,000	800,000	400,000
Impairment of Financial Assets	-	-	-	-	4,393,551
unappropriated surplus/(deficit)	2,027,939	1,884,860	2,026,259	2,011,271	(1,697,462)
<b>Dividend</b>	<b>431,825</b>	<b>355,247</b>	<b>272,694</b>	<b>210,204</b>	<b>-</b>
<b>Rebate</b>	<b>509,141</b>	<b>478,530</b>	<b>306,165</b>	<b>215,019</b>	<b>-</b>
<b>Membership</b>	<b>10,377</b>	<b>9413</b>	<b>8677</b>	<b>8126</b>	<b>7685</b>

# 10,377 MEMBERS STRONG



2015



Total Assets grew by \$32.74M



## 299 HOMES BUILT



## 206 DREAM CARS



Deposits grew by  
**\$35.5M**



**\$1.46M**  
MICRO & SMALL  
BUSINESS LOANS

### 3.0M

SURPLUS



# PRESIDENT'S *Message*



## *Fellow Co-operators,*

I greet you with a deep sense of joy and accomplishment on behalf of the Board of Directors of the Grenada Public Service Co-operative Credit Union. Our credit union continues to register strong financial and operating performances despite a challenging economic environment. For the year ended December 31<sup>st</sup> 2014, the credit union recorded an operating surplus of \$3m and saw solid growth in a number of areas including a 9% growth in the loans portfolio and 14% membership growth.

I take this opportunity to congratulate you the members for this strong performance, recognizing that success would not be possible without your continued confidence and support towards your credit union. This year, we celebrate our success under the theme "***Beyond Boundaries: A Journey to Financial Freedom***" as we look towards embracing a number of new initiatives towards the greater good.



### ***Confidence***

Throughout the life of our credit union past and present leaders have always ensured that the care of our members remained the central theme of our service delivery. By this I mean, that every decision was based on the fundamental principle of whether it would be best for our members; taking all your wishes and aspirations on board before taking that critical decision. Today we reap the benefit! Our membership has grown to really trust our leadership and have demonstrated this by investing heavily even in the face of the worst economic and financial recession in decades.

Over the last 5 years deposits grew by 91% and equity shares increased by 155%. This result is not attributed to decisions by the board of directors. This is a direct result of the confidence that our members continue to demonstrate in the future on our beloved credit union. In the last year alone our membership grew by 10% and equity shares by 25%. This growth and success sends a strong message that it is time to shift gear to accommodate larger volumes of business.

### ***Investment in Technology***

Your Board of Directors recognizes the rapidly changing environment within which we operate. Our members are demanding more and we must respond to our members' needs. I believe that it will be slipshod on our part if we do not embrace this opportunity to critically examine our position within the sector and determine what must be done now, in order to set us on the correct trajectory.

In the coming months you can expect to see the installation of our mobile account access service, electronic filing system and a complete overhaul of our computer systems taking us beyond the ordinary boundaries and setting new and higher standards of efficiencies. I am confident that this is the right investment at this time! When this is complete, we can expect to see improved efficiencies, greater levels of member satisfaction and some savings in our operating costs; a solid platform on which the credit union can grow for the next 15 years.

### ***Our New Home***

During the first quarter of 2014, your Board of Directors concluded a strategic review of the operations of the credit union, drilling down to determine the best approaches to tackle our future challenges. During this review a number of challenges were identified including:

- Inadequate accommodation for members and staff at the Church Street Head Office
- Difficulty of access to the Head Office and Loans Department especially for the physically challenged and elderly,
- Lack of parking facilities,
- Insufficient staff to service members' needs

Following the review, we immediately commenced exploring alternative accommodation for our Head Office, and we are pleased to announce that we have purchased a property strategically located in the Bruce Street Mall, comprising three floors and a parking facility which we believe is ideal for housing the credit union's operations in St George's with room for future expansion.

This will be the new credit union Headquarters depicting a modern Financial Services Centre with sufficient space for improved service delivery. We expect to be able to serve you from this new location by the fourth quarter of 2015.

Additionally, we have purchased a plot of land in Carriacou suitable for construction of an office there. I am sure you will agree that the current accommodation in Carriacou is not adequate for the level of business currently carried on there.

### ***Rebranding***

While the Credit Union has used the Name "Grenada Public Service Co-operative Credit Union" for many years, it has become necessary to refresh the credit union's image in the eyes of its staff, committee members the General Membership, and the wider public. The Credit Union found it necessary to relook our brand in terms of its relevancy





to members and the changing marketplace. Successful rebranding projects can put a brand on firm footing for propelling forward. Due to the tremendous impact that rebranding the Credit Union can have, it is critical to take our members through the process with great sensitivity and care.

To this end, we engaged a team of experts from Canada who have been working with us since September 2014 to craft a new image through a process of ideation and conceptualization. The unveiling of the new name and image will coincide with the opening of the Headquarters in Saint George's during the last quarter of 2015.

### ***The Morne Jaloux Lands***

In recent years, the Morne Jaloux lands have been the subject of much debate. I am happy to report that we have found a strategic partner for the development of a housing project at Morne Jaloux. This project will NOT require a heavy outlay of cash by the credit union as the project team is expected to build homes on demand. We expect to see the commencement of work within weeks.

### ***Delinquency Management***

In recent years, we have gotten tougher on delinquency and this shall continue to be our focus in the coming years as we work towards improving our asset quality.

We remain resolute that members MUST own up to their responsibility of honouring their commitments to repay their loans. During the year, noticeable progress was made in the management of non-performing loans, for the second straight year delinquency decreased. We offer special thanks to our Credit Department who continue to champion this cause.

### **Conclusion**

As we look ahead into 2015 and beyond, we recommit to working together to ensure the future sustainability of the GPSCCU. The rebranding of the credit union, our new Head Office along with the investments in technology should add significant improvements in the environment in which we operate and serve you.

I now take this opportunity to salute our beloved General Manager who continues to lead the organisation with prudence and wisdom, and all volunteers for your selfless sacrifice and contribution over the past year. Most importantly to thank Almighty God for giving me the strength to serve the Members of this great Credit Union, fellow Directors, Management and staff.

Best regards,

**Phillip Telesford**  
President

# **BOARD OF DIRECTORS'**

## *Report 2014*

### **Board Composition**

The performance of your Credit Union in 2014 tells the story of a team committed to providing financial freedom for our members through maintaining a high level of corporate governance supported by a solid financial base and a commitment to quality service.

This team was led by the following members of the Board of Directors following the annual general meeting in April 2014:

- Bro. Phillip Telesford
- Bro. Francis Balwant
- Bro. Christopher De Allie
- Bro. Garvin Roberts
- Sis. Gemma Bain-Thomas
- Bro. Carlyle Felix
- Bro. Ernie James
- Sis. Annette Henry
- Bro. Duane Noel

At the first meeting of the Board held on 29<sup>th</sup> April 2014, the following executive officers were elected:

- |                             |                   |
|-----------------------------|-------------------|
| • Bro. Phillip Telesford    | - President       |
| • Bro. Christopher De Allie | - Vice-President  |
| • Sis. Gemma Bain-Thomas    | - Secretary       |
| • Sis. Annette Henry        | - Asst. Secretary |
| • Bro. Garvin Roberts       | - Treasurer       |
| • Bro. Ernie James          | - Asst. Treasurer |

## **1.0 External Environment**

### **1.1 Economic Environment**

The year 2014 was another challenging year for the ECCU according to the ECCB. The low growth phenomenon continued to affect the currency union and the global economy. The ECCB Economic Financial Review in September 2014 stated that economic activity within Grenada was estimated to have increased in the first nine (9) months of 2014 relative to the corresponding period of 2013.

In the Prime Minister's 2015 Budget speech preliminary data gave indication that the economy measured by change in real GDP was projected to expand by 2.6% in 2014 following a revised estimated growth of 3.1% in 2013.

Although the activity in the manufacturing and construction sectors weakened, there were improved developments in the agricultural sector and tourism industry.

## 1.2 Credit Union Sector Performance

The credit union Sector demonstrated continued growth in the year 2014. Deposits within the sector grew by 22%, loans by 10%, total assets by 18% and capital & reserves by 13%. Membership within the sector grew at a rate of 9% in 2014. The year ended with 10 registered credit unions on Island with total membership of 52,771. This growth was indicative of the continued confidence in the credit union sector as it positioned itself as a key player in the financial landscape.

	Credit Unions			GPSCCU		
	As at Dec 2014	As at Dec 2013	% Change	As at Dec 2014	As at Dec 2013	% Change
Deposits	429,881,702	351,125,444	22%	196,626,544	161,133,808	22%
Loans	367,407,439	334,633,516	10%	184,918,340	169,675,662	9%
Total Assets	501,235,786	425,862,399	18%	226,862,880	194,114,968	17%
Capital & Reserves	61,636,739	54,537,725	13%	24,504,687	21,218,418	15%
Members	52,771	48,382	9%	10,377	9,413	10%

## **2.0 GPSCCU’S PERFORMANCE**

### **2.1 Financial Performance**

The Grenada Public Service Co-operative Credit Union has been a major contributor to the credit union sector and mirrored the growth experienced by the sector on a whole. The overall financial performance was once again very strong as demonstrated by the operating surplus of \$3.04M achieved during the year 2014. This performance continued to match the best financial performances experienced by our Credit Union during its existence. Once again our Credit Union continued to differentiate itself by its excellent level of cost efficiency. During the year noticeable progress was made in the management of non-performing loans as was evident with the gradual decrease in delinquency levels. Deposits grew by 22%, loans by 9% and total assets by 17%.

### **2.2 Corporate Governance**

Quality corporate governance underpins long-term success of any organization. The Credit Union’s structure of governance allows for continuous examination and review of systems to ensure maximum accountability and transparency, two key pillars of the corporate governance framework. The Credit Union operates on the principle of compliance. It sets out good practices covering issues such as board composition and effectiveness, the role of board committees, risk management and relations with members.

Members’ confidence, interests and trust continue to be pivotal in the decision making process of the Board of Directors. This requires continuous training and strengthening of governance practices. In 2014 the following efforts were made to strengthen the governance process:

- Training to engender a better understanding of roles assumed and resulting levels of accountability and responsibility.
- Facilitating an environment of continuous compliance and supervision

#### **2.2.1 Training**

Training in corporate governance practices was provided to two members of the Board of Directors through the Directors’ Education & Accreditation programme of the Eastern Caribbean Securities Exchange, namely the president and the secretary. Other trainings were provided to members of the Board of Directors, Credit, Supervisory and Compliance Committees and Management through the OECS Summit and the Caribbean Confederation of Credit Unions’ convention.

#### **2.2.3 Caribbean Confederation of Credit Unions Convention 2014**

The CCCU Convention was held in June 2014 and provided a platform for in-depth training regarding current trends in the market with an overall view to improve efficiency at board and operational levels. The Credit Union was represented by members of the Board and Management.



Presentations were made in the following areas:

- Succession Planning
- Best practices for high performing Boards
- Approach to managing and funding innovations
- Leapfrogging to breakthrough innovation
- Improving the effectiveness of Credit Union Governance and Leadership

The convention serves as a resource platform for solutions to improve the operational efficiencies of the credit Union. Emanating from the 2014 convention was the pursuit of an electronic filing solution for the Credit Union and the review of core software on the market.

#### **2.2.4 OECS Summit**

The 12<sup>th</sup> Annual OECS Summit was held in Antigua in August 2014 under the theme **“Cementing the Credit Union Movement in an Economically Challenging and Changing Environment.”** One member from the Board of Directors, Supervisory Committee and Staff represented the Credit Union at the Summit. The objective of the summit was to provide the Credit Union movement with opportunities for training, networking and fostering growth within OECS. This approach is expected to ensure that this very unique model of doing business does not die in spite of the challenging and changing environment.

The Summit impressed upon its attendees the need for credit unions to evolve but simultaneously remain true to its core principles. Two key areas of focus during the summit were succession planning and FATCA ( Foreign Account Tax Compliance Act.)

#### **2.2.5 Internal and External Inspections**

In December 2014 the Financial Intelligence Unit (FIU) conducted an extensive onsite inspection of the Credit Union. This inspection was led by the Head of the FIU. The team met with the Board of Directors and visited all three branches of the Credit union. The following were their areas of focus:

- Compliance re general anti money laundering and terrorist financing policies and procedures.
- Staff knowledge and understanding of money laundering and terrorist financing
- Compliance system within the Credit Union
- Review of large accounts
- Review of foreign funded accounts
- Review of new member procedures

The Credit Union was commended on its anti money laundering and terrorists financing systems, policies and procedures.

## **2.3 New Initiatives**

### **2.3.1 Purchase of Building**

In the strategic review of 2013 one of the imperatives was the procurement of proper accommodation to efficiently house the head office and main branch of the Credit Union. We are happy to announce that in 2014 the Credit Union purchased a strategically located property within the Bruce Street Mall compound with adequate parking facilities. This purchase will allow us to serve you, our members with a heightened level of member service. Following renovations to the property we are proposing that the Credit Union will be relocating during the last half of 2015.

### **2.3.2 Rebranding**

The Credit Union embarked on a project to revamp our image. A consultant was contracted and several meetings were held with a cross section of stakeholders as a fact finding and exploratory measure to ascertain the current market position of the Credit Union and to determine our future direction.

A Rebranding Committee was set up, chaired by board member Bro. Christopher De Allie. This Committee was charged with assessing creative concepts with a view to recommend the one that most appropriately reflects the Credit Union's strategic vision and positioning. A key part of this assignment was the presentation of a new logo, tagline and image concept.

### **2.3.3 Launch of Connex & Communal Co-operative Credit Union's International Debit Card**

The official launch of the CONNEX International Debit Card brand took place simultaneously with the launch of the Communal Co-operative Credit Union's debit card in April 2014. The Connex brand is jointly held by the Grenada Public Service Credit Union, Grenada C-operative Bank, and the Caribbean Credit Card Corporation.

### **2.3.4 New ATM in Grenville**

The GPSCCU officially launched its new ATM at its branch in Grenville. The president of the Credit Union, Mr. Phillip Telesford, remarked on the occasion that this initiative was one that was fuelled by our need to better serve our growing membership in the area. During 2014 this machine has experienced very significant usage within the network, both by our members and customers of the Grenada Cooperative Bank.





### **2.3.5 New Loan Products**

In June 2014 the GPSCCU embarked on the SWITCH promotion. The aim of this drive was to encourage members and perspective members to transfer their mortgages to the GPSCCU. As at December 2014 one hundred and fifty five (155) loans were approved in the amount of \$5.8M.

The GPSCCU also launched the Flexi-Credit loan product in June 2014. This product offered members access to an evergreen loan up to \$10,000 for any purpose, at any time. The product was very well received by our members with one thousand and eighty five (1085) loans approved to the tune of \$5.9M by December 2014.

## **2.4 Marketing and Promotion**

The Credit Union in 2014 pursued a strategy of visibility and brand recognition. This strategy was particularly executed during the following activities:

- GASA Cross Harbour Swim Meet
- Eastern Games 2014
- SWAG (Students With A Goal) promotion
- Sponsorship of Fisherman's Birthday celebration
- Airing of World Cup football
- School soca monarch

### **Excel Program**

In 2014 the objectives of the Excel club were firstly to increase the 11-16 ages demographic of the Credit Union by 50% through a marketing strategy to include recruitment at extracurricular activities and assigning stakeholders incentivized school targets. The second objective was to increase Excel deposits by 100%. Both objectives were achieved with membership increasing by 483 students to a total membership of 1279 and deposit during the year increased by 117% to \$185k.

### ***GPSCCU officially launched Micro lending initiative and captured regional award***

The Grenada Public Service Co-operative Credit Union officially launched its Micro Finance Programme at the Marketing & National Importing Board's Mango Festival in July 2014. The Credit Union introduced the MiFi (Micro-Finance) Loan product approximately one year ago and has assisted approximately 300 persons to date.



Mr. Samuel Andrew, a member of the Credit Union and a recipient of a MiFi Loan, captured the award of Most Outstanding Rural Entrepreneur on Tuesday 3rd June 2014 at the third annual Citi-Foundation-Caribbean Microfinance Alliance (Citi-CMFA) awards ceremony held in Montego Bay Jamaica. He was awarded for his success in establishing and running Hilltop Farms in Harford Village, St. Andrew. Mr. Andrews attributed his success to the support of his lending officer, internal motivation, diligence and good planning.

The MiFi initiative was implemented with the creation of a micro finance unit within the Credit Union. This product serves small entrepreneurs with access to loans in a timely manner for the purposes of working capital. GPSCCU president, Mr. Phillip Telesford, described MiFi as the Credit Union's stimulus package for the local economy, since it is an avenue for employment for youth, skilled persons and entrepreneurs.

### ***Grenada Day-Toronto***

The Credit Union participated in the Grenada Day celebrations at Coronation Park in Toronto, Canada. This was an opportunity to gain publicity, membership and introduce the GPSCCU to the Canadian market. The General Manager together with two former member of staff spear headed the promotion.

### ***International Credit Union Day***

International Credit Union Day was held at the La Sagesse playing field under the theme "Local Service, Global Good" and in Carriacou at the Hillsborough Government School. Awards were presented to Mr. C. Leroy Robinson, post humously and Ms. Marrietta Mitchell in recognition for long and outstanding service to the Credit Union.







## ***Financial Information Month***

Financial information Month was co-ordinated by the ECCB and the 2014 theme was "Soar to Succeed". Financial organizations operating in Grenada participate in a series of activities during the month of October to raise awareness to financial issues and to encourage financial prudence and money management skills in the populace. The Credit Union participated in both radio and television interviews and the Financial Information Fair held on 24<sup>th</sup> October.

## ***Sponsorship of Rotaract Spelling Bee***

The GPSCCU sponsored the Rotaract Spelling Bee for the first time in 2014. The competition allowed exposure at the primary school level for the GPSCCU. This is a complementary activity for the promotion of the Education Savings Plan Product.

## **2.6 Provident Fund**

Our Provident Fund is one avenue in which our Credit Union seeks to alleviate financial distress among our membership. The Committee administered and made recommendations to the Board to give support to genuine and deserving cases among us. In 2014, donations in the amount of \$18K were made for medical emergencies and for christmas hampers to the needy and shut-ins. We are grateful to the Provident Fund Committee, under the chairmanship of Sis.Gloria Payne-Banfield, for its diligent service to the Credit Union.

## **2.7 Scholarship Programs**

### ***2.7.1 Blue Ribbon Award***

The Blue Ribbon Award was introduced in 2013 to recognize the most outstanding Education Savings Plan holder at the Caribbean Primary Exit Assessment. This year, the Blue Ribbon Award was presented to Breanna Salfarlie who placed 5th in the CPEA and who currently attends the St. Joseph Convent, St. George's.



### **2.7.2 Brighter Futures Scholarship**

This Year, the GPSCCU Brighter Futures Scholarship was awarded to T. A. Marryshow Community College Students, Trisha Harris daughter of Curlan Harris and Keith Blackman son of Charmaine Antoine. This scholarship would provide them with tuition for the next two years.

### **Secondary School Scholarship**

The GPSCCU Secondary School Scholarship is a long time initiative of the GPSCCU which seeks to aid students in meeting the financial obligations of secondary school over five (5) years. Two students, namely Shermol Cudjoe (*Harvey Vale Government, Carriacou*), and Jenebi Benoit (*First Choice Junior School*) have joined the programme adding to the nine students who were already being assisted. The students in the GPSCCU Secondary School Programme are chosen based on need and academic performance and are required to keep good grades throughout their school life. The Committee, under the chairmanship of Sis. Meryl Lord, has worked diligently to help our students, for which this

### **Joseph Bain Scholarship**

The Joseph Bain Award 2014 assisted four (4) members in their pursuit of their university level education at various institutions.



**Betty Ann Morain**  
University of West Minister  
Degree: Bachelors  
Programme: Legal Practise



**Sherene De Coteau**  
Lancaster University  
Degree: Masters  
Programme: Project Management



**Shonta Duncan**  
University of Trinidad and Tobago  
Degree: Bachelors  
Programme: Education



**Rawlinda Hagley**  
University of The West Indies  
Mona Campus  
Degree: Bachelors  
Programme :Nursing





## **2.8 Donations and Contributions**

As part of its social responsibility the Credit Union assisted in addressing some of the various needs of our community during the year. Contributions of approximately \$21K were made.

# **Human Resource Report**

## **Human Resource Management- Academic Achievements**

We take this opportunity to congratulate Bro. Randy Frank for attaining his Bsc. in Applied Accounting at Oxford Brookes London, Sis. Sabrina Rodney-Ogilvie for attaining her MBA in Inter-disciplinary studies from Rochester Institute of Technology in the United States and Sis. Kimalene Regis for attaining her Masters in Project Management (*MPM*) from the University of Co-operation in Costa Rica and her PMP from the Project Management Institute.

## **Appointments and Resignation**

During the year, Sis. Caryl Hayes, Loan Analyst and Sis. Roxanne Antoine-Richards, Human Resource Officer have resumed employment with the Credit Union after furthering their studies in the fields of finance and banking (*Bsc.*) and Psychosocial Studies (*Msc.*) respectively. The Board extends congratulations to them both.

Bro. Kevin Lord, Bro. Caleb Gabriel and Sis. Dexta Padmore Member Service Representatives, resigned to further their studies at a Bachelors level in the United States. Sis. Rachel Brown, our Delinquency Officer, Sis. Nikki Daniel, Filing Assistant and Mr. Kimron Corion, Officer-In-Charge of Grenville Branch resigned to pursue their personal and professional development. We extend congratulations to all and encourage other member of staff to follow their intellectual path.

## ***Staff Training and Education***

Course	Date	Attendee (s)	Facilitator
Directors Education and Accreditation Programme	February	Phillip Telesford Gemma Bain-Thomas	Eastern Caribbean Securities Exchange & Caribbean Information & Credit Rating Services Ltd
Professional Appearance Workshop	March	Kinesha Moses Aiden Peters	The Business Centre
Structural Adjustment and Grenada's Economic Problems	May	Lucia Livingston-Andall Kippling Charles Neika Johnson	The ICAEC Grenada Branch
Mortgage Underwriting Programme	May	Sindy-Ann Morain	ECHMB
Caribbean Microfinance forum V	May	Phillip Telesford Geoffrey Grey Simon Andrew	MiFi
Mortgage Underwriting Programme	May	Sindy-Ann Morain	ECHMB
CCCU Convention	June	Lucia Livingston-Andall Gemma Bain-Thomas Kippling Charles	CCCU
4c's Operational and Product Marketing Seminar	July	Randy Frank	4c's and Visa
OECS Summit	August	Garvin Roberts Shirlyn De Coteau-Sayers Maximus Lazarus Neika Johnson	Grenada Co-operative League
Human Resource Training	October	Roxanne Antoine-Richards	Grenada Family Therapy, Counseling & Consulting Centre
Mortgage Underwriting Programme	November	Sindy-Ann Morain	ECHMB

### ***Special Youth Leadership Training***

Sis. Sydney Robertson, member of the Excel club was sent to the Global Young Leaders' Conference Programme which was being held in partnership with George Mason University. It was held for 10 days and fosters the adoption of international leadership strategies, cultural diversity and backgrounds, and appreciate unique ways of thinking and seeing the world.

### ***Online Training: CPD ONLINE***

The Credit Union has continuously provided training and development for staff, volunteers and the general membership. This programme began in 2013 through the Jamaica Co-operative Credit Union League. We have been able to access over 200 courses through the CUNA CPD Online Platform. This is a web based training service that provides a state of the art learning environment. It combined the ease of on demand self study training with expertly designed credit union courses. To date there are a total of 136 registered users with 52 completing courses and certificates. The programme has been successful and the Credit Union will consider offering it to our members again in the future.

Full Name	Activity Name
Adolphus, Debbie	Spanish for Tellers Module
Cambridge, Michelle	Professional Development Certificate
Charles, Cattier Tecla	Business Communication Skills Module
James, Melissa	Introduction to Credit Unions Module
James, Melissa	Business Communication Skills Module, Difficult Human Resource Issues
Patterson, Sandra	Reconciling Records Module
Patterson, Shawnel	Budgeting and Accounting for Non-Financials Certificate, Reconciling Records Module



## 2.10 Transitions

The following members died during the year 2014. We express condolences to their loved ones.

NAME	DATE	ADDRESS			
Iris James	Oct-13	USA	Michael Smart	Oct-14	Requin, St. David's
Elmouth Charles	Dec-13	Paraclete, St. Andrew's	Nicodimus George	Nov-14	Munich, St. Andrew's
Jennifer Harbin-Duncan	Jan-14	Beausejour, St. George's	Claudia Walters	Nov-14	Vincennes, St. David's
Marjorie Murray	Jan-14	England	Jester Emmons	Nov-14	Beausejour, Carriacou
Newton Burke	Jan-14	Mornj Jaloux, St. George's	James Dumont	Nov-14	USA
Byron Nixon	Jan-14	Mt. Gay, St. George's	Daniel Felix	Dec-14	Canada
Louvinia Hagley	Jan-14	England	Katelina Edwards	Dec-14	Molliniere, St. George's
Valerie M. Millette	Jan-14	Corinth, St. David's	Livina James	Dec-14	Springs, St. George's
Sebatian Noel	Mar-14	Westerhall, St. David's			
Donald Barrett	Mar-14	USA	Joslyn Cyrus	2015 Jan-15	Pedmontemps, St. David's
J.O.Y. Miller	Mar-14	USA	Ivy Roberts	Jan-15	USA
Conrad Collins	Apr-14	Grand Roy, St. John's	Otto George	Jan-15	The Villa, St. George's
Darlington Francis Clyne	Apr-14	USA	John H. Isaac	Dec-14	Tempe, St. George's
Monica Harding	Apr-14	Beaulieu, St. George's	Victor Gibbs	Jan-15	Mt. Gay, St. George's
Dexter Joseph	May-14	Golf Course, St. George's	Ivy Roberts	Jan-15	USA
Ann Gilbert- Castle	May-14	USA	Patrick Grimes	Jan-15	Grenville, St. Andrew's
Donald Noel	May-14	Marquis, St. Andrew's	Tricia Antoine	Feb-15	Molliniere, St. George's
Emlyn E. Moses-Saxon	Jun-14	Beausejour, Carriacou	Douglas V. Andrews	Feb-15	Maulty, St. David's
Lydia A Joseph	Jun-14	Mt. Gay, St. George's	Margaret James	Feb-15	Belair, Carriacou
Michael Gilbert	Jul-14	Lagoon Road, St. George's	Julia Forsyth	Mar-15	Perdmontemps, St. David's
Gerald Primus	Jul-14	Windsor Forest, St. George's	Raphael Wynne	Mar-15	St. Lucia
Myrna Phillip-Gibbs	Aug-14	Boca, St. George's	Hilderbrand James	Apr-15	Radix St. George's
Victor Leo Roberts	Aug-14	Golf Course, St. George's	Marshall Allard	Apr-15	Pearls, St. Andrew's
Rodrica Adolphus	Aug-14	Beaulieu, St. George's	Lordnell Bubb	Apr-15	La Tante, St. David's
Diego Burke	Aug-14	Mornj Jaloux, St. George's	Cecelia Williams	Apr-15	Radix, St. George's
Aaron Seethal	Aug-14	Grand Bras, St. Andrew's	Laundris Regis-Roberts	Apr-15	Concord, St. John's
Geraldina Perrotte	Sep-14	Old Fort, St. George's	Claudine Benjamin	Apr-15	USA
Parkinson Charles	Sep-14	Grand Roy, St. John's	Theresa Penny	Apr-15	Calivigny, St. George's
C. Le Roy Robinson	Sep-14	Church Street, St. George's	Netha Murrell	Apr-15	Woodlands, St. George's
Cicely Taitt	Sep-14	Lowther's Lane, St. George's	Agnes Cobb	May-15	Snugg Corner, St. George's
Cyrus Murain	Sep-14	La Mode, St. George's	Renwick Alexis	May-15	Marian, St. George's
Winoc Bain a.k.a. Alfred Mc Auley	Oct-14	Tempe, St. George's	A. Augustus Timothy	May-15	Brooklyn, St. John's
Jessica Japal	Oct-14	Mt. Gay, St. George's	Denis B. Mitchell	May-15	USA

## Acknowledgements

Once again the Board wishes to put on record its gratitude to members of all Committees for their selfless service over the last year. Special thanks are also extended to the management and staff for their unwavering and dedicated service to this institution and very importantly to the members for your confidence. We were very happy to serve you in 2014 and we look forward to an even more successful year ahead as we continue to work together for the best of our Credit Union.

  
**Phillip Telesford (Bro.)**  
 President

  
**Lucia Livingston-Andall (Sis)**  
 General Manager

  
**Gemma Bain Thomas (Sis)**  
 Secretary



# CREDIT COMMITTEE'S

## *Report 2014*



The Credit Committee for the year ended December 31, 2014 convened in accordance with our By Laws and the mandate given to it by the Annual General Meeting. During the period the Committee comprised of the following members.

### **January to December 2014**

Bro. Terrence Victor  
Bro. Adrian Joseph  
Bro. Dorrان Strachan  
Bro. Justin Hazzard  
Bro. Maximus Lazarus

### **Position**

Chairman  
Secretary  
Member  
Member  
Member

## Overview

In 2014 the Committee saw a slight decrease in the demand for loans from our members when compared to the previous year, 2013. During the year 2014, the Credit Committee approved a total of 4,405 loans with a total value of \$42,496,242. This represents a decrease of 1.87 % and 18.67% respectively over 2013. However, in spite of a prolonged weak economic climate marked by a decrease in disposable income for some of our members, we are pleased to report that our total loans portfolio has increased by 8% from \$169.9 million in 2013 to \$184.7 million in 2014. We hope that this increase will continue into the future as we anticipate positive growth in the international and regional economic climates.

The Committee's main role continues to be the consideration of each loan application on its own merits and making a decision on whether or not approval can be granted. In doing so we take into account the members' ability to repay the debt and the immediate need for access to credit while ensuring that our decisions are made in the best interest of both our members and our Credit Union. In this regard, the following tables highlight some of our activities throughout the year.

	LOANS BY NUMBER			LOANS BY VALUE		
	2014	2013	% Change	2014	2013	% Change
Debt Consolidation	471	504	-7	5,517,556	7,467,961	-26
Personal Expenses	2962	2,697	10	12,577,704	7,600,373	65
Education	127	173	-27	1,479,222	1,616,672	-9
Housing	299	393	-24	**14,330,946	*26,478,520	-46
Home Furnishing	39	65	-40	236,729	405,173	-42
Agriculture	22	38	-42	310,069	331,573	-6
Land Purchase	39	37	5	2,672,914	2,832,772	-6
Business	167	265	-37	1,467,214	1,968,835	-25
Vacation Travel	76	95	-20	557,141	694,200	-20
Motor Vehicle	203	222	-9	3,346,740	2,832,772	18
<b>Total</b>	<b>4,405</b>	<b>4,489</b>	<b>-2</b>	<b>42,496,242</b>	<b>52,248,604</b>	<b>-19</b>

\* In 2013 disbursement for the Housing Sector included mortgage loans repurchased from ECHMB amounting to \$14,145,186

\* \* In 2014 Disbursement for the Housing Sector included mortgage loans repurchased from ECHMB amounting to \$3,088,595.36



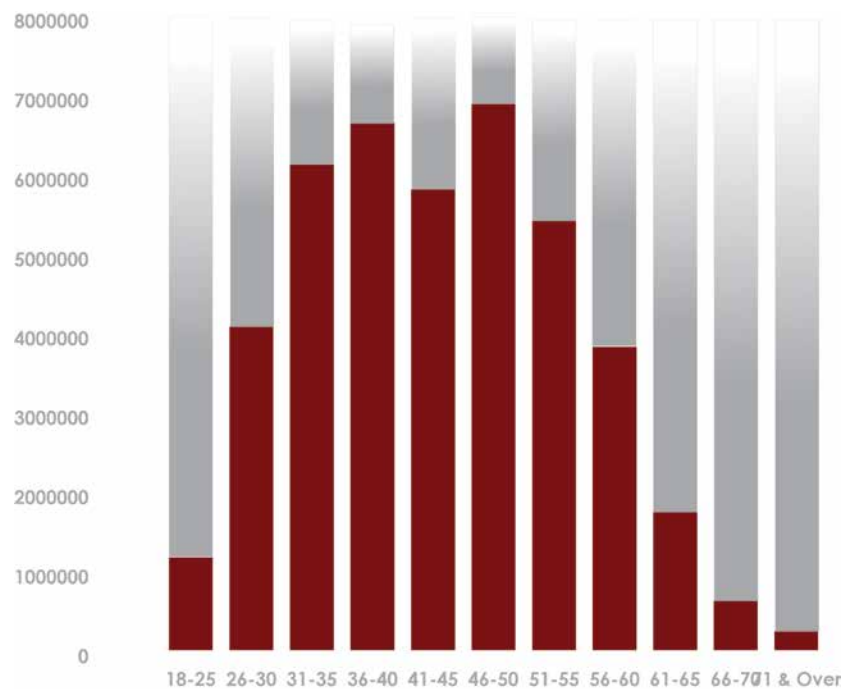


## Portfolio Growth

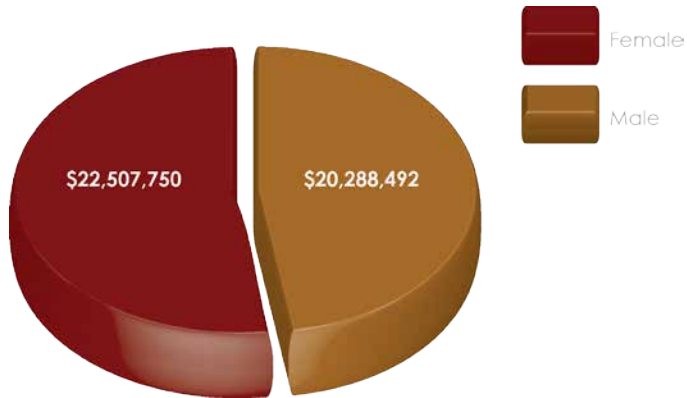
**Table 2. Gross loans & Growth Rate 2010-2014**

	2010	2011	2012	2013	2014
Growth in Value (XCD)	129,080,742	139,749,060	148,890,170	169,675,662	184,731,360
Growth in Percentage	5%	8%	6%	14%	8%

**Table 3. Loans Disbursed by age**



## Loan Distribution By Gender



### General Observations

There were decrease in applications for all categories of loans except Personal Debt and Land Purchase. Home purchasing and Agriculture had the biggest reduction in applications Two very important sectors of Education and Housing had similar decreases in applications. While the number of applications for Vehicle loans decreased by 19, the total value of vehicles loans increased by \$513,968.00 The largest amount of applications was from the age group 31-35 however the highest total value of loans were from ages 46-50.

The Credit Committee is fully aware of the very competitive nature of our financial market. We therefore urge all our members to exercise prudence when making financial decisions. We urge you to make full use of the Loans Credit Department facilities and personnel before committing to additional debt. Members are also encouraged to continue saving with the Credit Union and to purchase more Equity Shares in the PSCU. This will most definitely have a very positive impact both on our members' financial well-being and that of the organization as a whole.

As the Committee prepares to welcome changes in its composition, we thank the Board of Directors, the Supervisory and Compliance Committee, the Management and staff of the Credit Union and most importantly the members of this noble institution for the opportunity to serve on the Credit Committee over the past year. We specially thank you for the confidence you have place in us and the support given in executing our functions in a professional manner. As we look forward to new challenges and greater things in 2015, we assure you that the Credit Committee will continue to give its best in time, knowledge and skills towards ensuring that the GPSCCU remains the best institution to do financial business with.

**Terrence Victor**  
Chairman



# SUPERVISORY AND COMPLIANCE COMMITTEE'S

## *Report 2014*



The Supervisory & Compliance Committee submits its report in accordance with the requirements of section 66 (1) (f) of the Co-operative Societies Act No.08 of 2010 and the By Laws of the Credit Union.

The following members comprised the committee during the year:

Bro. Alan Francis - Chairman

Sis. Shirlyn De Coteau-Sayers - Secretary

Sis. Merryll Phillip-Sylvester

Sis. Merina Jessamy

Sis. Karel Hood

The following tasks were undertaken during the year:

- Financial statement review and sign off
- Review of books and documents of the Credit Union
- Review of loan files
- Cash audits
- Review of Board Minutes
- Review of the accounts of committee members, management and staff
- Members account balance confirmations
- Review of Membership data

### ***Financial Statement review and sign off***

This task required the Committee to ensure that the information presented in the Financial Statements correctly reflected the transactions that took place during the period under review. The Committee was of the view that the statements were correct to the best of its knowledge.

### ***Review of Books and Documents of the Society***

The scope of work in this area included:

- Investments
- Securities (Insurance coverage)
- Loans
- Review of cash/bank accounts

### ***Investments***

The objective of this review was to ascertain whether the processing of Investments were in accordance with the policy and procedures of the Investment Policy and that;

- The amount of the investments stated in the Financial Statement were correct, meaning, the contracts were authentic and that the amounts reflected were calculated accurately based on the rates agreed upon and stated on the certificates.

The Committee was satisfied that the objectives were met. However, the Committee noted that greater compliance to the Investment Policy is needed in the issuing of Board approvals for the investments recommended by the Investment Committee.



## ***Securities***

This requirement assessed whether the assets of the Credit Union were properly protected, in which case it is meant, that, the assets were insured against loss or damage. The SCC was satisfied that the assets were insured and the coverage was up-to-date. The categories examined were Fire and allied perils (Building & Contents), Burglary, Employer's Liability, Public Liability, Money (cash in transit), Motor Vehicle and Computers all risks. The SCC also did work in the area of collateral security (assets owned by the Credit Union by way of loans). The work is on- going.

## ***Loans***

The Supervisory and Compliance Committee reviewed loan files with the aim of ascertaining whether the processing of loans was in keeping with the Credit Policy and procedures.

The following matrix was developed:

- Name of the applicant
- Application number
- Age of applicant
- Membership Data
- Date of approval
- Type of loan
- Interest rate
- Loan Amount
- Loan period
- Level of Security and whether the security was sufficient
- Borrowing limit satisfied
- Whether application and disbursement procedures were met
- Loan approval officer
- Delinquency period in days
- Comments

Although there was general compliance with the Credit Policy and Procedures the Committee noted:

- That closer compliance is needed in the area of collections, specifically the issuance of warning letters and the requisite follow up actions. The Committee noted that the credit union had a marked improvement in this area which has contributed to the reduction in delinquency.
- That land as collateral continues to pose a serious risk to recovery of funds given the low demand for properties as a result of the general economic situation. It is recommended that in the future properties be assessed more critically in terms of future resale value.
- That consolidation and or rescheduling do not make 'a good loan', without commitment from the member to develop a mindset towards servicing the loan. The Committee sees it as an important part of a responsible credit union to employ a financial advisor. Section 68 (1) of the By-Laws speaks to due diligence and financial

advice as an integral part of the financial services offered by the Credit Union. The SCC acknowledges the strides made by the GPSCCU in reducing the level of delinquency but would like to highlight that delinquency should not be considered only in terms of statistics but also in terms attitudes and proper planning.

- Members should also be encouraged to take a more proactive role in the management of their finances, especially in these difficult economic times.

### ***Cash Count***

Cash counts were carried out to determine the effectiveness of the cash control system, the accuracy of accounting for cash and the incidence of errors. The Committee was satisfied with the work done in this area and would like to express its satisfaction with the cooperation of all requisite staff.

### ***Review of the accounts of Staff, Board and Committee members***

The responsibility of the committee under this heading was to verify or confirm whether the persons charged with the responsibility for manning the affairs of the credit union are themselves subject to the rules- the By-Laws and the Corporate Society Act and members are honoring their commitments. The Supervisory and Compliance Committee was satisfied that this was being done.

### ***Members account balance confirmations***

The Supervisory and Compliance Committee conducted checks on membership of the credit union, to satisfy the requirement of Section 66 (c) of the Corporate Societies Act. This requires that once per year a check be done to confirm balances on the Credit Union accounting System with that of either the passbooks or the statement of account. Historically, the method was to send out letters to members to confirm their balances, however citing weaknesses in the process, a decision was taken by the Supervisory and Compliance Committee and Management to amend the process. Instead of sending out letters, members were asked to confirm their balances when they came in to transact business. This new in-house method of confirmation was piloted at the main office on Church Street. This process will also be extended to the Sub Offices and overseas members. The SCC has also commissioned a suggestion box which will be placed at the Credit Union’s Head office. Members are asked to utilise this service.

### ***Review of Membership data***

The Supervisory and Compliance Committee reviewed the members’ data to ensure that policies and operating procedures are adhered as outlined in the By-Law section 74. (2).

The analysis was done to ascertain whether the following data was present:

- The date joined by members
- Birth dates of members
- Addresses of members



The analysis also assessed whether or not

- Members had the required amount of equity shares
- Members were saving regularly
- Candidate member list was up to date
- Members list was up to date

The work in this area is ongoing.

### ***Training of Committee members***

The Supervisory and Compliance Committee recognizes the thrust of the Board to facilitate training of Committee members, and membership through various workshops, seminars and online training courses. All members are encouraged to take advantage of these opportunities.

In conclusion, we thank the Board of Directors for affording us the opportunity as a Committee to contribute to the development of the Credit Union. We will also like to thank the Management, Members of staff and the Internal Auditor for their continued cooperation, the general membership for the opportunity to serve and the members of my committee for their support and most of all to God for the fortitude during the past year.

**Alan Francis**

Chairman, Supervisory And Compliance Committee



# **NOMINATING COMMITTEE'S**

## *Report 2014*

The Nominating Committee convened on March 12<sup>th</sup> 2015 to consider nominations for vacant positions on the Board of Directors, Credit Committee and Supervisory and Compliance Committee of the Grenada Public Service Cooperative Credit Union Limited.

### **Composition**

Bro. Phillip Telesford	-	Chairman
Bro. Anthony Isaac	-	Member
Bro. David Griffith	-	Member
Sis. Shirley Modest-Buckmire	-	Member
Sis. Merlyn St. Bernard	-	Member

Absent:

Bro. David Griffith	-	Member
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In attendance:

Bro. Kippling Charles	-	General Manager (Ag.)
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The meeting began at 2:52 p.m. with an opening prayer led by the Chairman who then welcomed all members and thanked them for their willingness to serve the Credit Union in this way.

### **Notices**

Notices of the vacancies and invitation for nominations to positions on the Board of Directors, the Credit and Supervisory Committees were placed in the local media (including weekly newspaper for two (2) weeks), on the Notice Boards of some workplaces and text messages were sent to all members.



## **Vacancies**

The following positions were to be filled:

### ***Board of Directors:***

This Committee had three vacancies as follows:

1. Bro. Carlyl Felix was completing his first three-year term
2. Sis. Gemma Bain-Thomas was completing her first three-year term
3. Sis. Annette Henry was completing her first three-year term

### ***Credit Committee:***

This Committee had three vacancies as follows:-

1. Bro. Dorran Strachan was completing his first three year term.
2. Bro. Justin Hazzard was completing his 2<sup>nd</sup> 3 year term.
3. Bro. Terrence Victor was completing his 2<sup>nd</sup> 3 year term.

### ***Supervisory Committee:***

This Committee had two vacancies as follows:

1. Bro. Alan Francis was completing his first three-year term however, does not wish to be re-elected.
2. Sis. Shirlyn Decoteau-Sayers was completing her first three-year term

## **Nominations**

The Nominating Committee considered thirteen (13) nominations (in addition to the incumbents) as follows:

### **Board:**

Bro. Francis Ruffin  
Bro. Wayne Williams  
Sis. Marilyn Mapp-Perrotte  
Sis. Yvette Payne-Lewis  
Sis. Desiree Stephen

**Credit:**

Bro. Simon Lewis  
Bro. Vincent Lewis  
Sis. Judy Pivotte  
Sis. Dahlia Johnson

**Supervisory:**

Bro. Arvan Lucas  
Sis. Shurla Williams  
Sis. Pearlana Sylvester  
Sis. Kentia Paul  
Sis. Claudia Mark-Benjamin

**Deliberations**

- (1) The Committee in considering the incumbents and the submitted nominations took the following into consideration:
  - The skill sets advised for the Board of Directors including the areas of law, marketing and public relations, banking and investment management, accounting, and real estate development
  - Individual qualities including commitment, available time to attend to the business of the Credit Union, ability and willingness to represent the interest of the Credit Union at various levels locally and abroad
  - Opportunities for involving younger members of the Credit Union
  - In particular relation to the Supervisory Committee, the ability to command the respect of members, regulators and competitors; and seized with the highest level of propriety and confidentiality
  - Relating to the Credit Committee being seized with the ability to analyze the financial viability of projects and appreciating a risk-based approach to lending strategies; and an ability to contribute to the development of new products and strategies.
- (2) Consideration was also given to ‘*peer review*’ evaluations of incumbent committee members. In this regard, the chairman expressed his disappointment with the late responses. The ratings however ranged from 3.44 to 4, which translated as ‘excellent’. This single fact, and, in the absence of any other evidence to the contrary, prohibited the Committee from recommending the replacement of any incumbent who was eligible for a second term!
- (3) The Committee noted an increase in the number of nominees this year which was commendable, as this was one of the objective that was pursued with the provision of the CPD online training that was offered by the Credit Union for the last two years.
- (4) The Chairman expressed commendation and appreciation to Bro. Justin Hazzard and Bro. Terrance Victor for their exemplary services to the Grenada Public Service Credit Union. They have served in the capacity of chairman of the Credit Committee at different intervals during their tenure.



## Recommendations

Giving due regard to the 'Deliberations' above the Nominating Committee's recommendations to fill vacancies on the standing committees are as follows:

Board of Directors	Credit	Supervisory
Carlyl Felix*	Dorran Strachan*	Shirlyn DeCoteau-Sayers*
Gemma Bain-Thomas*	Simon Lewis	Pearlena Sylvester
Annette Henry *	Judy Pivotte	

\*Each of the above for a Second Three-year term

## Acknowledgements

The members of the Nominating Committee express appreciation to the Board of Directors for the opportunity given to serve and to the Management and Staff for providing the necessary support to its work. The Committee also extends thanks to all those who have expressed interest in serving the Credit Union as well as to all members who have contributed to this aspect of our governance.

Meeting adjourned at approximately 4:45pm.

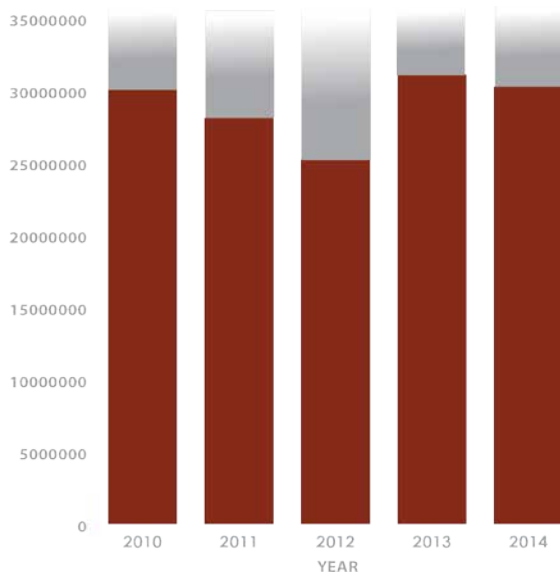
**Phillip Telesford**  
Chairman

# TREASURER'S *Report 2014*

The financial year 2014 was another strong one for the Grenada Public Service Cooperative Credit Union. In the past year the credit union enjoyed increased membership, strong loan growth and a second consecutive year of strong financial performance.

## Operating Surplus

At the end of 2014 operational surplus stood at \$3.03M. This impressive performance is the result of a continuous effort and focus on member value and financial strength.

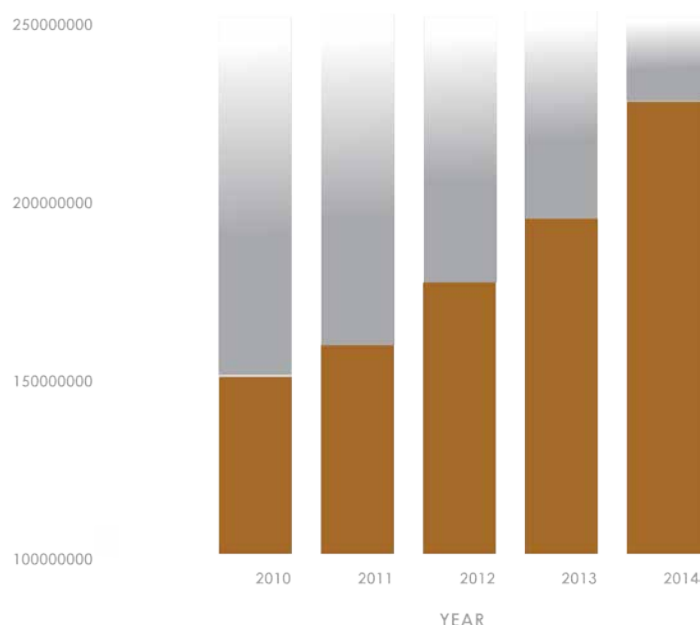


At the end of 2014 provision for risk assets stood at **\$1M**. This resulted in an operational surplus **after** provision for risk assets of **\$2.03M**. This is an increase of **\$143K** compared to **\$1.8M** experienced in 2013.



## Assets

The growth in total assets was 16.62% or \$32.4M. Total assets at year's end stood at \$226.4M. The overall growth in the asset base was fuelled mainly by growth in loans and deposits. Fixed Assets grew by \$8.7M which resulted mainly from the purchase of the Creative House Building on Bruce Street, St. George.



## Loans

The loans portfolio experienced a growth of \$15.2 M or 8.98%. Gross Loans stood at \$184.9M as at December 31<sup>st</sup> 2014. Total disbursements in 2014 were \$50.6M. Total disbursements in 2013 stood at \$40M. The net loans portfolio stood at \$181.2M at the end of 2014 as compared to \$165.6 in 2013. The loan loss provision stood at \$ 3.69M in 2014 compared to \$4.05M in 2013.

## Deposits

Members' deposits grew by 22.03% or \$35.5M in 2014 as against 12.12% or \$17.5M in 2013. This is as a result of increased confidence placed in the financial soundness of the Grenada Public Service Credit Union. The portfolio stood at \$196.6M at the end of 2014. Regular shares grew to \$92.3M in 2014 from \$80.9M in 2013 representing a growth of \$11.4M or 14.09%. Fixed Deposits grew by \$14.5M or 26.47% to \$69.6M in 2014 compared to \$9.4M or 19.94% in 2013.

## Surplus

At the end of 2014 the surplus before appropriation was \$2.03M. This represents an increase of \$143K or 7.59% compared to 2013. The net loan income stood at \$16.3M in 2014.

# COMPARATIVE OPERATING HIGHLIGHTS

		2014 % Change			
			2014	2013	2012
Assets	Net Loans	10%	181,227,850	165,618,297	145,332,804
	Investments	4%	14,722,575	14,101,362	1,595,836
	Development Land	0%	4,697,866	4,697,865	4,673,129
	Fixed Assets	304%	11,591,862	2,870,311	2,774,459
Liabilities	Regular Shares	14%	92,375,572	80,963,969	76,247,301
	Other Deposits	30%	104,250,972	80,169,383	67,361,735
	External Credit	-100%		6,396,441	7,207,665
Income	Interest from Loans	10%	16,348,778	14,875,261	13,586,098
	Other Income	-24%	1,016,403	1,334,894	961,645
Expenditure	Interest on Deposits	15%	8,738,811	7,614,551	7,000,063
	<b>Other Expenditure</b>	9%	6,084,578	6,710,744	5,521,421
Surplus	Unappropriated surplus for the year	-2%	3,027,939	3,112,186	2,526,259
	Surplus	8%	1,318,160	1,225,158	1,418,381



## KEY PERFORMANCE INDICATORS

The PEARLS prudential standards set the benchmarks that Credit Unions should achieve and maintain to ensure viability. The system assesses Protection, Effective Financial Structure, Asset Quality, and Rate of Return on Costs, Liquidity Levels and Signs of Growth. An evaluation is provided hereunder as to the Credit Unions performance against that of a Model Credit Union.

### ***Protection:***

As at December 31<sup>st</sup> 2014 the GPSCCU was fully protected against all delinquent loans that were greater than 12 months. PEARLS require that a provision of 35% be made for all delinquent loans less than 12 months. The Credit Union also had a provision in place for such loans of 35%.

### ***Effective Financial Structure:***

The Savings/Total Asset ratio of 86.86% was at the higher end of the standard range of 70-80%. The Net Loans/Total Asset ratio of 80.06% exceeded the standard 70-80% range by 6.86%. The Credit Union's Institutional Capital/Total Assets ratio stood at 6.82%.

### ***Asset Quality:***

Using the benchmark of 90 days, the delinquency ratio at year end was 5.65 % of the loan portfolio. This was a decrease on the 8.06% experienced at December 31<sup>st</sup> 2013 and is below the standard of 5% by 0.65%. Non-Earning Assets/Total Assets ratio at 10.52% was below the standard of 5%.

### ***Rates of Return and Cost:***

The Operating Expenses/ Average Total Assets ratio stood at 2.39% which was within the standard of  $\leq 5\%$ . Rates of return on investments stood at 5.35% while interest on Savings Deposit/Average Savings Deposit was at 4.88% at year

### ***Liquidity:***

Liquidity determines the ability of the Credit Union to meet its short-term & long-term obligations. The liquidity Reserves/ total savings stood at 7.49% at the end of year 2014 which was below the standard of 10%.

### ***Signs of Growth***

The Credit Union's total asset growth of 16.62% exceeded the standard of inflation. Loans growth at 8.98% was above the benchmark of 5%. Savings at 22.03% was also above the 5% benchmark. Institutional capital grew by 12.93%, the standard is 10% minimum. The total membership has increased by 10.24% or 964 for the year 2014. Membership stood at **10,377** as at December 31<sup>st</sup> 2014.

## **Conclusion**

Overall performance has been commendable as management continues to keep their tight reign on expenses and to more deliberately manage the loans portfolio quality. I once again implore our members to continue to honor their commitments to the Credit Union both in terms of savings and loans and to make the Credit Union their financial institution of choice.

A handwritten signature in black ink, appearing to read "G. Roberts", written over a faint, light blue grid background.

**Garvin Roberts**

Treasurer

# PEARLS REPORT

## PEARLS Ratios

	Goal	Dec-14	Dec-13
<b>P</b> <b>Protection</b>			
Provision for Loan Losses /Del>12 Months	100%	100%	100%
Provision for Loan Losses/ Loans Del,12 Months	35%	35%	36%
<b>Effective Financial Structure</b>			
<b>E</b>			
Net Loans/ Total Assests	70-80%	80.06%	85.32%
Savings Deposits Assets	70-80%	86.86%	83.01%
Member Share Capital/ Total Assets	Max 20%	3.68%	3.44%
Institutional Capital (other)/Total Assets	Min 10%	6.82%	7.41%
<b>Asset Quality</b>			
<b>A</b>			
Balance of Del Loans> 90/Gross Loan Portfolio	<=5%	5.65%	8.06%
Non- Earning Asset/Total Assets	<=5%	10.52%	4.51%
<b>Rates of Return and Cost (Annualized)</b>			
<b>R</b>			
Fin Investment Income/Avg. fin investments	Market Rate 3%	5.35%	5.06%
Fin Cost: Savings Deposits/Average Sav Deposits	Market Rate 3%	4.88%	5.00%
Fin Cost: External Credit/ Avearge ext. Credit	Market Rate	0.00%	7.28%
Operating Expenses/Average Total Assets	<=5%	2.39%	2.58%
<b>Liquidity</b>			
<b>L</b>			
Liquid Assets-St Payable/Total Deposits	Min 15%	12.48%	10.82%
Liquidity Reserves/Total Savings Deposts	10%	7.49%	8.75%
Non Earning Liquid Assets/Total Assets	<1%	5.34%	3.03%
<b>Signs of Growth</b>			
<b>S</b>			
Total Assets	>Inflation+10%	16.62%	10.16%
Loans to Members	5%	8.98%	13.96%
Savings Deposits	5%	22.03%	12.28%
Institutional Capital	Min 10%	12.90%	12.84%
Membership	Min 15%	10.24%	8.48%







**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**

## **FINANCIAL STATEMENTS**

**For The Year Ended 31st December, 2014**



### **Contents**

Statement Of Financial Position  
Statement Of Comprehensive Income  
Statement Of Cash Flows  
Notes To The Financial Statements

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**

We have audited the accompanying financial statements of the Credit Union which comprise the statement of financial position at 31st December, 2014 and the related statement of comprehensive income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

***Responsibility for the Financial Statements***

Those charged with governance are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

***Opinion***

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Credit Union as of 31st December, 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

GRENADA:

April 10<sup>th</sup>, 2015



Accountants & business advisers:

Partners: Henry A. Joseph FCCA (Managing), Michelle A. Millet B.A. CGA (Mrs.)

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER, 2014**



	Notes	2014	2013
<b>EARNING ASSETS</b>			
Members' loans	4	181,227,850	165,618,297
Investment property	5	4,697,865	4,697,865
Loans and receivables financial assets	6	14,722,575	14,101,362
Available-for-sale financial assets	6	<u>1,441,090</u>	<u>941,090</u>
Total earning assets		<u>202,089,380</u>	<u>185,358,614</u>
<b>NON-EARNING ASSETS</b>			
Property, plant and equipment	7	11,591,862	2,870,311
<b>OTHER ASSETS</b>			
Accounts receivables and prepayments	8	2,712,766	1,496,052
Cash and cash equivalents	9	<u>9,974,679</u>	<u>4,389,991</u>
Total non-earning assets		<u>24,279,307</u>	<u>8,756,354</u>
<b>TOTAL ASSETS</b>		<b><u>\$226,368,687</u></b>	<b><u>\$194,114,968</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Members' equity shares	10	8,333,352	6,673,159
Statutory reserve	11	9,029,171	8,277,641
Accumulated surplus	12	6,411,803	6,101,870
<b>OTHER FUNDS AND RESERVES</b>			
Development fund	13	101,397	94,243
Education fund	14	84,071	71,504
Education savings plan fund		106,653	86,308
Provident fund		137,995	105,209
LP/LS insurance fund	15	<u>718,644</u>	<u>583,957</u>
Total equity		<u>24,923,086</u>	<u>21,993,891</u>
<b>Non-Current liabilities</b>			
Long-term borrowings	16	-	<u>5,528,445</u>
<b>Current Liabilities</b>			
Short-term borrowings	16	-	867,996
Members' regular shares		92,375,572	80,963,969
Members' deposits	17	104,250,972	80,169,838
Non-interest bearing liabilities	18	4,711,045	4,367,132
Other liabilities		<u>108,012</u>	<u>223,697</u>
		<u>201,445,601</u>	<u>166,592,632</u>
<b>TOTAL LIABILITIES</b>		<b><u>201,445,601</u></b>	<b><u>172,121,077</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>\$226,368,687</u></b>	<b><u>\$194,114,968</u></b>

The notes on pages 55 to 78 form an integral part of these financial statements

: Director

: Director

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**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2014**

	<b>2014</b>	2013
<b>INCOME</b>		
Income from loans		
Interest from member loans	16,348,778	14,875,261
Fees and charges	183,119	245,338
Administrative fees	6,084	129,924
Loan protection	(298,258)	(285,723)
Other income from loans	<u>120,172</u>	<u>298,422</u>
Net loan income	<u>16,359,895</u>	<u>15,263,222</u>
<b>Income from liquid investments</b>		
Interest on investment – dated securities	771,681	751,128
Dividends on investments	25,673	33,843
Non-related income	<u>188,271</u>	<u>161,962</u>
Total non-interest income	<u>985,625</u>	<u>946,933</u>
<b>Total income</b>	<u><b>17,345,520</b></u>	<u><b>16,210,155</b></u>
<b>LESS: EXPENSES</b>		
<b>FINANCIAL COST</b>		
Interest expenses on savings	8,738,811	7,614,551
Life savings insurance	234,580	215,382
Other financial cost	<u>326,193</u>	<u>491,970</u>
Total financial cost	<u>9,299,584</u>	<u>8,321,903</u>
<b>Gross Margin</b>	<u><b>8,045,936</b></u>	<u><b>7,888,252</b></u>
<b>OPERATING EXPENSES</b>		
Personnel expenses	2,392,317	2,294,167
Governance	376,073	343,211
Occupancy expenses	443,611	398,267
Marketing expenses	586,207	596,221
Administration	936,578	847,817
Depreciation	280,001	295,728
Loss on asset disposal	<u>3,210</u>	<u>655</u>
<b>Total operating expenses</b>	<u><b>5,017,997</b></u>	<u><b>4,776,066</b></u>
Total operating surplus	3,027,939	3,112,186
Less: Provision for risk assets	<u>(1,000,000)</u>	<u>(1,227,326)</u>
Surplus for the year before appropriation	2,027,939	1,884,860
Appropriations:		
Transfer to: Education fund	50,698	47,122
Statutory reserve	506,985	471,215
Development fund	101,397	94,243
Provident fund	<u>50,698</u>	<u>47,122</u>
<b>Net surplus for the year</b>	<u><b>\$1,318,161</b></u>	<u><b>\$1,225,158</b></u>

The notes on pages 55 to 78 form an integral part of these financial statements



**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2014**



	<b>2014</b>	2013
<b>OPERATING ACTIVITIES</b>		
Net surplus for the year	2,027,939	1,884,860
Adjustments for:		
Depreciation	280,001	295,728
Net movements in reserves	249,289	(56,182)
Prior year adjustment	<u>(175,672)</u>	<u>-</u>
<b>Cash provided by operating activities before working capital changes</b>	2,381,557	2,124,406
(Increase)/decrease in accounts receivable and prepayments	(1,216,714)	998,596
Increase/(decrease) in non-interest bearing liabilities	343,913	(714,613)
Increase/(decrease) in pension benefit	<u>562,374</u>	<u>(86,128)</u>
Cash provided by operating activities	<u>2,071,130</u>	<u>2,322,261</u>
<b>INVESTING ACTIVITIES</b>		
Adjustment/disposal of equipment	5,703	655
Purchase of property, plant and equipment	(9,007,255)	(392,235)
Increase in investment property	-	(24,736)
(Increase)/decrease in financial assets	(1,121,213)	1,532,834
Increase in members' loans	<u>(15,609,553)</u>	<u>(20,285,493)</u>
Cash used in investing activities	<u>(25,732,318)</u>	<u>(19,168,975)</u>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(832,555)	(578,857)
Repayment of borrowings	(6,396,441)	(811,224)
Decrease in grant fund	-	(43,599)
Increase in members' shares	1,660,194	1,199,706
Increase in members' deposits	<u>34,814,678</u>	<u>17,108,830</u>
Cash provided by financing activities	<u>29,245,876</u>	<u>16,874,856</u>
 Increase in cash and cash equivalents	 5,584,688	 28,142
Cash and cash equivalents - at the beginning of the year	<u>4,389,991</u>	<u>4,361,849</u>
- at the end of the year	<u>\$9,974,679</u>	<u>\$4,389,991</u>

The notes on pages 55 to 78 form an integral part of these financial statements

## **1. CORPORATE INFORMATION**

The Credit Union was established in 1947 and originally registered in March 1958 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 forty (40) persons during the year (2013 – 40).

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### ***(a) Basis of Preparation***

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are expressed in Eastern Caribbean Currency Dollars. The financial statements have been prepared under the historical cost convention.

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.

### ***(b) New Accounting Standards, Amendments and Interpretations***

- (i) There are no new standards, amendments or interpretations that are effective for the first time for the financial year beginning on or after 1st January, 2014 that would be expected to have a material impact on the Credit Union's financial statement.
- (ii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1st January, 2014 and not early adopted. These either do not apply to the activities of the Credit Union or have no material impact on its financial statements.

IAS 1 Presentation of Financial Statements – Disclosure Initiative Equity Method - Effective for annual periods beginning on or after 1<sup>st</sup> January, 2016.

IAS 16 Property, plant and equipment – Clarification of Acceptable Methods of Depreciation and Amortisation – Effective for annual periods beginning on or after 1<sup>st</sup> January, 2016.

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
**(continued)**



**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

***(b) New accounting Standards, Amendments and Interpretations (continued)***

IAS 16	Property, plant and equipment – Clarification of Acceptable Methods of Depreciation and Amortization – Effective for annual periods beginning on or after 1 <sup>st</sup> January, 2016.
IAS 16	Property, plant and equipment – Bearer Plants – Effective for annual periods beginning on or after 1 <sup>st</sup> January, 2016.
IAS 19	Employee benefits – Effective for annual periods beginning on or after 1 <sup>st</sup> July, 2014.
IAS 27	Separate financial statements - Investment Entities – Effective for annual periods beginning on or after 1 <sup>st</sup> January, 2016.
IAS 28	Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Effective for annual periods beginning on or after 1 <sup>st</sup> January, 2016.
IAS 28	Investments in Associates and Joint Ventures Applying the Consolidation Exception – Effective for annual periods beginning on or after 1 <sup>st</sup> January, 2016.
IAS 38	Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization – Effective for annual periods beginning on or after 1 <sup>st</sup> January, 2016.
IAS 41	Agriculture – Bearer Plants – Effective for annual periods beginning on or after 1 <sup>st</sup> January, 2016.
IAS 9	Financial Instruments – Classification, Impairment, Hedge Accounting and De-recognition – Effective for annual periods beginning on or after 1 <sup>st</sup> January, 2018.
IFRS 10	Consolidated financial statements – Investment Entities - Effective for annual periods beginning on or after 1 <sup>st</sup> January, 2014.
IFRS 10	Consolidated financial statements- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Effective for annual periods beginning on or after 1 <sup>st</sup> January, 2016.

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
**(continued)**



**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

***(b) New Accounting Standards, Amendments and Interpretations (continued)***

- IFRS 10 Consolidated financial statements- Applying the Consolidation Exception -Effective for annual periods beginning on or after 1<sup>st</sup> January, 2016.
- IFRS 12 Disclosure of Interest in Other Entities – Applying the Consolidation Exception - Effective for annual periods beginning on or after 1<sup>st</sup> January, 2016.
- IFRS 11 Joint Arrangements – Accounting for Acquisition of Interest in Joint Operations - Effective for annual periods beginning on or after 1<sup>st</sup> January, 2016.
- IFRS 14 Regulatory Deferral Accounts – Effective for annual periods beginning on or after 1<sup>st</sup> January, 2016.
- IAS 36 Impairment of assets – Recoverable amount disclosures for non-financial assets – Effective for annual period beginning on or after 1<sup>st</sup> January, 2014.
- IFRS 15 Revenue from Contracts with Customers – Effective for annual period beginning on or after 1<sup>st</sup> January, 2017.

***(c) Property, Plant and Equipment***

The Credit Union's assets are stated at cost less accumulated depreciation.

Subsequent costs are included in the assets carrying amounts or are recognised 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 surplus in equity. Decreases that offset previous increases of the same asset are charged against the surplus directly in equity; all other decreases are charged to the statement of income.

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
**(continued)**



**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(c) Property, Plant and Equipment (continued)**

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

	Per annum
Buildings	2.5%
Plant and Machinery (ATM)	25%
Motor vehicle	20%
Furniture and equipment	10%
Computers	33%

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of income. When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

**(d) Financial instruments**

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

Financial assets and financial liabilities are recognised on the Credit Union's statement of financial position when the Credit Union becomes a party to the contractual provisions of the instrument.

**Recognition and measurement**

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date that is the date on which the Credit Union commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

When financial assets are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the asset.

Financial assets are de-recognised when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **(d) Financial instruments (continued)**

#### *Financial assets*

The Credit Union classifies its financial assets into the following categories: Loans and receivables and available-for-sale. Management determines the appropriate classification of its financial assets at the time of purchase and re-evaluates this designation at every reporting date.

#### *Loans and receivables*

Investments classified as loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on the active market. They are included in current assets, except for maturities greater than twelve (12) months after the statement of financial position date. These are classified as non-current assets. The Credit Union's loans and receivables comprise of treasury bills and fixed deposits which are stated at cost.

#### *Available-for-sale*

Investments are classified as available-for-sale as they are intended to be held for an indefinite period. These investments may be sold in response to needs for liquidity or changes in interest rates or equity prices. These investments are carried at fair value, based on quoted market prices where available. However, where a reliable measure is not available, cost is appropriate. The majority of these investments continue to be carried at cost as in almost all cases they are not traded on an active market and methods of reasonable estimation of fair value are unavailable. Where available-for-sale investments are carried at fair value unrealized gains or losses are recognized directly in equity until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognized in profit or loss. Available-for-sale investments are included in non-current assets unless management intends to dispose of the investment within twelve (12) months of the date of the statement of financial position.

#### *Fair Value*

Fair value amounts represent the approximate values at which financial instruments could be exchanged in current transactions between willing parties. However, the Credit Union's financial instruments lack an available trading market and therefore it is not possible to determine independently the estimated fair values. The fair values of the financial instruments are therefore considered to approximate their book value.



**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
**(continued)**



**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

***(d) Financial instruments (continued)***

*Impairment of financial assets*

The Credit Union assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial assets or group of financial assets is impaired includes observable data that comes to the attention of the Credit Union about the following loss events:

- (i) Significant financial difficulty of the issuer or obligator.
- (ii) A breach of contract, such as default or delinquency in interest or principal payments.
- (iii) It is becoming probable that the borrower will enter in bankruptcy or other financial re-organization.
- (iv) The disappearance of an active market for that financial asset because of financial difficulties.
- (v) Observable data indicating that there is a measurable decrease in the estimated cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including adverse changes in the payment status of borrowers in the Credit Union or national or economic conditions that correlate with defaults on assets in the Credit Union.

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

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
**(continued)**



**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Financial Instruments (continued)**

Impairment losses are recorded in an allowance account and are measured and recognised as follows:

(1) Financial assets measured at amortised cost

The difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate is recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improvement in the debtor's credit rating). The previously recognised loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised at the date that the impairment is reversed. The amount of the reversal is recognised in the statement of comprehensive income.

*Financial Liabilities*

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

Financial liabilities are de-recognised 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 paid is recognised in the statement of comprehensive income.

**(e) Foreign Currencies**

Foreign currency transactions during the year have been effected at the rates of exchange ruling at the dates of the transactions. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the statement of comprehensive income.

**(f) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates and assumptions used.

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### ***(g) Provision for loan losses***

Allowance for doubtful loans are based on the requirements of the Co-operative Societies Act - 2011 and the PEARLS Standards which recommends that delinquent loans less than three hundred and sixty-five (365) days in arrears are provided for to the extent of 35% while those in excess of that period are provided for in full. The Credit Union has further defined its provision policy taking into account security values on property. For loans that are secured by property, the policy dictates that a forced sale value of 70% of the market value be taken into consideration. Therefore if the 70% of forced sale value is greater or equal to 110% of the loan balance no provision is made. However, if the forced sale value is less than 110% of the loan balance for arrears between 61-365 days and over 365 days provision is made for the difference between the loan balance and the forced sale value.

### ***(h) Cash and Cash Equivalents***

For the purposes of the cash flow statements, cash and cash equivalents comprises of cash on hand and at bank and short – term fixed deposits within original maturity of three months or less.

### ***(i) Dividends***

Dividends that are proposed and declared during the period are accounted for as an appropriation of retained earnings in the statement of changes in equity.

Dividends that are proposed and declared after the statement of financial position date are not shown as a liability on the statement of financial position but are disclosed as a note to the financial statements.

### ***(j) Employee Benefits***

The Credit Union operates a defined contribution pension plan. The Credit Union pays fixed contribution 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.

### ***(k) 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 situated at Morne Jaloux, La Borie and Grand Anse, St. George's held for long-term yields. Investment property is treated as a long-term investment and is carried at cost.

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
**(continued)**



**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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 that may have the most effect on the financial statements are set out below.

*Valuation of property*

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

*Impairment of loans*

Provision is made for doubtful debts based on the specific identification of doubtful balances. As debts become uncollectible they are written off against the provision.

*Fair value of available-for-sale 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 exist the investment is carried at cost.

**4. MEMBERS' LOANS**

	<b>2014</b>	2013
General loans	184,918,340	169,675,663
Less: allowance for doubtful loans	<u>3,690,490</u>	<u>4,057,366</u>
	<u><b>\$181,227,850</b></u>	<u><b>\$165,618,297</b></u>

**5. INVESTMENT PROPERTY**

Land at cost – 1 <sup>st</sup> January, 2014	4,697,865	4,673,129
Additions during the year	<u>-</u>	<u>24,736</u>
Balance at 31 <sup>st</sup> December, 2014	<u><b>\$4,697,865</b></u>	<u><b>\$4,697,865</b></u>

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
(continued)

**6. FINANCIAL ASSETS**

**Loans and Receivables**

	<b>2014</b>	2013
Bank of St. Lucia – Fixed rate note	848,000	848,000
Grenada Co-operative Bank Limited - Fixed deposit	1,081,575	1,045,000
Government of Grenada - Treasury bills	3,132,860	3,020,060
Government of St. Lucia - Treasury bills	1,415,906	1,351,700
Government of Antigua & Barbuda – Treasury bills	560,898	532,756
Government of St. Vincent – Fixed rate bond	1,042,304	1,002,214
Grenada Co-operative League Limited - Fixed deposit	1,282,764	1,219,030
– Deposit account	63,252	61,350
First Citizens Investment Limited	444,523	427,336
Grenada Union of Teachers Credit Union - Fixed deposit	2,849,456	2,688,166
Communal Co-operative Credit Union Ltd - Fixed deposit	<u>2,001,037</u>	<u>1,905,750</u>
	<u><b>\$14,722,575</b></u>	<u><b>\$14,101,362</b></u>

**Available - for - Sale**

East Caribbean Cooperative Central Limited		
- 5,000 shares of \$100 each	50,000	50,000
Grencan Investments Limited		
- 40,000 ordinary shares of \$2.50	100,000	100,000
Grenada Co-operative League Limited		
- 11,717 ordinary shares of \$5.00 each	76,095	76,095
East Caribbean Home Mortgage Bank		
- 194 shares of \$160 each	31,040	31,040
- 625 shares of \$160 each	100,000	100,000
- 1,560 shares of \$160 each	249,600	249,600
Corporation Enterprise Finance Facility Limited		
– 10,000 shares \$50 each	500,000	-
Grenada Co-operative Bank Limited		
- 47,765 shares of \$7.00 each	<u>334,355</u>	<u>334,355</u>
	<u><b>\$1,441,090</b></u>	<u><b>\$941,090</b></u>

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
(continued)



**7. PROPERTY, PLANT AND EQUIPMENT**

	Work in Progress	Freehold land and Building	Furniture, Fixtures and Equipment	Computer Equipment and Software	Automatic Teller Machine
Balance at 1 <sup>st</sup> January, 2013	30,275	2,431,045	560,352	784,644	612,181
Accumulated depreciation	<u>-</u>	<u>(359,778)</u>	<u>(286,188)</u>	<u>(577,230)</u>	<u>(612,180)</u>
<b>NET BOOK VALUE</b>	<b><u>\$30,275</u></b>	<b><u>\$2,071,267</u></b>	<b><u>\$274,164</u></b>	<b><u>\$207,414</u></b>	<b><u>\$ 1</u></b>
<b>For year ended 31<sup>st</sup> December, 2013</b>					
Opening book value	30,275	2,071,267	274,164	207,414	1
Additions for the year	-	-	19,029	37,483	-
Disposals for the year	-	-	(655)	-	-
Depreciation charge for year	<u>-</u>	<u>(34,428)</u>	<u>(42,727)</u>	<u>(115,268)</u>	<u>-</u>
<b>NET BOOK VALUE</b>	<b><u>\$30,275</u></b>	<b><u>\$2,036,839</u></b>	<b><u>\$249,811</u></b>	<b><u>\$129,629</u></b>	<b><u>\$ 1</u></b>
Balance at 1 <sup>st</sup> January, 2014	30,275	2,431,045	574,141	822,127	612,181
Accumulated depreciation	<u>-</u>	<u>(394,206)</u>	<u>(324,330)</u>	<u>(692,498)</u>	<u>(612,180)</u>
<b>NET BOOK VALUE</b>	<b><u>\$30,275</u></b>	<b><u>\$2,036,839</u></b>	<b><u>\$249,811</u></b>	<b><u>\$129,629</u></b>	<b><u>\$ 1</u></b>
<b>For year ended 31<sup>st</sup> December, 2014</b>					
Opening book value	30,275	2,036,839	249,811	129,629	1
Additions for the year	-	8,849,688	63,772	43,441	50,354
Adjustment/disposal during the year	-	-	(2,486)	(724)	-
Depreciation charge for year	<u>-</u>	<u>(34,428)</u>	<u>(41,405)</u>	<u>(87,702)</u>	<u>(10,641)</u>
<b>NET BOOK VALUE</b>	<b><u>\$30,275</u></b>	<b><u>\$10,852,099</u></b>	<b><u>\$269,692</u></b>	<b><u>\$84,644</u></b>	<b><u>\$39,714</u></b>
Balance at 31 <sup>st</sup> December, 2014	30,275	11,280,733	635,039	858,188	662,535
Accumulated depreciation	<u>-</u>	<u>(428,634)</u>	<u>(365,347)</u>	<u>(773,544)</u>	<u>(622,821)</u>
<b>NET BOOK VALUE</b>	<b><u>\$30,275</u></b>	<b><u>\$10,852,099</u></b>	<b><u>\$269,692</u></b>	<b><u>\$84,644</u></b>	<b><u>\$39,714</u></b>



**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
**(continued)**

**7. PROPERTY, PLANT AND EQUIPMENT (continued)**

	Motor Vehicle	Leasehold Improvement	IDC Development	Total
Balance at 1 <sup>st</sup> January, 2013	100,000	282,154	-	4,800,651
Accumulated depreciation	(83,333)	(107,483)	-	(2,026,192)
<b>NET BOOK VALUE</b>	<b><u>\$16,667</u></b>	<b><u>\$174,671</u></b>	<b><u>\$ -</u></b>	<b><u>\$2,774,459</u></b>
<b>For year ended 31<sup>st</sup> December, 2013</b>				
Opening book value	16,667	174,671	-	2,774,459
Additions for the year	144,600	-	191,123	392,235
Disposals for the year	-	-	-	(655)
Depreciation charge for year	(25,262)	(39,818)	(38,225)	(295,728)
<b>NET BOOK VALUE</b>	<b><u>\$136,005</u></b>	<b><u>\$134,853</u></b>	<b><u>\$152,898</u></b>	<b><u>\$2,870,311</u></b>
Balance at 1 <sup>st</sup> January, 2014	244,600	282,154	191,123	5,192,221
Accumulated depreciation	(108,595)	(147,301)	(38,225)	(2,321,920)
<b>NET BOOK VALUE</b>	<b><u>\$136,005</u></b>	<b><u>\$134,853</u></b>	<b><u>\$152,898</u></b>	<b><u>\$2,870,311</u></b>
<b>For year ended 31<sup>st</sup> December, 2014</b>				
Opening book value	136,005	134,853	152,898	2,870,311
Additions for the year	-	-	-	9,007,255
Adjustment/disposal during the year	-	-	(2,493)	(5,703)
Depreciation charge for year	(28,920)	(39,678)	(37,227)	(280,001)
<b>NET BOOK VALUE</b>	<b><u>\$107,085</u></b>	<b><u>\$95,175</u></b>	<b><u>\$113,178</u></b>	<b><u>\$11,591,862</u></b>
Balance at 31 <sup>st</sup> December, 2014	244,600	282,154	188,630	14,182,154
Accumulated depreciation	(137,515)	(186,979)	(75,452)	(2,590,292)
<b>NET BOOK VALUE</b>	<b><u>\$107,085</u></b>	<b><u>\$95,175</u></b>	<b><u>\$113,178</u></b>	<b><u>\$11,591,862</u></b>

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
(continued)



**8. ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	<b>2014</b>	2013
Due from Communal Co-operative Credit Union Limited	34,000	-
Due from Grenada Co-operative Bank Limited – ATM	734,025	195,530
Grenada Co-operative League Limited	-	62,137
Other accounts receivable	40,762	22,551
Interest receivable	324,041	318,095
Prepaid expenses	188,659	104,272
Re-Branding prepayment	125,575	-
Government payroll receivable	790,231	4,060
Members overdraft accounts	475,473	789,407
British American Insurance Company Limited		
- Corporate savings contracts – net	3,182,624	3,182,624
Colonial Life Insurance Company Limited		
- Flexible premium annuity	<u>1,509,712</u>	<u>1,509,712</u>
	7,405,102	6,188,388
Less: Provision for impairment	<u>4,692,336</u>	<u>4,692,336</u>
	<b><u>\$2,712,766</u></b>	<b><u>\$1,496,052</u></b>

The amounts due from British American Insurance Company Limited and Colonial Life Insurance Company Limited have been provided for in full as there is considerable doubt as to their recovery.

**9. CASH AND CASH EQUIVALENTS**

Cash on hand	1,718,924	663,806
RBTT Bank Grenada Limited		
- Current account	2,150,151	2,957,974
Grenada Co-operative Bank Limited		
- Current account (i)	55,088	50,000
- Current account (ii)	4,006,521	718,211
- Current account (iii)	1,543,996	-
Republic Bank (Grenada) Limited		
- Current account	<u>499,999</u>	<u>-</u>
Cash and cash equivalents in the statement of cash flows	<b><u>\$9,974,679</u></b>	<b><u>\$4,389,991</u></b>

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
(continued)



**10. EQUITY SHARES**

These shares are of a nominal value of \$20.00 when fully paid up. Each member is required to own ten (10) shares of \$20.00 each. A minimum of \$5.00 can be paid towards the acquisition of shares.

**11. STATUTORY RESERVE**

	<b>2014</b>	2013
Balance at 1st January, 2014	8,277,641	7,740,088
Transfer – Richmond Hill Credit Union	(395)	-
Add: Receipts from loans written off	225,280	49,933
Entrance fees	19,660	16,405
Allocations for the year - 25% of surplus	<u>506,985</u>	<u>471,215</u>
<b>Balance at 31<sup>st</sup> December, 2014</b>	<b><u>\$9,029,171</u></b>	<b><u>\$8,277,641</u></b>

In accordance with Section 125 (4) of the Cooperative Societies Act No.8 of 2011, at least 20% of the surplus for the year shall be transferred to the Reserve Fund.

**12. STATEMENT OF CHANGES IN MEMBERS' EQUITY**

Accumulated surplus at 1 <sup>st</sup> January, 2013	5,443,929	4,640,893
2013-net surplus for the year	1,884,860	2,026,259
Transfer to reserves and funds	(659,702)	(607,878)
Rebate paid	(578,857)	(425,217)
Gain/(loss) on investment	<u>11,640</u>	<u>(190,128)</u>
<b>Balance at December 31<sup>st</sup>, 2013</b>	<b>6,101,870</b>	<b>5,443,929</b>
2014 Prior year adjustment (Note 23)	(175,672)	-
2014-net surplus for the year	2,027,939	1,884,860
Transfer to reserves and funds	(709,779)	(659,702)
Rebate/dividends paid	(832,555)	(578,857)
Gain/(loss) on investment	<u>-</u>	<u>11,640</u>
<b>Balance at 31<sup>st</sup> December, 2014</b>	<b><u>\$6,411,803</u></b>	<b><u>\$6,101,870</u></b>

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
(continued)



**13 DEVELOPMENT FUND**

	<b>2014</b>	2013
Balance at 1 <sup>st</sup> January, 2014	94,243	101,313
Add: Allocation for year	<u>101,397</u>	<u>94,243</u>
	195,640	195,556
Less: Remittance to Grenada Co-operative League Limited	<u>94,243</u>	<u>101,313</u>
<b>Balance at 31<sup>st</sup> December, 2014</b>	<b><u>\$101,397</u></b>	<b><u>\$94,243</u></b>

The above fund is payable to The Grenada Co-operative League Limited and is made in accordance with Section 126 of the Cooperative Societies Act No. 8 of 2011.

**14. EDUCATION FUND**

Balance at 1 <sup>st</sup> January, 2014	71,504	50,281
Add: Allocation for the year	<u>50,698</u>	<u>47,122</u>
	122,202	97,403
Less: Adjustment Expenses for the year	<u>(38,131)</u>	<u>(25,899)</u>
<b>Balance at 31<sup>st</sup> December, 2014</b>	<b><u>\$84,071</u></b>	<b><u>\$71,504</u></b>

**15. LP/LS INSURANCE FUND**

Balance at 1 <sup>st</sup> January, 2014	583,957	576,840
Contribution during the year	<u>532,838</u>	<u>501,104</u>
	1,116,795	1,077,944
Less: Settlement during the year	<u>398,151</u>	<u>493,987</u>
<b>Balance at 31<sup>st</sup> December, 2014</b>	<b><u>\$718,644</u></b>	<b><u>\$583,957</u></b>

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
(continued)

**16. BORROWINGS**

**Long-term**

	<b>2014</b>	2013
RBTT Bank (Grenada) Limited	-	1,543,661
National Insurance Scheme	-	4,702,780
Grenada Ports Authority	<u>-</u>	<u>150,000</u>
	-	6,396,441
Less: Current portion	<u>-</u>	<u>867,996</u>

**Short-term**

Borrowings - RBTT Bank Grenada Limited - current portion	-	223,927
- National Insurance Scheme - current portion	<u>-</u>	<u>644,069</u>
	-	867,996

**Total Borrowings**

\$ -      \$6,396,441

All loans were paid of during the year

**17. MEMBERS' DEPOSITS**

Term deposits	69,662,834	55,073,554
Savings	21,274,034	13,911,809
Education savings plan	8,830,252	8,014,109
Retirement savings	3,447,311	2,179,006
Insurance and group life savings plan	755,680	837,909
Excel savings	175,156	80,474
Other deposits	22,416	9,681
Micro-finance savings	<u>83,289</u>	<u>63,296</u>
	<u>\$104,250,972</u>	<u>\$80,169,838</u>

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
(continued)

**18. NON-INTEREST BEARING LIABILITIES**

	<b>2014</b>	2013
Interest payable	3,304,971	2,667,146
Sundry creditors and accruals	269,489	718,467
Other accounts payable	<u>1,136,585</u>	<u>981,519</u>
	<b><u>\$4,711,045</u></b>	<b><u>\$4,367,132</u></b>

**19. 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 risk
- Operational risk

***Risk management structure***

The Board of Directors defines the overall risk profile of the Credit Union by approving its policies and guidelines, maximum limits for exposure as well as for individual loans. The credit and finance departments are responsible for managing the risks assumed through their operations and for ensuring that an adequate return for the risks taken is achieved. The Credit Union's policies are established to identify and analyse the risks faced by the Credit Union. An environment of proper controls is continually pursued through a system of training, management standard and procedures so as to ensure that all employees understand their roles and obligations.



## **19. FINANCIAL RISK MANAGEMENT (continued)**

### ***Risk management structure (continued)***

A Credit Committee and Supervisory Committee are appointed at each Annual General Meeting. The risk management duties of the Credit Committee are focused on credit risk in the Credit Union's lending operations and the Supervisory Committee deals with operational risk profile of the Credit Union. The Management Committee acting with the authority delegated by the Board has the overall responsibility for risk management on a day to day basis. The Board has also appointed key committees such as, Policy Review Committee, Investment Committee, and Audit Committee to mitigate certain operational risks.

### ***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 loans to members and from its investments. The Credit Union's maximum exposure to risk is the carrying amount of the financial assets.

Concentration of credit risk exists if a number of clients are engaged in similar activities or are located in the same industry sector or have similar economic characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the credit union's performance to developments affecting a particular industry or geographical location.

### ***Management of Credit Risk***

The Board of Directors through the Management and Credit Committee are responsible for the oversight of the Credit Union's credit risk. Some of the key responsibilities are as follows:

- Formulating credit policies, establishing collateral requirements, credit assessment, establishing documentation and legal procedures and implementing procedures to ensure compliance requirements.
- Establishment of authorization structure for loan approvals.
- Reviewing and assessing credit risk.

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
(continued)

**19. FINANCIAL RISK MANAGEMENT**

***Management of Credit Risk (continued)***

i) Members' 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.

ii) 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 strong. Also the market for investments is monitored regularly to ensure that returns are guaranteed.

*Exposure to credit risk*

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

	Maximum exposure <b>2014</b>	2013
Members' loans	181,227,850	165,618,297
Loans and receivables financial assets	14,722,575	14,101,362
Available-for-sale financial assets	1,441,091	941,090
Accounts receivables and prepayments	2,712,766	1,496,052
Cash and cash equivalents	<u>9,974,679</u>	<u>4,389,991</u>
	<b><u>\$210,078,961</u></b>	<b><u>\$186,546,792</u></b>

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
**(continued)**

**19. FINANCIAL RISK MANAGEMENT (continued)**

	Members' Loans	Loans and Receivables Financial Assets	Available-for- Sale financial Assets	Accounts Receivable and Prepayments	Cash and Cash Equivalents	Total
<b>Balance at 31<sup>st</sup> December, 2014</b>						
Agriculture	829,271	-	-	-	-	829,271
Small business	3,277,267	-	-	-	-	3,277,267
Mortgages	94,640,785	-	-	-	-	94,640,785
Personal	86,171,017	-	-	-	-	86,171,017
Finance	<u>-</u>	<u>14,722,575</u>	<u>1,441,090</u>	<u>2,712,766</u>	<u>9,974,679</u>	<u>28,851,110</u>
Allowance for doubtful loans	184,918,340 (3,690,490)	14,722,575 <u>-</u>	1,441,090 <u>-</u>	2,712,766 <u>-</u>	9,974,679 <u>-</u>	213,769,450 (3,690,490)
	<b><u>\$181,227,850</u></b>	<b><u>\$14,722,575</u></b>	<b><u>\$1,441,090</u></b>	<b><u>\$2,712,766</u></b>	<b><u>\$9,974,679</u></b>	<b><u>\$210,078,960</u></b>

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
**(continued)**

**19. FINANCIAL RISK MANAGEMENT (continued)**

**Analysis of members' loans past due and not impaired:**

	Neither past due nor impaired	Past due and not impaired 1-3 months	Total
	\$	\$	\$
<b>2014</b>	<u>172,446,591</u>	<u>1,954,218</u>	<u>174,400,809</u>
2013	<u>164,358,721</u>	<u>1,259,576</u>	<u>165,618,297</u>

**Analysis of individually impaired financial assets:**

	Carrying Value	Provision	Net book value	
	\$	\$	2014 \$	2013 \$
Members' loans	<u>12,471,749</u>	<u>3,690,490</u>	<u>8,781,259</u>	<u>9,619,820</u>
Accounts receivable and prepayments	<u>4,692,336</u>	<u>4,692,336</u>	<u>-</u>	<u>-</u>

**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 and the borrower can no longer meet the obligation, and that proceeds from collateral will not be sufficient to recover the entire exposure.

**Collateral**

The Credit Union employs the use of collateral as a risk mitigation tool hence maintaining its credit risk exposure within acceptable levels. The Credit Union holds collateral against loans in the form of registered mortgages over property, bill of sales on motor vehicles and other assets, liens or deposit on shares, guarantees and promissory notes. Estimates of fair value are based on the value of the collateral at the time of borrowing and are generally not updated except when a loan is individually assessed as impaired. The Credit Union has the right to dispose of repossessed properties the proceeds of which are used to repay the outstanding loan balances.

**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
(continued)



**19. FINANCIAL RISK MANAGEMENT (continued)**

***Liquidity Risk:***

Liquidity risk is the risk that the Credit Union will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

***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 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 borrowings.

***Exposure to liquidity risk***

The table below shows a maturity profile of the Credit Union's financial liabilities.

	On Demand	Up to 1 year	1 to 5 years	Over 5 years	Total
Financial liabilities					
Members' deposits	104,250,972	-	-	-	104,250,972
Members' regular shares	32,458,591	10,582,459	25,157,568	24,176,954	92,375,572
Non-interest bearing liabilities	1,406,074	398,033	2,906,938	-	4,711,045
Other liabilities	<u>108,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,012</u>
<b>Balance at 31<sup>st</sup> December, 2014</b>	<b><u>\$138,223,649</u></b>	<b><u>\$10,980,492</u></b>	<b><u>\$28,064,506</u></b>	<b><u>\$24,176,954</u></b>	<b><u>\$201,445,601</u></b>

	On Demand	Up to 1 year	1 to 5 years	Over 5 years	Total
Financial liabilities					
Members' deposits	80,169,838	-	-	-	80,169,838
Members' regular shares	40,074,037	2,919,551	14,457,529	23,512,852	80,963,969
Borrowings	-	867,996	5,486,631	41,814	6,396,441
Non-interest bearing liabilities	1,699,936	1,084,418	1,582,778	-	4,367,132
Other liabilities	<u>223,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,697</u>
<b>Balance at 31<sup>st</sup> December, 2013</b>	<b><u>\$122,167,508</u></b>	<b><u>\$4,871,965</u></b>	<b><u>\$21,526,938</u></b>	<b><u>\$23,554,666</u></b>	<b><u>\$172,121,077</u></b>

**19. FINANCIAL RISK MANAGEMENT (continued)**

***Currency Risk:***

Currency risk is the risk that the value of future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Credit Union operates primarily in Eastern Caribbean Currency and is therefore not subject to significant foreign currency risk. However, some of the Credit Union's transactions are in United States dollars but as the Eastern Caribbean Dollar is fixed to the United States Dollar, there is no significant currency risk exposure.

***Interest Rate Risk:***

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

***Exposure to interest rate risk***

Floating rate instruments 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 rate risk***

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

***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, personnel, 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 risks arise 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



**GRENADA PUBLIC SERVICE (CO-OPERATIVE) CREDIT UNION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER, 2014**  
(continued)



**20. INCOME TAX**

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

**21. COMMITMENT**

At the date of the statement of financial position, the un-disbursed loans committed amounted to approximately \$4.7 million.

**22. BOARD COMMITTEE AND MANAGEMENT PERSONNEL**

At year end the following facilities were held by Board and Committee members and senior members of staff of the Credit Union.

	<b>2014</b>	2013
Loans	3,758,119	3,622,285
Less: Deposits	<u>1,186,093</u>	<u>1,013,818</u>
	<b><u>\$2,572,026</u></b>	<b><u>\$2,608,467</u></b>

**23. PRIOR YEAR ADJUSTMENT**

Accrued vacation understated	95,672	-
IDC fees understated	<u>80,000</u>	<u>-</u>
	<b><u>\$175,672</u></b>	<b><u>\$ -</u></b>



# Budgeted Statement of Financial Position for year ended 2015 and 2016

	Budget 2014	Actual 2014	2015	2016
<b>Earning Assets</b>				
Gross Loans	182,754,794	184,918,340	204,810,174	227,291,191
Less: Provision for loan bad debts	(4,557,366)	(3,690,490)	(4,190,490)	(4,690,490)
<b>Net loans</b>	<b>178,197,428</b>	<b>181,227,850</b>	<b>200,619,684</b>	<b>222,600,701</b>
Short Term Investments	18,884,373	14,722,575	19,722,575	25,522,575
Long Term Investments	941,090	1,441,090	1,441,090	1,441,090
Development Lands	4,697,865	4,697,865	4,697,865	4,697,865
<b>Total Earning Assets</b>	<b>202,720,756</b>	<b>202,089,380</b>	<b>226,481,214</b>	<b>254,262,231</b>
<b>Non Earning Assets</b>				
Fixed Assets	4,482,890	11,591,862	19,216,614	21,346,614
Building WIP	1,000,000			
Receivables & prepayments	2,000,772	2,712,766	2,948,031	3,080,196
Cash on Hand & in Bank	4,819,933	9,974,679	8,853,968	7,039,031
<b>Total Non-Earning Assets</b>	<b>12,303,595</b>	<b>24,279,307</b>	<b>31,018,613</b>	<b>31,465,841</b>
<b>Total Assets</b>	<b>215,024,351</b>	<b>226,368,687</b>	<b>257,499,827</b>	<b>285,728,072</b>
<b>Liabilities</b>				
Members' Regular Shares	84,807,681	92,375,572	98,375,572	104,375,572
Savings	94,582,093	104,250,972	125,778,688	144,401,827
External Credit	5,374,665			
Non Interest Bearing Liabilities	4,364,348	4,711,045	4,946,310	5,078,436
Staff pension benefit	226,481	108,012	101,602	106,682
<b>Total Liabilities</b>	<b>189,355,268</b>	<b>201,445,601</b>	<b>229,202,172</b>	<b>253,962,517</b>
<b>Capital</b>				
<b>Institutional Capital</b>				
Members' Equity Shares	8,696,696	8,333,352	10,133,352	12,633,352
Statutory Reserve	8,631,265	9,029,171	8,734,938	8,309,539
Accumulated Surplus	7,302,878	6,411,803	8,157,982	9,413,987
Earnings for Current Year				
<b>Total Institutional Capital</b>	<b>24,630,839</b>	<b>23,774,326</b>	<b>27,026,272</b>	<b>30,356,878</b>
<b>Other Funds &amp; Reserves</b>				
Development Fund Reserve	150,725	101,397	129,347	95,920
Education of Members Reserve	116,866	84,071	143,744	173,984
Education Savings Plan Fund	94,808	106,653	121,653	161,893
LP/LS Insurance Fund	595,636	718,642	778,642	868,642
Provident Fund	80,209	137,996	97,996	108,236
<b>Total Capital</b>	<b>1,038,244</b>	<b>24,923,086</b>	<b>28,297,655</b>	<b>31,765,554</b>
<b>Total Liabilities &amp; Capital</b>	<b>215,024,351</b>	<b>226,368,687</b>	<b>257,499,827</b>	<b>285,728,072</b>

# Budgeted Statement of Comprehensive Income as at December 31st 2015 and 2016

	Budget 2014	Actual 2014	Variance	Budget 2015	Budget 2016
<b>Income</b>					
Net Loan Income	17,395,373	16,353,811	(361,734)	17,947,783	19,407,460
Total Non- Loan Income	954,611	991,710	(3,867)	1,007,115	1,047,357
Total Income	18,349,984	17,345,521	(365,601)	18,954,898	20,454,817
<b>Cost/Expenses</b>					
Total Financial Cost	9,131,103	9,299,583	(168,480)	9,587,568	10,384,797
<b>Gross Margin</b>	<b>9,218,881</b>	<b>8,045,938</b>	<b>(197,121)</b>	<b>9,367,330</b>	<b>10,070,020</b>
<b>Operating Expenses</b>					
Personnel Expenses	2,749,776	2,361,467	388,309	3,078,250	3,147,412
Member Interest Protection	386,200	379,418	(8,218)	458,200	685,200
Marketing Expenses	690,000	609,633	80,367	623,000	703,000
General & Admin Expenses	1,550,472	1,387,474	187,056	1,653,200	1,774,800
Depreciation	327,935	280,001	47,934	467,748	1,250,000
<b>Total Operating Expenses</b>	<b>5,704,383</b>	<b>5,017,993</b>	<b>695,448</b>	<b>6,280,398</b>	<b>7,560,412</b>
Operating Surplus	3,514,498	3,027,945	(892,569)	3,086,932	2,509,608
Provision for Risk Assets	500,000	1,000,000	(500,000)	500,000	500,000
<b>Surplus Before Appropriation</b>	<b>3,014,498</b>	<b>2,027,945</b>	<b>(986,553)</b>	<b>2,586,932</b>	<b>2,009,608</b>

## Capital Budget 2015-2016

	2015	2016
Computer Hardware	732,500	67,500
Computer Software	125,000	3,052,500
Furniture and Equipment	1,420,000	60,000
Building	3,400,000	-
ATM	360,000	-
Rebranding	100,000	-
Morne Jaloux Land	800,000	-
Carriacou Land/Building	240,000	200,000
Vehicle	115,000	-
<b>Total</b>	<b>7,292,500</b>	<b>3,380,000</b>



# RESOLUTIONS

## 1. ALLOCATION OF SURPLUS

WHEREAS the Credit Union paid interest of 5% on Regular Shares amounting to **\$4,213,294** to its Members during 2014

And WHEREAS the Board has approved a further payment in the form of LOAN INTEREST REBATE of 3% amounting to \$509,141 which shall to be paid to members within one week of the AGM

And WHEREAS the Credit Union earned a surplus of \$2,027,939 for the year ended December 31<sup>st</sup> 2014 and a balance of \$1,318,160 remains unallocated after making the required Statutory and other allocations for the year

AND WHEREAS\_ the highest rate of dividends on Equity Shares allowable under the Co-operative Society's Act and Regulations is 6%

BE IT RESOLVED\_

That a dividend payment on EQUITY SHARES of 6% amounting to \$431,825 is paid to Members.

## 2. APPOINTMENT OF AUDITORS - 2015

WHEREAS the Annual General Meeting of 1999 approved the firm of Pannell Kerr Forster as the Credit Union's Auditor and the firm has been providing auditing services to the Credit Union since that date

AND WHEREAS the firm continues to provide satisfactory service to the Credit Union

**BE IT RESOLVED** that the firm of Pannell Kerr Forster be appointed as the Credit Union's auditors for the year 2015.

### **3 APPROVAL OF BUDGET**

WHEREAS it is required under the Credit Union's By-laws (section 37(2h) that the budget be approved by the Annual General Meeting

AND WHEREAS this budget is presented for the consideration of the meeting on pages 79-81 of the Annual Report and is highlighted as follows:

	<u>2015</u>	<u>2016</u>
Total Assets	\$257.6M	\$285.7M
Net Loans	200.6M	222.6M
Total Income	18.95M	20.45M
Total Expenses	16.37M	18.45M
Surplus	2.59M	2.01M
Capital Expenditures	7.29M	3.38M

**BE IT RESOLVED** that the budget, as presented, is approved.

### **4. REIMBURSEMENT OF EXPENSES TO COMMITTEES**

**WHEREAS** it is provided for under section 94 (2) of the Co-operative Societies Act No 8 of 2011 that Directors and members of Committees may be reimbursed for expenses incurred by reason of the performance of their duties.

And WHEREAS it was approved by the AGM at its meeting of 24th April 2014 that members of the Board and Committees would be reimbursed on the following basis effective 1st May 2014:

Board of Directors

- President \$500/ per month





- Secretary & Treasurer \$350/ per month
- Other Directors \$300/month

Supervisory Committee:

- Chairman & Secretary: \$350/ per month
- Other Members \$300/month

Credit Committee:

- All Members \$75.00 Per Meeting
- Chairman and Secretary \$60.00 per month additional

And WHEREAS subsequent to the AGM the Credit Committee's reimbursement was reviewed to maintain a differential with other committees' reimbursements that is consistent with the differential prior to the increase,

**BE IT RESOLVED** that the reimbursements made to the Credit Committee be adjusted to the following:

- All Members \$85.00 Per Meeting
- Chairman and Secretary \$90.00 per month additional

BE IT RESOLVED further that this adjustment be made effective May 1<sup>st</sup> 2014 to be consistent with that of the Board and Supervisory and Compliance committee.

# MINUTES OF AGM 2014

## **Minutes of the 67<sup>th</sup> Annual General Meeting of the Grenada Public Service Co-operative Credit Union**

**Held on Thursday 24<sup>th</sup> April 2014  
At the Trade Centre Annex, Grand Anse St. George's**

### **AGM14/01    *Call to Order and Welcome***

The meeting began at 3:00 pm with the Credit Union prayer.

Sis. Jennifer Victor-Wilshire led the meeting in the National Anthem.

President Bro. Phillip Telesford welcomed everyone to the 67<sup>th</sup> Annual General Meeting.

A moment of silence was observed in respect of all deceased members for the period as listed on pages 33-44 of the Annual Report.

Excuses for absences were given on behalf of the following members: Sir. Reginald Palmer, Sis. Merina Jessamy, Sis. Gerlan Peters, and Bro. Terrence Victor.

### **AGM14/02    *President's welcome***

The President, Bro. Phillip Telesford, congratulated members on the recently concluded successful year of business where the credit union reported an operating surplus of \$3.1M.

He emphasized that despite the current economic and financial challenges faced by our country, it is not the time to decelerate. The game plan of the credit union should be carefully examined in order to face the unpredictable future which confronts us.

Bro. Telesford reiterated that management within the credit union movement refers to every member of the Governance Structure and consequentially actions and decisions should be driven by our passion, commitment and love for our credit union.

He concluded by thanking our founding fathers who summoned the courage to initiate the GPSCCU at a time when the world was in no better shape than it is today. He also thanked past leaders for offering



strong leadership over the past years. Members of the Board of Directors, Supervisory and Compliance and Credit Committees, Management and Staff were recognized for their co-operation and dedication though out the year.

**AGM14/03    *Greetings from Guest Societies***

Bro. John Marryshow, Communal Co-operative Credit Union expressed warm and fraternal greetings from his Board, Management and Membership. He congratulated the GPSCCU on their performance and on the theme chosen which was very applicable to today's economic climate.

Bro. Joaquim Phillip, Gateway Co-operative Credit Union congratulated the GPSCCU on achieving great success during economically challenging times. He also commended the GPSCCU on being a role model for the smaller credit unions to follow.

Bro. Norman Price, G.T.A.W.U. Co-operative Credit Union applauded the GPSCCU for the hope brought to the sector by providing the leadership spoken off by our vision statement. He echoed the chorus of the credit union song and reiterated the need for us to live by its words, "Together, we give and receive. Together, we help each other achieve. Cause in our world today, it's not safe to be alone"

Bro. Christopher De Allie read the solidarity message from the River Saltee Co-operative Credit Union. The message commended the GPSCCU on the theme chosen which poignantly highlighted one of our Credit Union objectives to uphold the highest qualities of professional service to the nation.

**AGM14/04    *Official Remarks***

**Grenada Co-operative League**

Bro. Leroy Cadet, President Board of Directors, Grenada Co-operative League and Vice President, Board of Directors, Grenville Co-operative Credit Union brought greetings and commendations from both institutions. He praised the GPSCCU on all its new initiatives and growth despite challenges in the local economic sector. He emphasized the use of co-operation to correct the weaknesses within institutions in the movement. He encouraged members to support their credit union's plans and programs.

**GARFIN**

Bro. Denis Felix, made remarks on behalf of the regulator, GARFIN. He commended the GPSCCU on its performance during the last year. He stated that despite economic challenges the movement has remained robust and resilient as at December 2013.

He informed the meeting that GARFIN had participated in regional meetings with regulators and credit union leaders which highlighted the need for more active involvement in regulation through the strengthening of policies and procedures. Regulatory action alone, however, was insufficient to protect credit unions in the region. He explained that projections showed that 2014 was proving to be as challenging as previous years for the credit union sector with members seeking new loans and other financial support as more people became burdened by financial constraints. He pledged GARFIN's support to continue with its close regulatory oversight of lending and risk assessment of credit unions. He urged the membership to redirect its focus to one of thrift and credit management and to plan carefully for the times ahead.

### **Ministry of Economic Development, Trade, Planning and Co-operatives**

Hon. Oliver Joseph, Minister for Economic Development, Trade, Planning and Co-operatives commended the members on the large turnout to discuss matters relating to their credit union. He stated that many can boast of the tangible benefits received from the Credit Union in terms of education and housing which has led to the expansion and stabilization of the middle class. He noted the suitability of the theme chosen and recommended that members should not only be tied to the vision but must first share in the vision of the GPSCCU. He invited credit unions to support the work of Government and also pledged Government's support to the credit union sector as it continues to provide assistance to its membership.

#### ***AGM14/05    End of Official Session***

The Chairman thanked the speakers for their words of congratulations, advice and recommendations. The Official Session of the Meeting ended.

#### ***AGM14/06    Nominating Committee's Report***

Bro. Phillip Telesford, Chairman of the Nominating Committee, presented the Nominating Committee's report which was highlighted as follows:

1. Board of Directors  
There were three (3) vacancies to be filled. The incumbents were completing their first term of office and were therefore eligible for re-election.
2. Supervisory and Compliance Committee
3. There was one (1) vacancy to be filled. The incumbent were completing their first term of office and were therefore eligible for re-election.



### 3. Credit Committee

There were two (2) vacancies to be filled. The incumbents were completing their first term of office and were therefore eligible for re-election.

The Nominees to fill the positions were:

#### **Board of Directors**

Bro. Francis Balwant

Bro. Chris De Allie

Bro. Garvin Roberts

#### **Supervisory and Compliance Committee**

Sis. Merryl Sylvester

#### **Credit Committee**

Bro. Adrian Joseph

Bro. Maximus Lazarus

There were no nominations from the floor.

Matters arising from report:

1. A comment was made to remove deliberations number 2 of the nominations committee's report regarding the non-acceptance of 'self' nominations by the committee.

The meeting voted and it was unanimously decided that the statement be kept in the report since it was part of the deliberations of the committee.

A motion to adopt the nominations committee report was made by Bro. Roland Medford and seconded by Sis. Marian Langaigine.

With no nominations from the floor the nominees for the various Committees were unanimously elected.

The composition of the Committees following the elections was:

#### **Board of Directors**

Sis. Gemma Bain-Thomas

Sis. Annette Henry

Bros. Phillip Telesford  
Francis Balwant  
Christopher De Allie  
Garvin Roberts  
Carlyle Felix  
Ernie James  
Duane Noel

### **Credit Committee**

Bros. Justin Hazzard  
Tawfiq Adrian Joseph  
Terrence Victor  
Maximus Lazarus  
Dorran Strachan

### **Supervisory & Compliance Committee**

Bro. Alan Francis  
Sisters Merina Jessamy  
Merryl Phillip-Sylvester  
Karel Hood  
Shirlyn Decoteau-Sayers

### **AGM14/07    *Consideration of Minutes of the 67<sup>th</sup> AGM***

1. A motion that the Minutes of the 66<sup>th</sup> AGM are taken as read was moved by Bro. Justin Hazzard and seconded by Sis. Yvonne Francis.
2. Corrections to the Minutes  
  
The minutes were corrected as follows:
  - a. Ref. AGM booklet page 90 "Grande" corrected to read "Grand."
  - b. Ref. AGM booklet page 98 "Bros" corrected to read "Bro".
3. The Minutes were confirmed on a motion moved by Bro. Phillip Telesford and seconded by Sis. Meryl Phillip-Sylvester.





4. Matters Arising From The Minutes

1. Church Street Building

Explanation was sought as to the current status with the suggestion to use T.A.M.C.C. students in the construction of the church street building. The chairman explained to the meeting that during the period no work has started on the church street building.

2. Financial Counselor

The meeting inquired if the financial counselor was hired. The General Manager reported that counseling was taking place on an as-needed basis with Mr. Anthony Isaac until a full time counselor is hired.

**AGM14/07    *Board of Directors Report***

The Chairman moved a motion that the Board of Directors Report be taken as read and it carried without dissent. He then invited questions or matters arising from the Report.

Correction to Report

Ref. AGM Booklet page 18, 7<sup>th</sup> May 2014 should be changed to 7<sup>th</sup> May 2013.

A motion to adopt the Board of Directors' report was made by Bro. Phillip Telesford, seconded by Sis. Merryl Phillip-Sylvester and carried.

**AGM14/08    *Credit Committee Report***

Bro. Justin Hazzard presented the report on the behalf of Mr. Terrence Victor who was unavoidably absent. A motion that the report be taken as read was moved by Bro. Alan Francis, seconded by Sis. Yvette Lessey and carried. Bro. Hazzard highlighted the level of delinquency and urged members to provide assistance to the credit union in reaching the members who have waived on their commitments to the credit union. He also encouraged members to borrow within their means which would afford them financial ease and lower their chances of becoming delinquent.

He expressed thanks for the support given to the Credit Committee by all the members of the Board, Management and other committees.

A motion to adopt the report of the Credit Committee was moved by Sis. Yvette Lessey, seconded by Bro. Oliver Joseph and carried without dissent.

***AGM14/09 Supervisory & Compliance Committee Report***

The report of the Supervisory & Compliance Committee was given Chairman of the committee by Bro. Alan Francis.

The report highlighted the tasks planned and executed by the Committee during the period:

- Financial statement review and sign off
- Review of books and documents of the credit union
- Review of loan files
- Cash Audit
- Review of Board Minutes
- Review of the accounts of committee members, management and staff
- Review of complaints received from members
- Member confirmations.

Bro. Francis highlighted that there were general compliance however recognized the following areas for improvement:

- Policies and procedures to be completed.
- Members to adhere to the strict repayment of loans so as to avoid becoming delinquent.
- Members to be encouraged to update their information.

In conclusion, Bro. Francis thanked the Board of Directors for organizing a strategic review meeting and affording the committee the opportunity to contribute to the long term planning of the credit union. He also thanked the management, the internal auditor and staff for their support during the period. He then invited questions from the floor.

The meeting expressed concern with the loans portfolio and the status of the delinquent loans. It was also emphasized the need for the Credit Union to scrutinize person's ability to repay the loan before granting loans. Bro. Francis responded that each member has a part to play in the reduction of delinquency within the credit union.

A motion to adopt the report of the Supervisory & Compliance Committee was moved by Sis. Shirlyn De Coteau-Sayers, seconded by Sis. Merryl Phillip-Sylvester and carried without dissent.

**AGM14/10*****Treasurer's and Auditors' Report*****Auditors' Report**

The Auditors' report was presented by a representative from the Auditors Panell Kerr Foster, Sis. Michelle Bain.

The report was adopted by a motion moved by the Sis. Karel Hood, seconded by Bro. Eric Mitchell and carried.

**Treasurer's Report**

The Treasurer's Report was presented by Bro. Garvin Roberts. Bro. Roberts highlighted various areas of good performance.

He reported on the Credit Union's adherence to the PEARLS prudential standards which are the international benchmarks that Credit Unions should achieve and maintain to ensure viability.

1. Protection: the credit union passed the solvency test which addressed the ability to sustain operations.
2. Effective Financial Structure: GPSCCU continued to maintain high levels of savings and loans above the PEARLS standard of 80%.
3. Asset Quality: Overall the GPSCCU achieved an operating return on its assets of 1.6%.
4. Liquidity: The liquidity reserves as a percentage of total savings stood at 10.9% at the end of the year, as work continued to meet the PEARLS standard of 15%.
5. Signs of Growth: GPSCCU had been able to grow in most of the key areas; total assets, loans, savings, institutional capital and membership, at rates that exceeded the standard.

He then invited questions and discussions from the floor.

Explanations were sought as to the exact total for loans repurchased from ECHMB mentioned on pages 36, 37 & 47 of the AGM Booklet. The Chairman explained that the total as stated on page 47 was correct.

Clarification was also sought on page 67, "Grencan Investments Limited ordinary shares". The General Manager explained that Grencan Investments Limited operates as The Flamboyant Hotel and Villas however the company was not able to pay dividends since the shares were bought.

Explanation was sought as to why the investments in British American and CLICO were still on books after a write off was made. The Manager of Finance and Operations explained that full

provisioning was made for these investments which caused the outstanding balance on the books to be zero. The reporting of the net position would continue until final settlement made or a decision reached otherwise.

The membership requested clarification on how they would know who the delinquent members were in order to provide assistance in lowering the delinquency rate. The General Manager responded that in order to ensure members' confidentiality names could not be given out. However, co makers were being informed and members could still encourage other members to be true to their obligations with the credit union.

A motion was moved to adopt the report by Bro. Dorran Strachan , seconded by Sis. Beverly Cambridge and carried.

**AGM14/12**

**Resolutions**

1. Allocation of Surplus

The resolution to pay a dividend of 6% for the financial year ended 31<sup>st</sup> December 2013 was passed

2. Appointment of Auditors

The resolution to re appoint Pannell Kerr Foster as auditors for the period 2014 was passed.

3. Approval of Budget

The resolution to approve the budget as presented on pages 83 -85 for the year 2014 and 2015 as presented was passed.

4. Reimbursement of Expenses to Committees

After much deliberation by the meeting, a motion was passed to approve the resolution to change the reimbursement of expenses to committees as follows:

**Board of Directors**

President	\$500/per month
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Vice President, Secretary & Treasurer	\$350/per month
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Other Directors	\$300/per month
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## Supervisory & Compliance Committee

Chairman & Secretary	\$350/per month
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Other Members	\$300/per month
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## Credit Committee

All Members	\$75/per meeting
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Chairman and Secretary	\$60 per month additional
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## 5. Resolution for Mergers & Amalgamation

The resolution that the Board be authorized to proceed with any merger or amalgamation that it had finalized with any other credit union was not passed as proposed.

## 6. Resolution for Expansion of Bond

The resolution that the GPSCCU open its bond to accept CARICOM nationals as members was passed and presented.

## 7. Investment in Equity Shares

The resolution that the membership requirement as per section VII 13(1)(b) of the Credit Union's BY-Laws be amended to provide for every member to invest in Qualifying and other Equity Shares was passed as follows:

- That every member be required to invest in ten (10) qualifying shares.
- That every member be required to invest in at least (50) equity shares during the first five years of membership.
- That existing members be required to invest in at least fifty (50) equity shares over the next five years.

**AGM14/13**

***Any other Business***

1. AGM report

It was requested that AGM booklet be circulated at least one (1) week before the meeting. Bro. DeAllie, clarified that according to the resolution as passed at the AGM in 2013, the annual report was circulated electronically via the GPSCCU's website in an effort to cut cost in the printing of the booklets.

**AGM14/14**

***Adjournment***

A motion was moved to adjourn the meeting at 6:20pm by Bro. Raphael Sandy and seconded by Sis. Princess John.

A handwritten signature in black ink, appearing to be 'R. Sandy', written over a faint circular stamp.

President

A handwritten signature in black ink, appearing to be 'Princess John', written in a cursive style.

Secretary



# NOMINEES

## Nominees Recommended

### Recommendations

Giving due regard to the 'Deliberations' above the Nominations Committee's recommendations to fill vacancies on the standing committees are as follows:

#### Board of Directors

Bro. Carlyl Felix\*  
Sis. Gemma Bain-Thomas\*  
Sis. Annette Henry \*

#### Credit

Bro. Dorran Strachan\*  
Bro. Simon Lewis  
Sis. Judy Pivotte

#### Supervisory

Sis. Shirlyn DeCoteau-Sayers\*  
Bro. Pearlena Sylvester

## Board of Directors

### Bro. Carlyle Felix



Bro Carlyle Felix holds the position of Comptroller of Customs with the Government of Grenada since 1998. He holds a BSc. in Economics and Public Administration from Eastern Michigan University, USA and a Masters of Arts degree in Public Administration from Carleton University of Ottawa (Canada). During his career, he has attended many short term courses in areas such as management, training techniques, corporate governance, Advanced Negotiation, Mediation and Customs Management and Leadership. He is also on the Roster of Court- Connected Mediators of Grenada and is an Accredited Director from the Institute of Chartered Secretaries and Administrators of Canada.

Bro Felix has played a significant role in the efficiency and effectiveness of the Customs Department. A notable improvement has been made in the area of staff integrity and the introduction of modern systems and procedures.

Bro. Felix participates in various sporting activities and has been involved in a number of community development and sporting groups where he has several executive positions including leadership. Some of which includes, WICB Cricket Match Referee, a certified table tennis Match Referee and a certified table tennis Match Umpire from the international Table Tennis Federation (ITTF).

At present, Bro. Felix's focus is in the areas of administration and officiating.



**Sis. Gemma Bain-Thomas**



Sis. Gemma Bain-Thomas began her career in the Grenada Public Service as a Teacher at the Happy Hill Secondary School for the period October 1983 to August 1986 following which she proceeded to the University of the West Indies (Cave Hill, Barbados) where she attained a BSc in Public Administration and Law (1989). She also holds a Law Degree from the University of Wolverhampton (UK) which she attained in 2007.

In addition, Sis. Bain-Thomas has attended numerous post-graduate training sessions and workshops and attained certification in the areas of Public Administration, Management, Strategic Planning and Human Resource Management.

**Annette Henry**



Sis. Annette Henry currently holds the position of Registrar at the Corporate Affairs and Intellectual Property Office and has held this position since 2009. She has also served in the Grenada Public Service from 1980 to present with the exception of her years of study and a two year stint in private practice as an Attorney-at-Law attached to the firm of Danny Williams and Co. From 2007-2009. Sis. Henry holds a Bachelor of Law, LLB (Hons) from the University of the University of West Indies and a certificate in Legal Education, CLE, from Hugh Looding Law School, Trinidad.

**Credit Committee**

**Bro. Dorran Strachan**



Bro Dorran Strachan holds a Bachelor of Business Administration in Business Computer Information Systems from Midwestern State University (2001) and is a certified Microsoft Specialist. He is currently employed as a Systems Administrator in the Accountant General's Department, Ministry of Finance. Bro Strachan has served as a member on the Supervisory Committee of the Perdmontemps Co-operative Credit Union and has a wealth of experience and knowledge about the Credit Union Movement.



### **Simon Lewis**

Bro. Lewis has been a member of the Credit Union for more than twenty years now. He has served on the Credit Committee in the past and has done so with excellence. He has also received extensive training in the management of Co-operatives in 2009. Mr. Lewis has very good personal qualities both on the job and outside. He performs his duties to the best of his abilities with honesty and integrity. I am fully convinced that Mr. Lewis will be a great asset to the Credit Committee and to the GPSCCU if he is elected.



### **Judy Pivotte**

Sis. Pivotte is a Public Officer attached to the Ministry of Finance, Inland Revenue Division. She joined the Public Service in June 1987 and presently holds the post of Tax Inspector. She attended the St. Joseph Convent from 1979-1983 and the Institute for Further Education, from 1983-1985. She also attended the University of the West Indies from 1992-1994 and obtained a Certificate in Public Administration. Sis. Pivotte is also a member of the Grenada Public Service Co-operative Credit Union and has also served on the Credit Committee from 2006-2012. At present, Sis. Pivotte is in the process of pursuing a degree course in Accounting and Finance from the St. George's University.

## **Supervisory Committee**



### **Shirlyn De Coteau-Sayers**

Sis. Shirlyn De Coteau-Sayers currently holds the position of I.T Manager/System Administrator Accountant General's Department since 1998, before which she served as Accounts Supervisor for two (2) years at the Rex Grenadian Resorts. She holds a BBA in Business Computer Information Systems from the Midwestern State University and a MBA in Finance from the Colombia Southern University. Sis. De Coteau-Sayers has participated in the Implementation of Computerized financial systems in all government ministries and departments. She developed financial reports for the Government of Grenada using Microsoft Access and Cognos Reporting Systems. She also developed concise training manuals and procedures and guidelines for the Financial Information System of the Public Sector.



**Sis. Pearlana J. Sylvester FCCA CA**

Sis. Pearlana Sylvester is a chartered certified accountant with over 24 years of external auditing experience in the financial, manufacturing, hotel and retail industries and also statutory bodies and government projects funded by international institutions.

Sis. Sylvester started her career with *Touché* Ross Thorburn, Jamaica in 1989. She later joined another firm of Chartered Accountants in Grenada where she spent twenty-three years serving as audit partner from 2007 until her departure at the end of 2013. She is currently an independent consultant involved in accounting and external and internal auditing



# Notes



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