



United Enterprise

CREDIT UNION LTD.

Dream, partner, prosper with us



Hill-Selby Building

2024

ANNUAL REPORT

"Dreams Live Here!"



United Enterprise
CREDIT UNION LTD.

Dream, partner, prosper with us.
Annual Report

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"Dreams Live Here!"



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THE PRAYER OF SAINT FRANCIS OF ASSISI

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

O, Divine Master, grant that I may not
So much seek to be consoled as to console;
To be understood as to understand;
To be loved as to love;
For it is in giving that we receive;
It is in pardoning that we are pardoned;
And it is in dying that we are born to eternal life.

*This favourite prayer of Saint Francis of Assisi is often used
By Credit Union members at the beginning or at the end of
their meetings. It is even referred in some places as the
“Credit Union prayer”*



"Mission Statement

To create an atmosphere of financial stability, trust and support for our members and staff through providing relevant and contemporary financial products, personable quality service, while promoting the Credit Union's growth and financial stability.

Vision Statement

United Enterprise Credit Union aspires to be a credit union that develops a sustainable relationship with both members and staff, in a partnership that enhances their financial and social security.

Corporate Values

- Service Orientation
- Valuing Employees
 - Trust
 - Respect
- Socially Responsible



CORPORATE INFORMATION

WHO ARE WE?

United Enterprise Credit Union Ltd (UECUL) affectionately called “United” commenced operations in 1976 as Purity Co-operative Credit Union Limited. It is said that the General Manager at the time of Purity Bakeries asked Bro. Greenidge about starting a credit union since there seemed to be an appetite among the staff for loans. Bro. Greenidge welcomed the opportunity since he was involved with a Taxi Cooperative.

The first registered address of the credit union was Purity Bakeries Limited, Lower Collymore Rock, St. Michael. United Enterprise Credit Union is a financial institution operating under the Co-operatives principles which are service oriented. Initially, the space provided for the operation was a cubical in the main office allocated to the then President Bro. Leon Greenidge by Mr. Fred Goddard, Director of the Goddard Enterprise Limited who was also a member of the credit union.

To date, we cater to employees from more than fourteen (14) companies which make up our membership. Some include: Airport Restaurant Limited, Caribbean Label Craft, Courtesy Garage, Duty Free Caribbean (Formerly Harrisons), Goddard Catering, Goddard Enterprises, Hanschell Innis Limited, Hipac Limited, McBride Caribbean Limited, Purity Bakeries Limited, Tropical Battery, Tropical Laundries, Terrific Tiles, Sagicor General Insurance (Employees of Former BF&C & BCI), West Indies Rum Distillery Limited.

During 1980 – 1984 the Barbados economy went into recession. Measures instituted by the Central Bank in the banking sector led to a shift towards the Credit Union movement. For more than 6 years, volunteer and temporary workers greeted members and potential members. However, with the UECUL growing as the wider movement grew, UECUL in 1982 welcomed its first permanent team member. In the latter 80’s UECUL welcomed an Office Manager.

The Credit Union movement’s growth slowed in the early 1990’s but by the mid 1990’s the movement started to recover. However, the movements success was not mirrored at UECUL as the credit union found itself under receivership. The Receiver-Manager at that time managed the credit union’s affairs for approximately 2 years but by January 2000 control of the credit union had been returned by the Registrar to the Board of Directors.

In the 2000s, the Board, officers, and staff at the time had to focus on stabilizing the credit union. It was a challenging task but a task that could only have been done if everyone was united. Everyone embraced the mantra “United we stand, divided we fall!”

The Great Recession between 2007-2009 initiated a downturn in Barbados’ economy where there was negligible growth over the next 10 years whereas, in contrast, UECUL continued to progressively grow. Team United, true to their name, moved partially from Ratio-based lending to Risk-based lending, reduced delinquency from 14% to 5% and grew membership. Meanwhile, we have commenced a scholarship/grant program, Inaugural Flea Market and other activities to benefit the member.

UECUL’s assets stood at \$ 4.78 million in 2010, but at the end of 2024, assets stood at \$22.1 million, having quadrupled during the period.

The credit union has had several achievements:

- Membership has nearly quadrupled in size.
- Introduced new innovative products such as Green Loans.
- Diversified its investment options for membership.
- Quadrupled the loan limit.



- Evolution of a learning organization through granting local, regional, and international training to staff, officers, and Board.
- Achievement of UECUL members on the League board, committees, and sister organizations.
- Invested in renewable investments including being the first credit union granted permission to sell electricity via the grid to BL&P.
- UECUL has one branch, but it is currently analysing options to leverage technology to bring members enhanced conveniences through other services.
- Successfully completed a merger with Shamrock Co-operative Credit Union.

In our 48th year of service to members, it is important that we take the time to reflect on our successes and our bright future despite our humble beginnings. Who would have thought that the credit union that went through trials, tribulations, and challenges would bounce back and continue its strong growth is indeed impressive. Staff, Committees, and Boards have changed throughout the decades but the one constant thing throughout our history is our focus on our member-owners. The one constant is that United is more than United by name but United by nature!

On May 18, 2022, the Financial Services Commission (FSC) approved the transfer of assets from Shamrock

Co-operative Credit Union Ltd (“Shamrock”) to United Enterprise Credit Union Ltd (“UECUL”). Shamrock Co-operative Credit Union (SCCU) was established in 1947 by a group of individuals who shared the vision of providing financial assistance to low-income individuals who would not have had the opportunity at that time. This then allowed people to save money while also receiving financial assistance. SCCU was registered under Section 6 of the Co-operative Societies Act, 1949 - 1958 on May 13, 1954.

SCCU was the first credit union in Barbados with over 70 years of service to its members with a passion for social development and was a relatively small credit union with over three hundred members. SCCU’s policies were derived from the idea of pooling resources together from various members to help their fellow members through their challenging times. Shamrock offered a variety of services ranging from seasonal loans, lines of credit, and fixed deposits. United will continue to carry this great history with them.

In less than one year and on February 21st 2023, the Financial Services Commission approved the merger transfer of assets from Courtesy Co-operative Credit Union Ltd. (CCCUL). The two credit unions had been discussing merging off and on for over 20 years. The two credit unions were sister credit unions due to their relationship with the Goddard Enterprise Ltd group. Then on May 31st 2024, The FSC approved the transfer of assets from Family Co-operative Credit Union Ltd. Both United and Family share the same founder Bro. Leon Greenidge.



CORPORATE VALUES

The corporate values of an organisation should not just be words on paper, but the deeply held codes and norms that guide the behaviours and attitudes of officers and staff while serving the stakeholders. Hence, there should also be clear strategies and procedures to ensure that each officer and staff is living the values within the UECUL.

SERVICE ORIENTATION

We will seek to have highly engaged staff who are consistently developed, rewarded, and recognised for their excellent service delivery.

We will provide outstanding service constantly aware and gracious that among the options for financial services out there they have made United Enterprises their choice.

VALUING EMPLOYEES

The leadership must value and respect our employees and their contribution to our success.

Employees where possible should be rewarded for their teamwork, commitment to the credit union's objectives, and achieving them.

We respect our employees' need to balance their personal and professional lives.

TRUST

We will keep our member's information confidential and will hold our staff and leadership accountable.

RESPECT

We will promote and live by mutual respect for staff, elected officers and members.

SOCIALLY RESPONSIBLE

We will ensure that our sponsorship is socially responsible and reflects the support that defines the Credit Union Movement



BOARD OF DIRECTORS

Bro. Kevin Lashley	-	President
Sis. Nathania Eversley	-	Vice- President
Sis. Anne Marshall	-	Treasurer
Bro. Jeremy Hinkson	-	Secretary
Sis. Sherry-Ann Osbourne	-	Assistant Treasurer
Sis. Melissa Savoury-Gittens	-	Assistant Secretary
Sis. Gina Welch	-	Director

SUPERVISORY COMMITTEE

Sis. Charlotte Caddle	-	Chairperson
Sis. Marcia Goddard-Walcott	-	Secretary
Sis. Yolande Wright	-	Member

CREDIT COMMITTEE

Bro. Carlos Rochester	-	Chairman
Sis. Karen Haynes	-	Secretary
Sis. Michelle Michael	-	Member

REGISTERED OFFICE

Upstairs Pearson's Pharmacy
Upper Collymore Rock,
St. Michael

BANKS

Republic Bank
Wildey, St. Michael

First Citizens Bank (Barbados) Limited
Wildey Banking Center,
St. Michael

AUDITORS

M E Murrell & Co.
P. O. Box 624C
"Murrell House" Country Road, Bridgetown BB11000
Barbados W.I.



BOARD OF DIRECTORS



Bro. Kevin Kevin Lashley,
BSc, I-CUDE, FMP, Acc. Dir
President



Sis. Nathania Eversley
Vice-President



Sis. Anne Marshall
Treasurer



Sis. Sherry-Ann Osbourne
Assistant Treasurer



Bro. Jeremy Hinkson
Secretary



Sis. Melissa Savoury-Gittens
Assistant Secretary



Sis. Gina Welch
Director

SUPERVISORY COMMITTEE



Sis. Charlotte Caddle
Chairman



Sis. Marcia Goddard-Walcott
Secretary



Sis. Yolande Wright
Member

CREDIT COMMITTEE



Bro. Carlos Rochester
Chairman



Sis. Karen Haynes
Secretary



Sis. Michelle Michael
Member

"Dreams Live Here!"



GENERAL MANAGER



Sis. Kerry-Ann McCollin, CCUE, I-CUDE

EMPLOYEES

Bro Alex Fergusson

Member Service Officer II/Junior Loans Clerk

Sis. Crystal Storey

Loans Officer

Sis. Kim Hope

Member Services Assistant

Sis. Keanna Butler

Member Experience & Communications Officer

Sis. Lasonta Mascoll

Intern



NOTICE OF ANNUAL GENERAL MEETING

Dear Members,

You are cordially invited to attend the Annual General Meeting (AGM) of United Enterprise Credit Union Limited which will be held in the Marigold Annex at Lloyd Erskine Sandiford Centre on Saturday 2 November, 2024 at 4: 00 p.m.

AGENDA

1. Ascertainment of a Quorum
2. Call to Order
3. Prayers
4. Welcome Remarks The President
5. Greetings from other Organisations
6. Apologies for Absence
7. Minutes of the Annual General Meeting held on September 23, 2023
8. Matters Arising from the Minutes of the Annual General Meeting held on September 23, 2023
9. Minutes of the Special General Meeting held on February 17, 2024
10. Matters Arising from the Minutes of the Special General Meeting held on February 17, 2024
11. Reports
 - a. Board of Directors
 - b. Supervisory Committee
 - c. Credit Committee
12. Auditor's Report, Financial Statements & Treasurer's Report
13. Appointment of Auditor
14. Amendments to By-Laws (2, 48, 56, 63)
15. Resolutions
 - a. Transfer of Property to Subsidiary
16. Fixing of Maximum Liability
17. Elections
 - a. Board of Directors
 - b. Credit Committee
 - c. Supervisory Committee
18. Any other Business
19. Vote of Thanks
20. Termination

**Members are invited to view all documents
to be used at the AGM on our website at <https://uecul.org>**

Melissa Savoury-Gittens
Assistant Secretary



NOMINATIONS 2024

Nominees

Board of Directors

Sherry-Ann Osbourne
Michelle Michael
Pamala Murray
Melissa Savoury-Gittens

Supervisory Committee

Kerry-Ann C. McCollin

Credit Committee

Willard Mereigh

Board of Directors

Sherry-Ann Osbourne
Melissa Savoury-Gittens
Ann Marshall
Gina Welch

Outgoing Officers

Supervisory Committee

Marcia Goddard-Walcott

Credit Committee

Michelle Michael

McBRiDE

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McBride (Caribbean) Limited, Lowlands, Christ Church, Barbados BB 17046

(246) 428-7766

www.mcbridegroup.info

The McBride Group



STANDING ORDERS

- 1) a. A member is to stand when addressing the Chair
b. Speeches to be clear and relevant to the subject before the meeting
- 2) A member shall only address the meeting when called upon by the Chariman to do so, after which they must immediately take their seat.
- 3) No member shall address the meeting except through the Chairman.
- 4) A member may not speak twice on the same subject except: -
 - a. The Mover of a Motion – who has the right to reply
 - b. He raises to object to or 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 of reply.
- 6) No Speeches are to be made after the “Question” has been put and carried or negatives.
- 7) A member rising on a “Point of Order” to state the point clearly and concisely. (A Point of Order” must have relevance to the “Standing Order”).
- 8) a. A member should not “call another member” to order – but may draw the attention of the Chair to the “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”, Proceeds to the Next Business” or the “Closure”. That the question be NOW PUT”, may be moved at any time
- 10) Only one amendment should be before the meeting at the same time.
- 11) When a motion is withdrawn, any amendments to it fails.
- 12) The Chairman to have the right to a “Casting Vote”.
- 13) If there is equality on the voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
- 14) Provision to be made for the protection by the Chairman from vilification (personal abuse).
- 15) No member shall impute motives against another member



Kevin Lashley
BSc, I-CUDE, FMP, Acc. Dir

President
Board of Directors

*"The future belongs to those who believe in the beauty of their dreams."
Eleanor Roosevelt*

"It would be a dream if United and Family could merge. Why can't United and Courtesy merge?" These were the words that the common founder of both United and Family credit union - Bro. Leon Greenidge said to me as we stood outside the Goddard Training Facility. I am pleased to see not just one but both these mergers while appearing unlikely were completed. I would later learn Bro. Greenidge was the Best Man at my parents wedding and being the curious person that I am, I can only imagine that he asked my father, what about if he and my mother - you guessed it merged? Without that merger and the delay of a miscarriage, there would be no me.

As I reflected on Bro. Greenidge's words "It would be a dream..." under the star speckled sky in my patio, these words rang in my ear. I paused and pondered, why? Then it came to me. I had heard these same exact words so many times from our members:

It would be a dream, if my son could go to university.
It would be a dream, if I could get a car

But its not just our members who dream but our staff and officers. It would be a dream, if we could offer cards to our members.

Through God's grace we have turn "coulds" into "dones". Been there done that!

I want you to know that many of us can identify with those dreams. Some of these dreams cause us not to be able to sleep at night. As we look back in life, we know our dreams come to fruition by who we partner with personally... professionally... and spiritually. Sometimes we realize we have wasted years, years we can't get back. A parked car (nice rims, nice paint) looked like it was going somewhere until you got in. Members, staff and Volunteers, we can attest to the fact that many of these dreams were fulfilled by the credit union- a first car, a first job. Indeed we can say "Dreams Live Here!" and this is our theme. It encapsulates our ethos that we are partners in turning dreams to reality. Stay tuned and stay with United. United is going places.

Technological Advances

This year I am pleased to report that our members have access to a pre-paid debit mastercard. That United is only the 6th credit union to have this facility speaks volumes to the vision of our leadership.

However, more has to be done. To remain competitive, significant resources will have to be invested in information technology to enhance member experience and remain sustainable in the digital age

Human Capital

We are nothing without our people. Over the past 7 years United has used both online portals, conventional and



international means to train our people. Leadership training, Governance, anti-money laundering, inter alia ensure our team is equipped for the 21st Century. Our courier turned General Manager's 3 global awards is testament to this.

Hill-Selby Building

Members will recall that a few years ago when Shamrock Co-operative Credit Union Ltd transferred its assets to United that a building was among the assets transferred. This year we were able to provide significant remedial work to the property.

Members will also recall that we created a subsidiary United Enterprise Investment Inc. We believe this is an asset that can be transferred to the subsidiary and we will be seeking your support later in the meeting to do this.

Strong Financial Performance

We are proud to report exponential growth in key financial areas for the period ended June 30, 2024. From increases in our loan portfolio, deposits, assets, delinquency lower than the credit union movement's average of 13%, institutional capital and the highest net surplus in our 48 years. Our Credit Union's financial performance underscores our strength in our people – our staff, our volunteers and our members. This result could not have been attained without us all..

Looking Ahead

As we look ahead, we continue to see synergies between us and other cooperatives. We see a future where United transforms into a hybrid organization and progressively more virtual.

We have been fortunate that inspite of our small size we have been able to make our presence felt internationally. This is the last year of our strategic plan and we look forward to carving out the details for the next strategic plan within the next few weeks.

We are thankful for your support. I, as your President, remain challenged to do the best I can for you because you gave a young man a chance as Treasurer and President to be part of a journey transforming the credit union from \$4M to \$22M. From a low surplus of \$50,000 to \$500,000+.

Thank you -There is no success without you.

God Bless United Enterprise Credit Union!

Kevin Lashley,
BSc, I-CUDE, FMP, Acc. Dir
President, Board of Directors



BOARD OF DIRECTORS' REPORT 2024

Introduction

The Board of Directors of United Enterprise Credit Union Limited ("the Credit Union") takes the opportunity to report on its activities during the period ending June 30, 2024. In addition, we take the time to welcome Family's members to the family and celebrate our similar origins as we share the same founder.

The past year has been one of significant progress and transformation for United Enterprise Credit Union Ltd. (UECUL). Guided by our theme, "Dreams Live Here," we have focused on delivering innovative solutions, enhancing our services, and strengthening our commitment to empowering members to achieve their financial goals. The challenges we face in an ever-evolving financial landscape have only served to fuel our determination to remain a leading force in the credit union movement, constantly adapting to the needs of our members while maintaining the core values that have defined us over the years.

As we reflect on the year under review, we are proud to have made substantial strides in the areas of technology, education, property development, and strategic growth.

We understand that technology is central to the future of financial services, and our investments in this area

will not only improve efficiency but also position UECUL to compete effectively in the digital age. Initiatives like the One Union Card and the adoption of new software such as Technosoft demonstrate our commitment to enhancing the member experience through convenience, speed, and security.

In addition, our focus on leadership development and training has paid dividends, with staff and Board members excelling in their respective fields, both locally and internationally. Our merger with Family Co-operative Credit Union Ltd. marks a significant milestone, reinforcing UECUL's ability to expand and offer greater benefits to our growing membership base.

As we look toward the future, we are committed to continuing this journey of transformation. We believe that by investing in technology, nurturing talent, and embracing innovation, UECUL will remain a vibrant and forward-thinking institution where dreams truly come to life for all members

Credit Union Performance

In 2024, the Credit Union's team of dedicated professionals assisted members by helping them identify appropriate financial solutions to meet their needs. The United Enterprise Credit Union Limited's membership



"Dreams Live Here!"



grew by 32% or 537 to reach 2,218 during the financial year ended June 30, 2024.

One of the signs of Growth of a credit union is Membership. Over the past 10 years, the Credit Union has been one of the top performers in this category. In the coming financial year, the Credit Union will continue to engage the Goddard Enterprise Limited subsidiaries to expand our membership.

Financial Performance

Our success has been based on our commitment to delivering supreme members' experience and, consequently, staff have focused their efforts on making the Credit Union the financial services provider of choice. The credit union has ended the year with an exceptional performance. For the period ended June 30, 2024, the Credit Union recorded a Net Comprehensive Income of \$606,365. The Board and Management collaborated closely to make prudent business decisions that aligned with the Credit Union's strategic plan, resulting in a

favourable financial performance as highlighted below:

- The Credit Union recorded a net surplus of \$561,165 before the other comprehensive income.
- The Credit Union recorded an increase in total assets, moving from \$17.7 million to \$22.1 million. This represents an increase of \$4.4 million or 24.9%.
- Total liabilities increased to \$17.6 million or an increase of 24.9%.
- Delinquency remained below 6%
- Full details and comments on our financial performance can be found in our treasurers' report and financial reports.

Details		Actual September 2022	Actual 9 months to June 2023	Actual June 2024	Target
Protection	Capital/Total Assets	19.8%	19.4%	20.6%	8.0% or >
Earnings	Net Income/ Avg. Assets	2.6%	1.7%	2.8%	1.0 or >
	Operating Exp./Gross Income	63.0%	60.7%	56.4%	50.0% or <
Assets Quality	Delinquent Loans/ Total Loans	7.8%	5.2%	5.6%	5.0% or <
Rate of Growth	Savings Growth	20.5%	13.4%	21.9%	10.0% - 20.0%
	Loans Growth Rate	12.2%	14.4%	10.1%	8.0% - 15.0%
Liquidity	Loans/ Total Assets	64.3%	65.0%	56.8%	70.0% - 85.0%
Structure	Non-earning Assets/ Total Assets	0.7%	0.4%	1.4%	6.0% or



Details	9 months to 2023	12 months to June 2024	Increase/Decrease 2023 - 2024 \$	Increase/Decrease 2023 - 2024 %
Operating Results				
Interest Income	866,544.00	1,171,204.00	304,660.00	35.16%
Gross Income	1,093,061.00	1,626,001.00	532,940.00	48.76%
Total Expense	811,144.00	1,064,836.00	253,692.00	31.28%
Financial Position				
Loan to Members including LOC	10,752,962.00	12,169,968.00	1,417,006.00	13.18%
Investments	5,483,101.00	6,554,928.00	1,071,827.00	19.55%
Total Assets	17,523,841.00	22,090,593.00	4,566,752.00	26.06%
Savings & Deposits	10,145,557.00	13,007,460.00	2,861,903.00	28.21%
Term Deposits	3,707,034.00	3,882,948.00	175,914.00	4.75%
Total Liabilities	14,172,845.00	17,550,642.00	3,377,797.00	23.83%
Members Capital	84,050.00	110,900.00	26,850.00	31.95%
Members Equity	3,515,662.00	4,539,951.00	1,024,289.00	29.14%

Technology

During the past year, a number of strides were made in terms of technology, however over the next few years we expect this to require more financial resources to enable UECUL to remain competitive.

IT Committee

The credit union has created a Information Technology Committee to assist with giving the Board guidance on this crucial aspect of modern day business.

One Union Card

The credit union was finally able to implement its long-awaited prepaid debit card program - the One Union Card - Your Money... Your Card. Members are now able to access funds quicker. It must be noted that the card can be used globally, and balances can be checked online. This is a testament to UECUL continuing not just to have vision but also implementing it and continuing

to punch above our weight. It must be noted that among 26 credit unions, UECUL is the 6th to provide card access to members.

Technosoft

Over the past 5 years, credit unions transitioned from the incurred credit losses model to the expected credit loss model ECL. This is guided by the IFRS 9. This was primarily a manual process, however this new software to some degree automates the whole process.

Automated Clearing House (ACH)

Our League continues to explore facilitating access to the ACH to allow credit unions to participate and provide services similar to the bank. Joining the ACH whether as a third party or directly facilitates electronic funds transfer, payroll deposits, bill payments and more. This aligns with UECUL's vision to be a technological cooperative that offers financial services.



Hill-Selby Building

During the period under review our Hill-Selby property situate at the corner of Pine Road and 4th Ave Belleville became vacant. The Board took the decision to refresh and renovate the property. Painting, maintenance and a new parking lot and driveway was constructed.

Merger Between Family Co-operative Credit Union Ltd & United Enterprise Credit Union Ltd.

Family Co-operative Credit Union Ltd (FCCUL) and UECUL commenced discussions about possibly merging and saw that the two credit unions could be a good fit. A common founder, close location, a diverse product range and a welcoming membership were some of the reasons for the decision.

On May 30, 2024, the FSC approved the transfer of assets from Family Co-operative Credit Union Ltd to United Enterprise Credit Union Ltd. Sis. Carolyn Barrow, Bro. Dorian Walcott, Assistant Treasurer - Sherry-Ann Osbourne and consultant Paula Brooker led by the General Manager integrated both credit union's

member's information efficiently and over many long hours.

Education, Training & Team Building

General Manager Sis. Kerry-Ann completed her 3rd and final year of the esteemed Certified Credit Union Executive (CCUE) designation and graduated from the University of Wisconsin. This should not only prepare the General Manager for where we are now but where we are going. The General Manager, originally starting as the courier has shown with continued personal development that you can attain your dreams. Currently, only 2 other credit union leaders possess the designation. Training continued to be facilitated through the Barbados Co-operative & Credit Union League Ltd (BCCULL); as we also benefited from programmes held by Credit Union National Association (CUNA) and conferences recognised both in the region and globally.

A. World Council of Credit Unions (WOCCU)

President Bro. Kevin Lashley was chosen again to form part of a panel on youth leadership for WOCCU. More success



"Dreams Live Here!"



followed the General Manager as she received the World Young Credit Union Professional (WYCUP) award from over 100 applicants worldwide. In addition, Sis. Kerry-Ann was awarded one of the highest designations in the credit union movement – the International Credit Union Development Educator - I-CUDE designation. Chairman of the Credit Committee Bro. Carlos Rochester - a Credit Union Development Educator (CUDE) scholarship awardee also achieved the I-CUDE award and mentored as well. With reference to CaribDE Sis. Kerry-Ann mentored students in Montego Bay, Jamaica with students calling her leadership inspirational.

B. Barbados Co-operative Credit Union League Ltd.

United Enterprise Credit Union Ltd. continues to support the Barbados Co-operative and Credit Union League Ltd., the umbrella organization for the Credit Union movement in Barbados, particularly in the field of education. Former Presidents Sis. Bernetta Hall and Sis. Michelle A. Shepherd represents UECUL, as a member of the Board of Directors and Assistant Secretary of the Supervisory Committee respectively.

C. Co-operators General Insurance Co. Ltd, Co-operators General Management Co. Inc & Central Fund Facility Trust (CFFT)

We continue to be shareholders in Co-operators General Insurance Co. Ltd and its subsidiary Co-operators General Management Co. Inc. The merger would have increase UECUL's shareholding in both entities. Co-operators General Insurance recorded a favourable performance to enable a dividend to be paid. Sis. Gabrielle Clarke currently represents UECUL on the Board of CFFT.



Resignation

We said a fond farewell to Carolyn Barrow, an employee of FCCUL for more than a decade of service who resigned from her post of Administrator. We say a heartfelt thank you to her for her resilient service, and dedication. We wish her all the best in all her future endeavors.

Condolences

The Board of Directors, Committees and staff extend condolences to those who have lost loved ones throughout the year under review. "May the deceased rest in peace and rise in Glory".

Looking Forward

The Board of Directors continues to seek out ways to transform the member experience. We remain resolute to ensure the credit union is able to adapt to the ever-

changing technology. It is more than the adoption of new software but ensuring our people are well trained and exposed to new methodologies.

We expect synergies from our most recent merger with FCCUL and for members to continue to benefit with higher loan limits, competitive deposit rates and overall better service.

Finally, to all members we say a humble thank you for graciously allowing us to be of service to you and we continue to hope we make a positive difference in your lives.

Kevin Lashley

President, Board of Directors



TREASURER'S REPORT 2024

Overview

The financial period ending on June 30 was the first significant 12-month cycle since transitioning to our new year end of June 30. Members would recall, prior to this the financial year end was previously a September 30 year-end. This is the reason behind the previous period being a nine-month period. The adjustment to June 30 was made to align our financial operations more effectively with our operational and strategic goals.

During this financial year just ended, the credit union recorded its best performance ever. In what was a particularly busy year, both the staff and the Officers exercised great discipline and commitment to the strategic objectives of United Enterprise Credit Union Limited and this resulted in favorable results. Team United completed the merger with Family Co-operative Credit Union Limited one month before the financial year end and obtained a favorable audit opinion.

Financial Position (Expressed \$ Thousand)	2020	2021	2022	9 months to June 30, 2023	12 months to June 30, 2024
Assets					
Cash and Cash Equivalents	1,129.7	1,139.3	644.0	1,191.1	2,903.9
Accounts Receivable and Prepayments	111.4	106.1	145.3	156.7	161.3
Current Investments	1,432.9	1,651.4	1,520.0	1,228.6	2,139.1
	2,674.0	2,896.7	2,309.3	2,576.4	5,204.3
Loans to Members	8,287.0	8,230.2	9,386.5	10,753.0	3,166.9
Non-Current Investments	1,501.3	2,178.6	2,412.5	3,041.0	1,248.9
Investment Property	-	-	1,283.9	1,213.6	12,170.0
Plant and Equipment	192.4	152.1	108.8	104.6	300.5
Total Assets	12,654.8	13,457.6	15,500.7	17,688.5	22,090.6
Liabilities and Equity					
Accounts Payable and Accruals	145.3	179.3	210.2	148.2	295.6
Deposits and Non-Qualifying Shares	10,146.9	10,788.7	12,215.0	13,852.6	16,890.4
Current lease liability	-	-	-	45.2	52.4
	10,292.3	10,968.1	12,425.2	14,046.0	17,238.4
Non-current lease liability	-	-	-	126.8	312.2
Total liabilities	10,292.3	10,968.1	12,425.2	14,172.8	17,550.6
Equity					
Qualifying Shares	50.1	51.0	72.1	84.1	110.9
Statutory Reserves	651.0	718.7	970.3	1,215.5	1,719.5
Revaluation Reserves	-	-	239.1	41.0	41.0
Unrealized Gain Reserves	276.9	350.6	423.4	824.9	1,188.3
Undivided Earnings	1,384.6	1,369.2	1,370.6	1,350.2	1,480.2
Total Liabilities and Equity	12,654.8	13,457.6	15,500.7	17,688.5	22,090.6



Capital and Liquidity Measures 2019	2020	2021	2022	2023	2024
Current Ratio	25.9%	26.40%	18.10%	18.34%	30.19%
Cash and Investment to Assets Ratio	20.3%	20.70%	13.50%	13.68%	22.83%
Loans to Assets Ratio	65.5%	61.16%	64.30%	64.44%	56.78%

Summary of Key Financial Highlights

Other information	2020	2021	2022	2023	2024
Members	997	1020	1442	1681	2218
Employees	4	4	5	6	7

Financial Outlook

United Enterprise Credit Union Limited has reported an operating surplus for the period ending June 30, 2024, of \$606,365. The Auditors issued an unqualified opinion on the financial statements for the period under review. During the financial year 2024, the Credit Union acquired the assets of Family Co-operative Credit Union Limited. The Credit Union's investment in its second photovoltaic system on the roof of the Hill Selby Centre Building located at 4th Ave, Belleville, St. Michael performed well. Despite the challenging economic environment which continued to persist throughout the full reopening of the economy.

The prudent management of UECUL's resources has resulted in a commendable performance as follows:

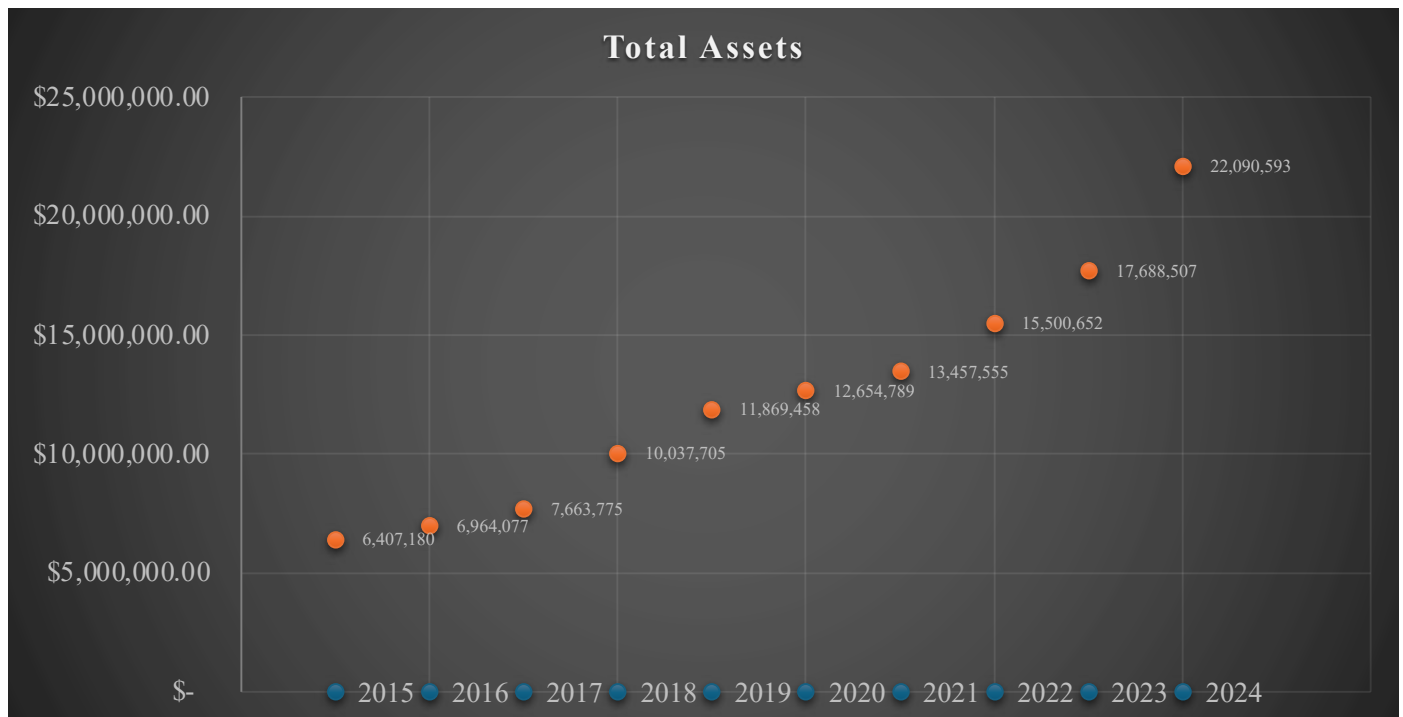
- Total assets of \$22.1 million, which represents an increase of 24.9% during the period.
- Net loans to members increased by \$1.4 million to \$12.2 million, which represents an increase of 13.2%. This would have been due to organic growth and the merger as well.
- Non-performing Loans for June 30, 2024, under review were \$0.7 million compared to \$0.5 Million in the 9 month period ended June 30, 2023, for a increase of 17%.
- Members' deposits and non-qualifying shares increased by \$3 million or 21.9% to reach 16.9 million to account for 76.5% of total liabilities and members' equity.

Summary of Key Financial Highlights

Operating Results (Expressed \$ Thousand)	2020	2021	2022	2023	2024
Net Interest Income	898.3	829.3	898.8	766.4	1,022.9
Other Income	17.2	17.2	92.3	226.5	454.8
Net Interest and Other Income	915.5	846.4	991.0	992.9	1,477.7
Other Expenses	661.4	794.6	693.3	711.0	916.5
Net Income	254.2	51.9	297.7	281.9	561.2
Other Comprehensive Income	28.3	73.8	72.8	12.7	45.2
Total Net Comprehensive Income	282.5	125.6	370.5	269.2	606.4



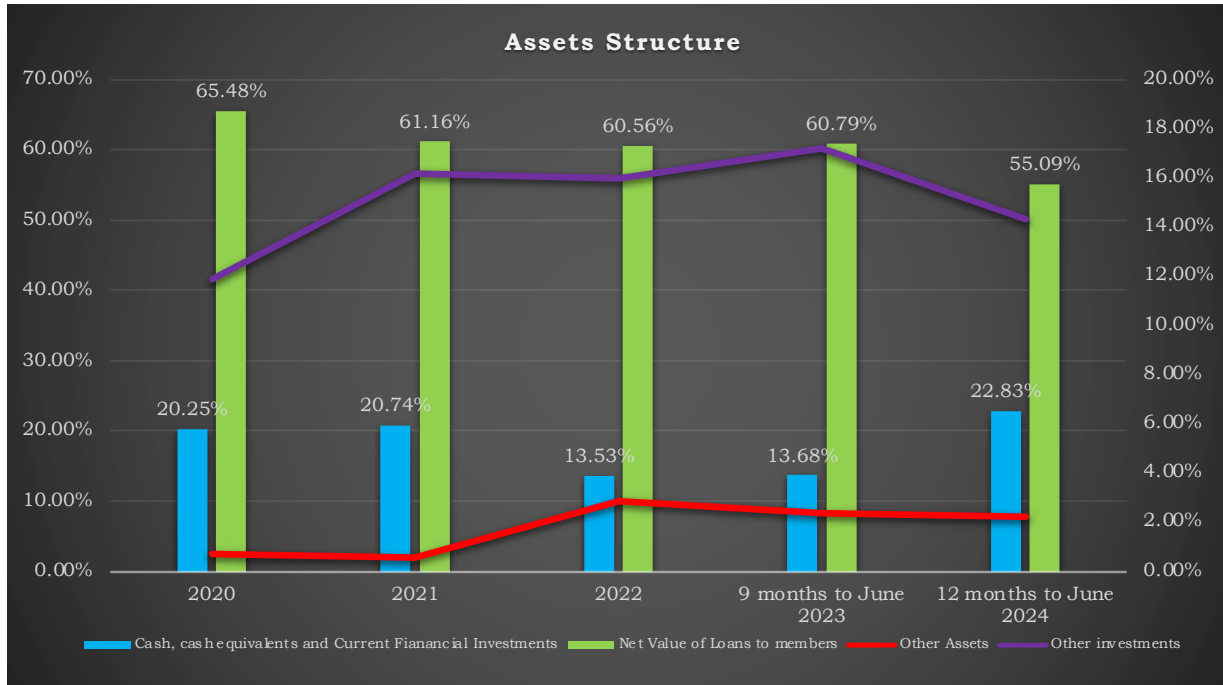
Credit Quality (Expressed in Thousands)	2020	2021	2022	2023	2024
Non-Performing Loans	1,301.20	1,026.30	768.70	595.50	702.24
Provision for non-performing loans	492.00	650.00	580.00	645.00	645.00
Non-performing Loans Ratio	14.8%	11.6%	8.5%	5.2%	5.6%
Provisions for non-performing loans as a % of loans	37.8%	63.3%	68.8%	108.3%	91.8%



Assets

The assets of the UECUL increased by 24.9% or \$4.4 million to reach \$22.1 million for the year ended June 30, 2024. The asset growth was primarily the result of UECUL's successful merger with Family Co-operative Credit Union Limited, through which UECUL acquired members' savings and significant investments. One of these significant investments was Family's share

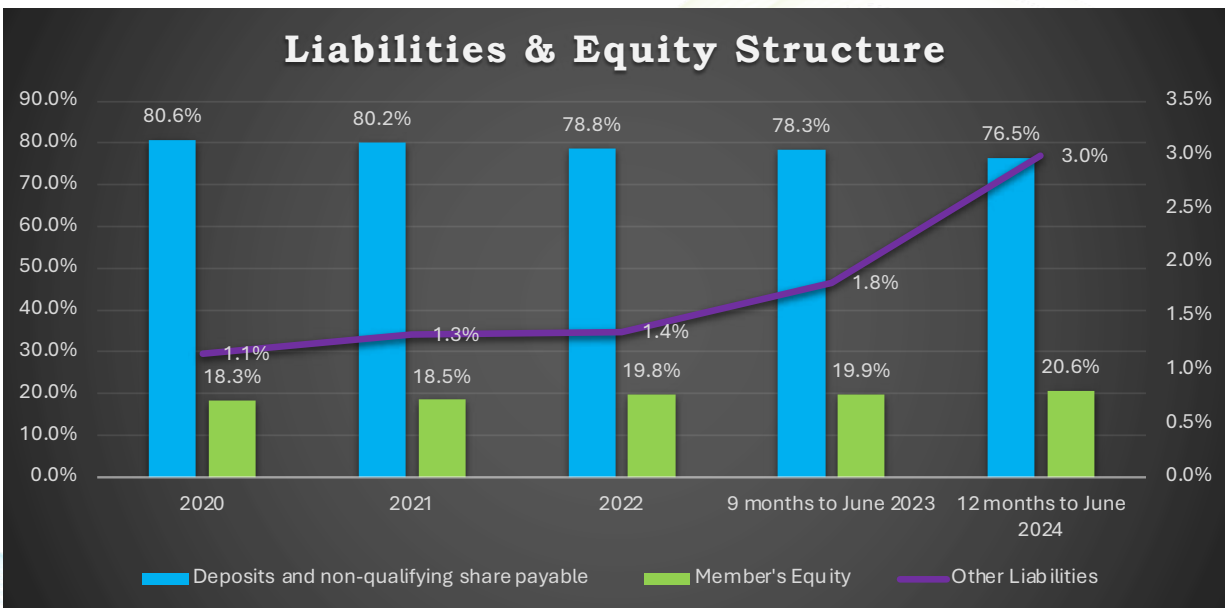
portfolio at both Co-operators General Insurance Co. Ltd. & Co-Operators General Management Company Inc. totaling \$1 million. UECUL's loan portfolio has increased from \$10.8 million as at June 30, 2023, to \$12.2 million as at June 30, 2024. This represents an increase of \$1.4 million or 13.2%.

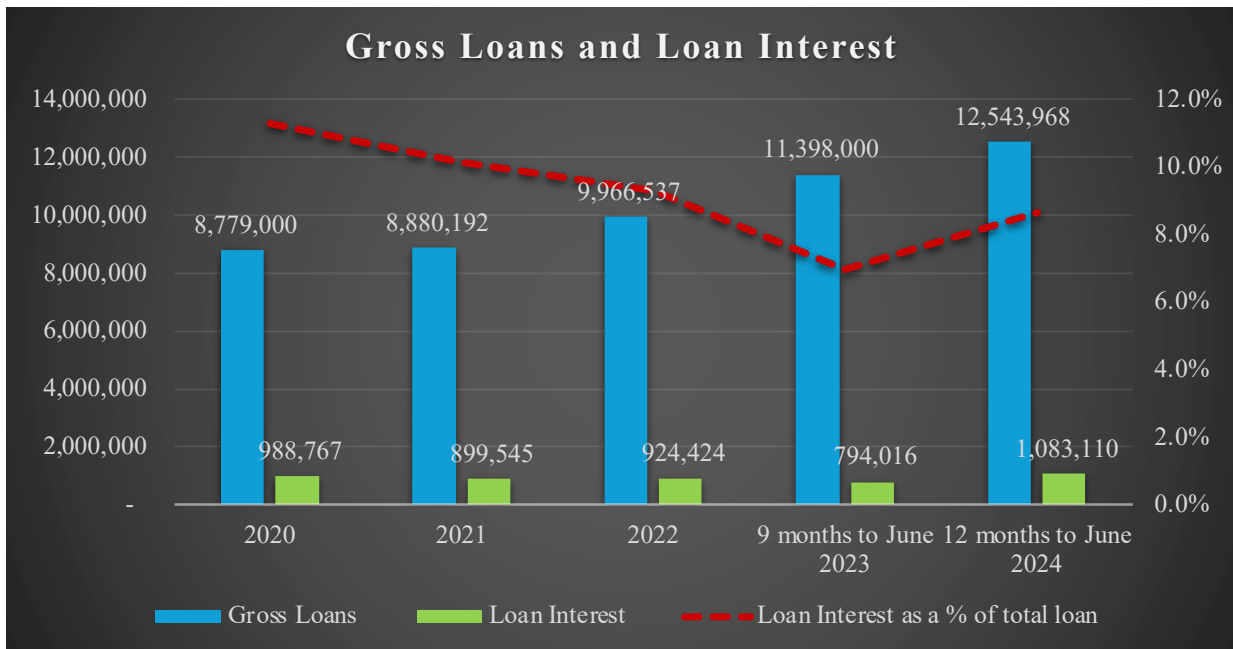
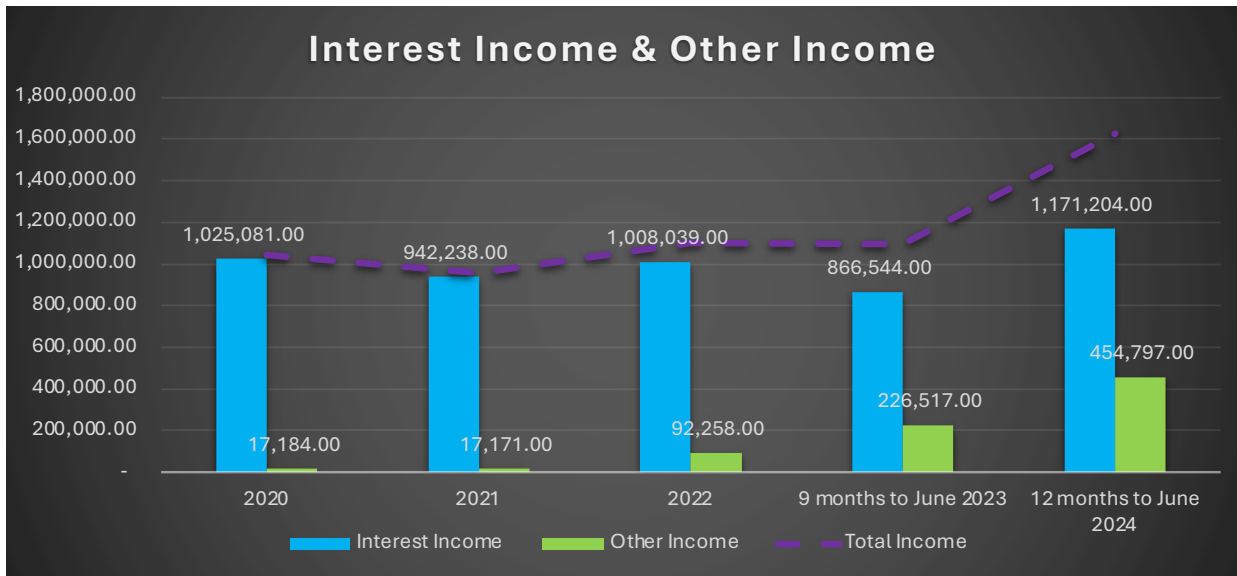


Liabilities and Equity

Members' deposits, non-qualifying shares payable, and qualifying shares increased by \$3 million or 21.9%

to reach \$16.9 million to account for 76.5% of total liabilities and members' equity.





Statement of comprehensive income

During the year 12-months to June 30, 2024, under review, the credit union recorded a net comprehensive surplus of \$606,365 up 125.3% over the \$269,197 attained for the 9-months period ended June 30, 2023. Total income increased by \$532,940 to reach \$1.6 million while total expenses increased by 30.3% or \$215 thousand to reach \$926,501 for the year ended

June 30, 2024. This operating surplus was attributed to the following factors:

- Loan interest totaling \$1.1 million when compared to \$794 thousand for the 9-month period ended June 30, 2023; 36.4%.
- Increase in investment income (primarily



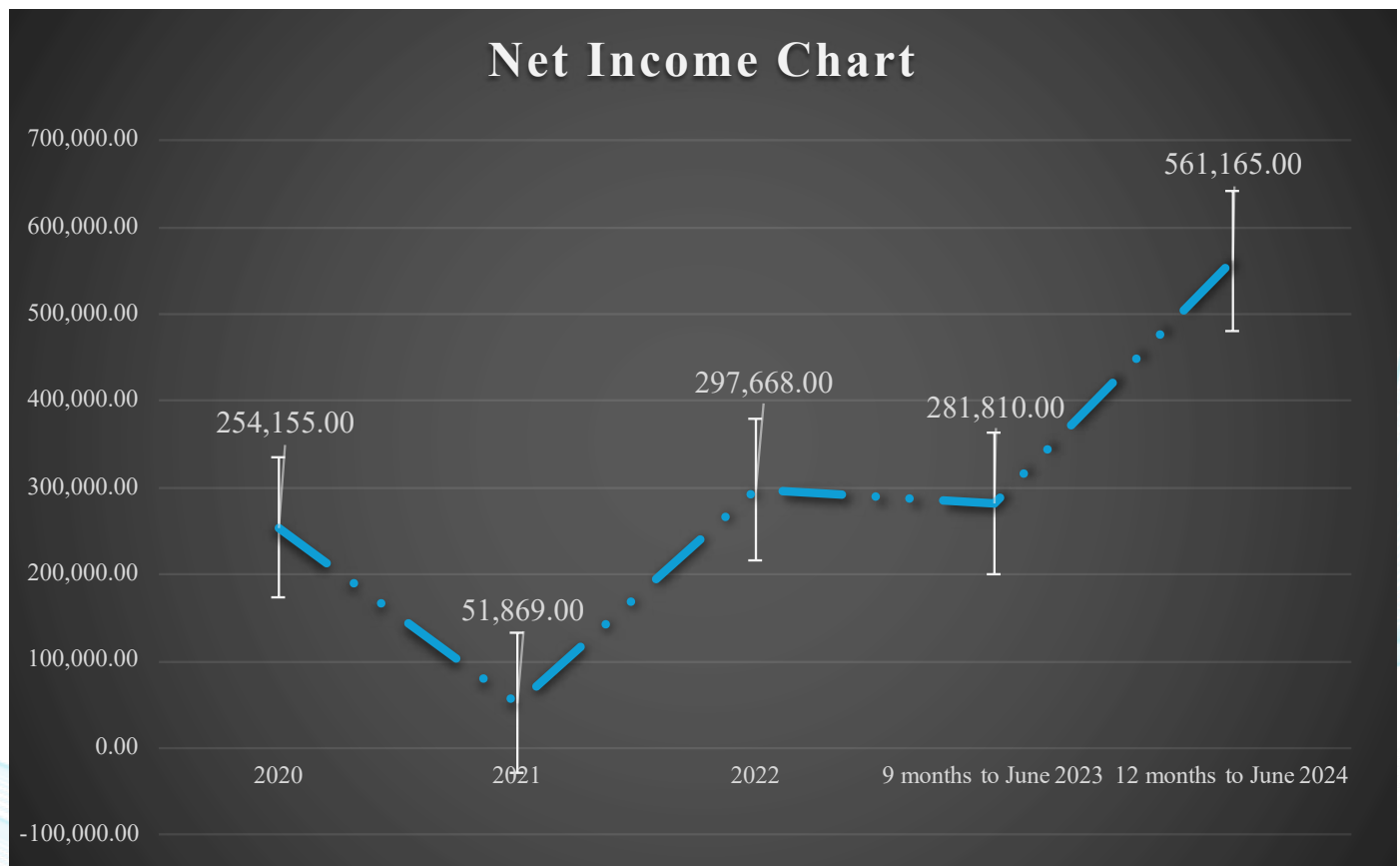
Renewable Energy income) increased by \$9 thousand over the 9-month period ended June 30, 2023; 13.0%

- Total Other income amounted to \$454 thousand representing an increase of 100.8% when compared to \$227 thousand for the year to June 30, 2024; an increase of \$228 thousand.
- Expenditure increases in conventions, MBP assessment, repairs & maintenance were seen in the period of 12 months ending June 30, 2024.

throughout the year by the Board, the finance committee, and the staff throughout the year. The risk connected with lending grows in the absence of good and sufficient due diligence. Risk can result in higher credit losses, which will ultimately limit our credit union's ability to expand through higher operational costs. UECUL performance saw a decline in delinquency over the past few years which is evidence of the loan portfolio's improved quality.

The board had set a target to reduce delinquency to approximately 5%. For the period ending to June 30, 2024, delinquency was reported at 5.6% for the period ending June 30, 2024.

UECUL places a high priority on loan growth and portfolio stability. Non-performing loans were monitored





UECUL’s Membership

Membership growth has been steadily increasing over the years. Membership rose by 32% to reach 2,218 members as at June 30 2024.

We do acknowledge that UECUL’s delinquency ratio is marginally higher than the industry benchmark of 5% or less, the ratio continues to trend downward.

The Board of Directors, Management, Supervisory Committee, Credit Committee, Finance Committee, Office Staff, and other outside parties all worked together to make this happen. The fact that our Loans Team and Credit Committee continue to do appropriate due diligence before lending money to members is also crucial to mention. Post Covid-19 the Credit Union movement continues to average 13% delinquency. We commend the employees for their commitment to helping members through these trying times.

Forecast for 2024 – 2025

United recognizes that the movement is in a state of inflection. There is the way things have always been done - using a lot of manual/analog methodologies and then there is the future which is digital. To remain sustainable United will need to make significant

investments into technology. The increased expense - some one-off expenses will reduce profitability by some extent initially, but we expect general profitability to return in our 50th anniversary year 2025-2026. We will strive to increase revenue through high-yield investments and growth in good loans whilst managing general monthly expenditures, with a view to achieving another successful year.

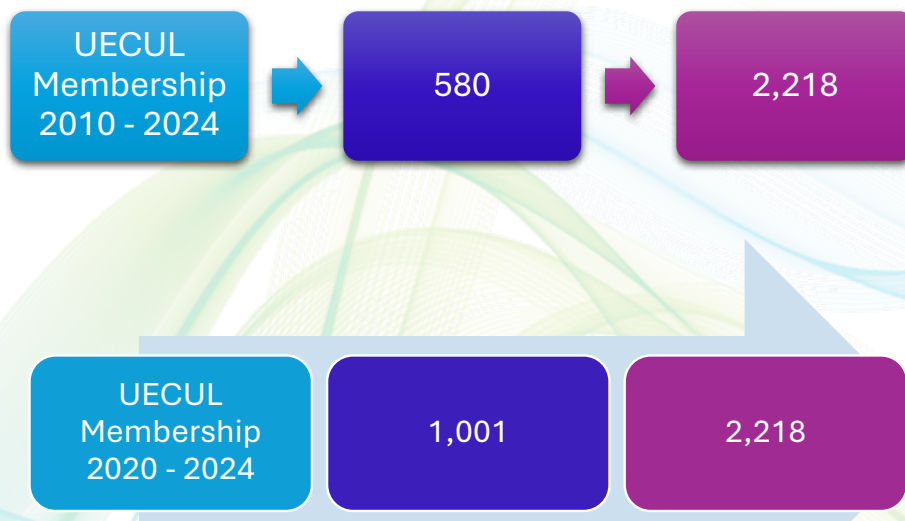
Conclusion

The overall performance of United Enterprise Credit Union Limited was profitable during the financial year that ended on June 30th, 2024, and resulted in a net comprehensive income of \$606,090 for the year under review. With the view that today’s world is facing both microeconomic and macroeconomic challenges, United has proved itself to be innovative in its teamwork. With the continued growth of the credit union supported by its members, management will keep expenses under control.

I commend the Board, management, and staff for their vision, dedication, and efforts in FY2024. United looks forward to our continued contribution in the future.

Anne Marshall

Treasurer, Board of Directors





In Memoriam



Bro. Gregory Yearwood

Stalwart
(1974 -2023)

This year, we mourn the loss of a beloved member and volunteer of the United Enterprise Credit Union Limited (UECUL), Bro. Gregory Yearwood. His commitment played a crucial role in our early success and growth. Bro. Gregory was more than just a volunteer; he was a guiding light for many in our community. His dedication to service and genuine care for others made a lasting impact on everyone who had the privilege of working alongside him.

As we reflect on Gregory's contributions, let us honor his legacy by continuing to uphold the values he championed. His spirit of generosity and community will forever inspire us.

Here is a list of some of the many positions Bro. Gregory held at UECUL:

Vice President

Board of Directors (2016 – 2017)

Assistant Secretary

Board Of Directors (2013 – 2015)

Chairman

Supervisory Committee (2011 – 2012)

Member

Supervisory Committee (2010 – 2011)

Secretary

Board Of Directors (2009 – 2010)

Vice President

Board of Directors (2007 – 2008)

Treasurer

Board Of Directors (2006 – 2007)

President of the UECUL, Bro. Kevin Lashley, lamented Bro. Gregory's death and said it was a sad day for United's family:

"Bro. Gregory (affectionately known as Big G) did tremendous work for the credit union and was



responsible for placing United on the map regionally. Big G graduated from CaribDE 25 (Jamaica), at which he initiated the famous “Socks Project” where all 41 participants and staff pitched in to buy socks for the barefooted infants at the Runway Bay All Age School in St. Ann’s, Jamaica as a result of the March 16, 2017 CaribDE Field Trip.”

“On a personal level, every meeting that we had was made better because of the jovial personality Big G had. Big G loved United and this was beyond just being a member of United but he wanted to help the members. I must stress that United also loved Big G and

we mourned when his sister passed a few years ago.”

General Manager of United Enterprise Credit Union Ltd, Sis. Kerry-Ann McCollin said “Big G was an inspiration behind me pursuing the CaribDe designation. His kindness to those infants in Jamaica represents United’s culture.”

Sis. McCollin concluded by saying, “on behalf of our Board of Directors, Committees, management and employees and the wider membership, we extend our deepest sympathies to his family and loved ones. May our dare brother rest in peace and rise in glory.”

40  Years

REAL **Bajian**
FLAVOUR





United Enterprise
CREDIT UNION LTD.
Dream, partner, prosper with us.
Annual Report

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FINANCIAL STATEMENTS

June 30, 2024

"Dreams Live Here!"



Independent Auditor's Report

To The Members of
United Enterprise Credit Union Ltd.

Opinion

We have audited the financial statements of **United Enterprise Credit Union Ltd.** (the Credit Union), which comprise the Balance Sheet as of June 30, 2024, Statement of Changes in Equity, Statement of Comprehensive Income and Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, with comparative figures for nine months period ended June 30, 2023.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Credit Union as at June 30th, 2024 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting. (IFRS)with comparative figures for nine months period ended June 30, 2023.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

Other information

Management is responsible for any other information that is presented or distributed with the audited financial statements. Other information may comprise, for example, the content of a Credit Union's Annual Report except for the financial statements and our Auditor's Report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read any other information as identified above and, in doing so, consider whether such other information appears to be materially misstated or inconsistent with the financial statements. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, then we are required to report that fact. At the time of reporting we have not seen any other information and so we cannot offer any comment thereon.

Other Matter

This report is made solely to the Members of **United Enterprise Credit Union Limited**, as a body, in accordance with Section 123 of the Co-operative Societies Act of Barbados, in respect of the financial statements for the year ended June 30, 2024 with comparative figures for nine months period ended June 30, 2023. Our audit work has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Members as a body, for our audit work, for this report, or for the opinion we have formed.



M E Murrell & Co.
Chartered Accountants
October 10, 2024



BALANCE SHEET


June 30, 2024

Expressed in Barbados dollars

	<u>12 months to June 30, 2024</u>	<u>9 months to June 30, 2023</u>
Assets		
Current assets		
Cash and cash equivalents - Note 7	2,903,915	1,191,149
Accounts receivable and prepayments - Note 8	161,293	156,674
Current investments - Note 9	2,139,104	1,228,561
	<u>5,204,312</u>	<u>2,576,384</u>
Non-current investments - Note 9	3,166,917	3,040,972
Investment property- Note 10	1,248,907	1,213,568
Loans to members - Note 11	12,169,968	10,752,962
Plant, equipment and right-of-use asset - Note 12	300,489	104,621
	<u>22,090,593</u>	<u>17,688,507</u>
Liabilities and equity		
Current liabilities		
Accounts payable and accruals - Note 13	295,598	148,247
Deposits and non-qualifying shares payable - Note 14	16,890,408	13,852,591
Current lease liability – Note 14	52,394	45,195
	<u>17,238,400</u>	<u>14,046,033</u>
Non-current lease liability – Note 14	312,242	126,812
	<u>17,550,642</u>	<u>14,172,845</u>
Equity		
Qualifying shares - Note 15	110,900	84,050
Statutory reserve – Note 3 (h)	1,719,517	1,215,452
Revaluation reserve – Note 10 (c)	41,027	41,027
Unrealized gain reserve - Note 9 (c)	1,188,331	824,905
Undivided earnings	1,480,176	1,350,228
	<u>4,539,951</u>	<u>3,515,662</u>
Total liabilities and equity	<u>22,090,593</u>	<u>17,688,507</u>

See notes to financial statements.

Approved by the Board of Directors, October 10, 2024, and signed on their behalf by:



President



Treasurer

“Dreams Live Here!”



STATEMENT OF CHANGES IN EQUITY

June 30, 2024

Expressed in Barbados dollars

	Qualifying Shares	Statutory reserve	Revaluation Reserve	Unrealized gain reserve	Undivided earnings	Total
Balance as previously stated – Year ending September 30, 2022	72,100	970,298	239,102	423,421	1,370,562	3,075,483
Prior year adjustment	0	0	0	0	(7,448)	(7,448)
Balance as restated – Year ending September 30, 2022	72,100	970,298	239,102	423,421	1,363,114	3,068,035
Transfer from Courtesy Co- operative Credit Union Ltd. (Note 17)	10,600	157,005	0	414,204	(207,184)	374,625
Net payments	1,350	0	0	0	0	1,350
Entrance fees	0	530	0	0	0	530
Net income for year	0	0	0	0	281,917	281,917
Fair value loss on unquoted equity investments	0	0	0	(12,720)	0	(12,720)
Investment property revaluation	0	0	(198,075)	0	0	(198,075)
0.5% of assets	0	87,619	0	0	(87,619)	0
Balance as restated– 9 months ending June 30, 2023	84,050	1,215,452	41,027	824,905	1,350,228	3,515,662
Transfer from Family Co- operative Credit Union Ltd. (Notes 17)	24,450	351,721	0	318,226	(279,563)	414,834
Net payments	2,400	0	0	0	0	2,400
Entrance fees	0	690	0	0	0	690
Net income for year	0	0	0	0	561,165	561,165
Fair value loss on unquoted equity investments	0	0	0	45,200	0	45,200
25% of net income	0	151,654	0		(151,654)	0
Balance – Year ending June 30, 2024	110,900	1,719,517	41,027	1,188,331	1,480,176	4,539,951

See notes to financial statements.



STATEMENT OF COMPREHENSIVE INCOME

June 30, 2024

Expressed in Barbados dollars

	12 months to June 30, 2024	9 months to June 2023
Interest income		
Loans to members	1,083,110	794,016
Investments	81,654	72,236
Cash and cash equivalents	6,440	292
	<u>1,171,204</u>	<u>866,544</u>
Interest expense		
Demand deposits and non-qualifying shares - 0.25% to 0.75% (prior year 0.25% to .75%)	61,369	40,914
Term deposits - 0.75% to 3.15% (prior year 1.80% to 3.25%)	86,966	59,200
	<u>148,335</u>	<u>100,114</u>
Net interest income	<u>1,022,869</u>	<u>766,430</u>
Other income		
Decrease in impairment provision	314,989	124,000
Dividend received	22,302	6,982
Investment property net income – note 10 (a)	72,304	64,114
Unrealized gain on fair value investments	0	3,067
Write-up of Government securities	16,430	9,769
Sundry income	28,772	18,585
	<u>454,797</u>	<u>226,517</u>
Other expenses		
Depreciation	69,484	83,945
Staff costs - Note 6	305,960	189,063
Unrealized loss on fair value investments	2,300	0
Other operating expenses	538,757	438,022
	<u>916,501</u>	<u>711,030</u>
Net income for year	561,165	281,917
Other Comprehensive Income		
Fair value gain/(loss) on unquoted equity shares - Note 9(c)	45,200	(12,720)
Net comprehensive income for year	<u>606,365</u>	<u>269,197</u>
See notes to financial statements.		



STATEMENT OF CASH FLOWS

June 30, 2024

Expressed in Barbados dollars

	<u>12 months to June 30, 2024</u>	<u>9 months to June 30, 2023</u>
Cash provided / (used) by:		
Operating activities		
Net comprehensive income for year	606,365	269,197
<i>Adjustments for items not involving cash</i>		
Depreciation	95,513	108,195
Decrease in impairment provision	(314,989)	(124,000)
Lease interest expense	7,478	5,315
Transfer of (liabilities) / assets from other credit unions	414,834	374,625
Write-up of Government securities - Note 9(f)	(16,430)	(9,769)
Fair value gain on unquoted equity shares	(45,200)	12,720
Unrealized (loss) / gain on fair value investments	2,300	(3,067)
	<u>749,871</u>	<u>633,216</u>
<i>Change in non-cash operating items</i>		
Accounts receivable and prepayments	(16,804)	19,608
Accounts payable and accruals	147,351	(61,933)
Deposits and non-qualifying shares payable	3,037,817	1,637,602
Qualifying shares	2,400	1,350
	<u>3,920,635</u>	<u>2,229,843</u>
Net cash provided by operating activities		
Investing activities		
Increase in loans to members	(1,089,833)	(1,273,425)
Increase in investments	(977,158)	(337,256)
Acquisition of investment property	(61,368)	(19,430)
Purchase of plant and equipment	(16,000)	(4,935)
	<u>(2,144,359)</u>	<u>(1,635,046)</u>
Net cash used by investing activities		
Financing activities		
Lease repayments	(64,200)	(48,150)
Entrance fees	690	530
	<u>(63,510)</u>	<u>(47,620)</u>
Net cash provided by financing activities		
Increase in cash and cash equivalents	1,712,766	547,177
Cash and cash equivalents - start of year	1,191,149	643,972
Cash and cash equivalents - end of year	<u><u>2,903,915</u></u>	<u><u>1,191,149</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

1. Registration

UNITED ENTERPRISE CREDIT UNION LTD. (“the Credit Union”) is the continuation of a Society which was first registered as Purity Co-operative Credit Union Limited on October 06, 1976 in accordance with the Co-operative Societies’ Act, Cap 378. The Credit Union amended its By-Laws to change its name to United Enterprise Co-operative Credit Union Limited on July 26, 1990. The Credit Union further amended its By-Laws to change its name to United Enterprise Credit Union Limited on March 03, 1995. The Credit Union was continued on August 19, 1994 under the Co-operative Societies Act 1990. The principal place of business is located Upstairs Pearson’s Pharmacy, Upper Collymore Rock, St. Michael, Barbados.

2. Principal activities

The principal activities are as follows:

- (a) The provision of means whereby savings can be affected by members and whereby shares in the Credit Union can be purchased.
- (b) The education of members in Co-operative principles and methods and the efficient management of the Credit Union’s affairs;
- (c) The creation, out of savings of members and otherwise, of a source of credit available to members on reasonable terms and conditions.

3. Significant accounting policies

(a) Basis of accounting

These financial statements are stated in Barbados dollars and have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

(b) Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Key sources of estimation uncertainty include provision for impairment of loans, determination of appropriate rates for depreciation of plant and equipment and estimation of the fair value of unquoted equity investments. The credit union’s critical accounting policies and estimates, and their application, are reviewed periodically by management.



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

3. Significant accounting policies - continued

(c) *Measurement basis*

The measurement basis used is historical cost except for equity investments that are classified as Fair Value investments and which are stated at their fair values.

(d) *Changes in accounting policies*

Management has reviewed the new standards, amendments and interpretations to published standards that are not yet effective and which the Credit Union has not adopted early. Management has assessed the relevance of all such new standards, amendments and interpretations and has concluded that no such amendments are likely to have a material effect on its financial statements.

(e) *Taxation*

The Credit Union is not required to pay taxes on its net income under Section 9(g) of the Income Tax Act of Barbados.

(f) *Depreciation*

Depreciation is provided on plant and equipment on a straight-line basis at rates designed to reduce the cost of assets to their residual value at the end of their useful lives in the business. The annual rates being used are as follows: furniture - 10%; equipment - 12.5% and computer equipment - 25%.

(g) *Investments*

Investments are initially recorded at cost. For subsequent measurement, investments that are classified as being held to maturity are recorded at cost or amortized cost. Available-for-sale equity investments are shown at fair value. All investments are subject to adjustment for any impairment of value. Impairment occurs where the estimated recoverable amount of an asset is less than its carrying value. Management makes an assessment of whether any assets are impaired in value as at each Balance Sheet date.

(h) *Statutory Reserve*

The credit union is required to establish and maintain reserves consisting of the greater of one half of one per cent (0.5%) of assets or twenty-five per cent (25%) of surplus until the capital of the Society equals ten percent (10%) of the total assets of the Society, in accordance with the Co-operative Societies' legislation. Similarly, Entrance Fees are taken to a Reserve Account.

(i) *Education Fund*

A provision is made for Education as stipulated by the Barbados Co-operative & Credit Union League Ltd. The amount provided is three percent (3%) of net income or \$15,000, whichever is the lesser.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

3. Significant accounting policies - continued

(j) *Impairment provision*

The level of impairment of the loan portfolio is determined using an Expected Credit Loss (ECL) Model. All outstanding loans are taken into account, as well as loan commitments.

(k) *Financial assets*

Financial assets are recognized in the financial statements when the entity becomes a party to contractual provisions of the instruments.

(l) *Financial liabilities and equity instruments*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(m) *Income recognition*

Interest income is recognized on the accrual basis of accounting. Dividend income is recognized when it is declared by the investee company.

(n) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank and call deposits.

(o) *Leases*

The credit union recognizes leases at the commencement date of the lease. A right-of-use (ROU) asset and a lease liability are recognized for all leases, except for short-term leases (12 months or less) and leases of low-value assets. The ROU asset is initially measured at cost, which includes the initial lease liability, any lease payments made at or before the commencement date, and any initial direct costs incurred.

The credit union determined the lease term based on the non-cancellable period of the lease, including renewal options that are reasonably certain to be exercised. The discount rate used to measure the lease liabilities is based on the credit union's incremental borrowing rate.

The Credit Union cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Credit Union would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Credit Union 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Credit Union estimates the IBR using observable

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

3. Significant accounting policies - continued

inputs, such as market interest rates, when available and is required to make certain entity specific adjustments, such as the subsidiary's stand-alone credit rating, or to reflect the terms and conditions of the lease.

The Credit Union has two lease contracts that include extension and termination options. The Credit Union applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Credit Union reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

4. Fair value of financial instruments and risks

(a) *Financial instruments*

Financial instruments consist of financial assets and liabilities. Financial assets include cash and cash equivalents, accounts receivable and prepayments, loans to members and investments. Financial liabilities include accounts payable and accruals and deposits and shares payable.

(b) *Fair Value*

Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is best evidenced by a quoted market value. An estimate, based on assumptions, is made of the fair value of each class of financial instrument for which it is practical to make an estimate. The fair values of the financial instruments are estimated to be not materially different from their carrying values in the financial statements.

(c) *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As part of the risk management process, bank deposits are placed only with reputable financial institutions. Loans limits are established and approved by Management and security is generally required for loans. Credit risk on accounts receivable is limited by the provision for impairment.

(d) *Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. It arises because of the possibility that the entity could be required to pay its liabilities earlier than expected. Management reviews the liquidity position of the credit union periodically to assess the availability of cash resources as compared to the projected cash outflows.



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

Fair value of financial instruments and risks (continued)

(e) *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk which is the risk of fluctuations in interest rates. The Credit Union's exposure to interest rate risk on its financial instruments is disclosed in the Notes 7,9, 11 and 14.

5. Related parties

(a) Related parties exist where one party has the ability to control or exercise significant influence over the financial or operating decisions of another party. Transactions with related parties may be entered into in the normal course of business. Any such transactions are undertaken on commercial terms and conditions and are conducted at market rates. The Credit Union has a related party relationship with its directors and key management personnel.

(b) The Credit Union has a related party relationship with its directors and its key management personnel. As at the Balance Sheet date, balances with these related parties were as follows:

	12 months to June 30, 2024	9 months to June, 2023
Loans	<u>147,585</u>	<u>174,250</u>
Shares and deposits payable	<u>133,464</u>	<u>67,069</u>

(c) Honoraria paid to related parties is included in Other Operating Expenses, as follows:

Honoraria	<u>18,600</u>	<u>18,000</u>
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(d) Key management personnel remuneration was \$77,292 (prior year \$76,163) and is included in Staff Costs in the Statement of Comprehensive Income.

	12 months to June 30, 2024	9 months to June 30, 2023
6. Staff costs	<u>305,960</u>	<u>189,063</u>

The average number of employees during the year was six (prior year - five).



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

	12 months to June 30, 2024	9 months to June 30, 2023
7. Cash and cash equivalents		
Current account and cash on hand	2,236,642	808,764
Demand deposits - 0.1% p.a. (prior year 0.1%)	6,573	6,568
Barbados Co-operative & Credit Union League Ltd.:		
- Ordinary shares	76,190	73,895
Central Fund Facility Trust		
- Ordinary deposit -0.75% p.a. (prior year 0.75%)	145,012	64,251
- Statutory reserve deposit - 1.25% p.a. (prior year 1.25%)	439,498	237,671
	2,903,915	1,191,149
8. Accounts receivable and prepayments		
Interest receivable	106,739	95,841
Other receivables	63,232	54,414
Less: Impairment provision	(70,185)	(55,000)
Prepayments	61,507	61,419
	161,293	156,674
(a) Impairment provision		
Balance - start of year	55,000	24,000
Increase in provision	15,185	31,000
Balance - end of year	70,185	55,000



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

9. Investments	12 months to June 30, 2024	9 months to June 30, 2023
<i>Current investments</i>		
<i>Term deposits - Held to maturity</i>		
Barbados Workers' Union Co-operative Credit Union Ltd. - 1.25% p.a. (prior year 1.25%)	230,293	230,293
Capita Financial Services Inc. -2.15% to 2.4% p.a. (prior year - 2.15% to 2.4%)	347,269	282,248
Central Fund Facility Trust - 1.50% p.a. (prior year 1.50%)	315,710	148,072
City of Bridgetown Co-operative Credit Union Ltd. - 1.5% p.a. (prior year 1.5%)	255,377	264,513
First Citizens Investment Services Ltd. - 1.75% p.a (prior year 1.3%)	16,262	15,486
BOSS Bonds – Note 9 (d)	75,026	0
Net Government securities – Note 9(e)	94,482	84,157
NCB Capital Markets (Barbados) Limited – 2.10% p.a. (prior year 1.5% to 2.1%)	154,685	203,792
RF Merchant Bank and Trust (Barbados) Ltd., Williams Renewable Energy 2, Series B Bond - 4% p.a.	650,000	0
	<u>2,139,104</u>	<u>1,228,561</u>
<i>Non-current investments</i>		
<i>Term deposits - Held to maturity</i>		
BOSS Bonds – Note 9 (d)	174,974	250,000
Net Government securities – Note 9(e)	847,487	685,527
RF Merchant Bank and Trust (Barbados) Ltd., Williams Renewable Energy 2, Series B Bond - 4% p.a.	0	650,000
<i>Available-for-sale</i>		
Barbados Co-operative & Credit Union League Ltd.: - 20 membership shares (prior year 40)	400	200
Co-operators General Insurance Co. Ltd.: - 4,441 (prior year 3,113) ordinary shares	1,773,602	1,197,198
Co-operators General Management Company Inc.: - 1,642 (prior year 1,054) ordinary shares	324,443	209,735
Listed securities – Note 9(a)	46,011	48,312
	<u>3,166,917</u>	<u>3,040,972</u>
	<u>5,306,021</u>	<u>4,269,533</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

9. Investments - continued

- (a) **Listed securities**
The Credit Union holds 15,337 shares (prior year 15,337) in Goddard Enterprises Limited, which were valued at the balance sheet date using the valuation provided by the Securities and Exchange Commission. The unit value at the balance sheet date was \$3.00 (prior year \$3.15).
- (b) The fair value of unquoted equity investments is based on a valuation done by the Consulting Division of the Cave Hill School of Business (CHSOB). CHSOB performed a valuation as at May 31, 2022 for each of these unquoted investments, using a range of generally accepted valuation models. The “best estimate” of the fair market value was estimated as the median value of the fair market values generated from the various models used. The valuation models used were Book Value, Market to Book, Trailing Price Earnings, Price to Sales, Price to Earnings Before Tax and Dividend Growth, Price to Earnings Before Tax, Depreciation and Amortization, Dividend Growth Model and Free Cash Flows to Equity. The Directors consider that the valuation of the unquoted equity investments arrived at by the process described above reflects their fair value as at the balance sheet date.
- (c) The Unrealized Gain reserve represents gains on the Credit Union’s holdings of unquoted equity investments. These reserves are not intended for distribution but may be used to support the capital of the Credit Union.
- (d) *Barbados Optional Savings Scheme (BOSS) bonds*
The BOSS bonds were issued by the Government of Barbados. The bonds were issued in monthly tranches over an eighteen (18) month period from July 2020 to December 2021. Additional BOSS Plus bonds were issued by the Government of Barbados. The bonds carry an annual interest rate of 5% per annum, with the interest being paid in two (2) half-yearly instalments in January and July. Each issue carries a maturity period of four (4) years.
- (e) Government restructured securities are Series B securities, consisting of eleven (11) amortizing strips with maturities ranging from five (5) to fifteen (15) years. Interest is payable at the end of each calendar quarter. Interest rates are 1% per annum for the first three (3) years beginning October 01, 2018 and ending September 30, 2021; 2.5% per annum for year four (4) beginning October 01, 2021 and ending September 30, 2022; and 3.75% per annum starting October 01, 2022 until maturity on September 30, 2033. The principal of each strip will be repaid in four equal quarterly instalments commencing one year prior to the maturity date of that strip. In keeping with generally accepted accounting policies and standards, Management has applied a Net Present Value (NPV) calculation to its holdings of these securities which has resulted in a write-down of value as shown below.



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

9. Investments - continued

(f) The maturity profile of the Government securities is shown below:

Maturity Profile	12 months to June 30, 2024	9 months to June 30, 2023
Current portion - up to one year	<u>94,482</u>	<u>84,157</u>
Non-current portion		
Greater than one, up to 5 years	<u>529,115</u>	379,080
Greater than 5 years, up to 10 years	<u>400,372</u>	<u>382,330</u>
Gross value	<u>929,487</u>	761,410
Net present value write-down	<u>(82,000)</u>	<u>(75,883)</u>
Net Government securities	<u><u>847,487</u></u>	<u><u>685,527</u></u>

10. Investment property

Investment property consists of the following:

- (a) Land and Building
Land and building comprise property located at "Hill-Selby", Corner 4th Ave Belleville & Pine Road, St. Michael, Barbados. In 2021, the property was obtained following the transfer of assets and liabilities from the Shamrock Co-operative Credit Union Ltd. to United Enterprise Credit Union Limited. Management has adopted the fair value model to value the Land and Building.
- (c) Revaluation reserve
The initial cost of the land and building was \$719,273. This property was revalued on July 11, 2023 using the income approach by an independent valuer, and a loss of \$198,075 was recorded to reduce the revaluation reserve account to \$41,027.
- (d) Renewable Energy Project
Management has adopted the cost approach to value the Renewable Energy Project. The Credit Union leased the roof space of the Church of the Nazarene, Collymore Rock, St. Michael, Barbados and invested in a renewable energy project by installing a solar photovoltaic system there-on. The right-of-use asset and related lease liability expenses have been recorded in accordance with IFRS 16, Leases.

In the previous year, the Credit Union made further investment in the project by installing a photovoltaic system on its investment property, land and building, located at "Hill-Selby", Corner 4th Ave Belleville & Pine Road, St. Michael, Barbados.

This project is expected to generate electricity for sale to the Barbados Light and Power Company Limited (BL&P) energy grid. Under the terms of the Agreement, the Credit Union will lease the rooftop space for a duration of twenty (20) years.



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

10. Investment property - continued

	Total Investment Property	Land and Building (Revalued)	Total Renewable Energy Project	Renewable Energy Project (Depreciated)	Renewable Energy Project Right-of-use Asset (Depreciated)
Restated as at September 30, 2022					
Cost / Valuation	1,425,934	958,375	467,559	325,495	142,064
Accumulated depreciation	(9,471)	0	(9,471)	0	(9,471)
Net book value	1,416,463	958,375	458,088	325,495	132,593
9 months to June 30, 2023					
Net book value - start of period	1,416,463	958,375	458,088	325,495	132,593
Purchases	19,430	0	19,430	19,430	0
Loss on revaluation	(198,075)	(198,075)	0	0	0
Depreciation charge	(24,250)	0	(24,250)	(18,923)	(5,327)
Net book value - end of period	1,213,568	760,300	453,268	326,002	127,266
As at June 30, 2023					
Cost / Valuation	1,247,289	760,300	486,989	344,925	142,064
Accumulated depreciation	(33,721)	0	(33,721)	(18,923)	(14,798)
Net book value	1,213,568	760,300	453,268	326,002	127,266
12 months to June 30, 2024					
Net book value - start of year	1,213,568	760,300	453,268	326,002	127,266
Purchases	61,368	61,368	0	0	0
Depreciation charge	(26,029)	0	(26,029)	(18,925)	(7,104)
Net book value - end of year	1,248,907	821,668	427,239	307,077	120,162
As at June 30, 2024					
Cost / Valuation	1,308,657	821,668	486,989	344,925	142,064
Accumulated depreciation	(59,750)	0	(59,750)	(37,848)	(21,902)
Net book value	1,248,907	821,668	427,239	307,077	120,162



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

10. Investment property - continued

	<u>12 months to June 30, 2024</u>	<u>9 months to June 30, 2023</u>
Investment property income		
Renewable Energy Project	56,630	31,778
Land and Buildings	<u>22,777</u>	<u>33,918</u>
Total investment property income	<u>79,407</u>	<u>65,696</u>

11. Loans to members

	<u>12 months to June 30, 2024</u>	<u>9 months to June 30, 2023</u>
Total loans outstanding	12,543,968	11,397,962
Less: Impairment provision	<u>(374,000)</u>	<u>(645,000)</u>
Net value of loans	<u>12,169,968</u>	<u>10,752,962</u>

	<u>12 months to June 30, 2024</u>	<u>9 months to June 30, 2023</u>
(a) <i>Impairment provision</i>		
Balance - start of year	645,000	580,000
Increase / (Decrease) in provision	<u>(271,000)</u>	<u>65,000</u>
Balance - end of year	<u>374,000</u>	<u>645,000</u>

	<u>12 months to June 30, 2024</u>	<u>9 months to June 30, 2023</u>
(b) <i>Maturity profile of loans</i>		
<i>Amounts due in:</i>		
Less than one year	511,578	821,349
Greater than one, up to 5 years	4,669,125	4,192,031
Over 5 years	<u>7,363,265</u>	<u>6,384,582</u>
Total	<u>12,543,968</u>	<u>11,397,962</u>

(c) Interest on loans is charged at varying rates, mainly between 7% p.a. and 18% p.a. on the reducing balance basis.

	<u>12 months to June 30, 2024</u>	<u>9 months to June 30, 2023</u>
(d) Commitments		
Loans approved but not yet disbursed	<u>0</u>	<u>108,840</u>



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

12. Plant, equipment and Right of-use asset	Total	Right of Use Asset	Plant and Equipment
Restated as September 30, 2022			
Cost	644,887	249,337	395,550
Accumulated depreciation	(461,256)	(174,536)	(286,720)
Net book value	<u>183,631</u>	<u>74,801</u>	<u>108,830</u>
9 months to June 30, 2023			
Restated net book value - start of year	183,631	74,801	108,830
Additions	4,935	-	4,935
Depreciation charge	(83,945)	(37,401)	(46,544)
Net book value - end of year	<u>104,621</u>	<u>37,400</u>	<u>67,221</u>
As at June 30, 2023			
Cost	649,822	249,337	400,485
Accumulated depreciation	(545,201)	(211,937)	(333,264)
Net book value	<u>104,621</u>	<u>37,400</u>	<u>67,221</u>
12 months to June 30, 2024			
Net book value - start of year	104,621	37,400	67,221
Additions	265,351	249,351	16,000
Depreciation charge	(69,484)	(49,869)	(19,615)
Net book value - end of year	<u>300,488</u>	<u>236,882</u>	<u>63,606</u>
As at June 30, 2024			
Cost	739,154	249,351	489,803
Accumulated depreciation	(438,666)	(12,469)	(426,197)
Net book value	<u>300,488</u>	<u>236,882</u>	<u>63,606</u>
13. Accounts payable and accruals	12 months to June 30, 2024	9 months to June 30, 2023	
Interest payable	<u>80,296</u>	61,883	
Other accounts	<u>215,302</u>	86,364	
	<u>295,598</u>	<u>148,247</u>	



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

	12 months to June 30, 2024	9 months to June 30, 2023
14. Lease liabilities		
Net book value - start of year	172,007	214,842
Additions	249,351	0
Payments	(64,200)	(48,150)
Interest expense	7,478	5,315
Net book value - end of year	364,636	172,007
	12 months to June 30, 2024	9 months to June 30, 2023
(b) <i>Maturity analysis of lease liabilities</i>		
<i>Amounts due in:</i>		
Less than one year	52,394	45,195
Greater than one, up to 5 years	190,786	28,998
Over 5 years	121,456	97,814
Total	364,636	172,007
	12 months to June 30, 2024	9 months to June 30, 2023
15. Deposits and non-qualifying shares payable		
Members deposits	5,826,079	3,787,607
Special savings	780,701	300,334
Regular shares	6,400,680	6,057,616
Term deposits - members	1,422,596	1,269,550
Term deposits - corporate	2,460,352	2,437,484
	16,890,408	13,852,591
a.	There is no predetermined rate of interest payable on regular deposits and shares, since interest is determined by the Board of Directors from time to time and is paid on a quarterly basis, except for Special Savings on which interest is paid on a monthly basis.	
b.	Term deposits are accepted for a minimum period of one year in amounts not less than \$500.	



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

	12 months to June 30, 2024	9 months to June 30, 2023
16. Qualifying shares	110,900	84,050

- (a) There is no limit to the number of shares that the Credit Union is authorized to issue. The number of shares held by a member does not determine the member's voting rights since each member is entitled to one vote only at any general meeting.
- (b) The Credit Union is required by its By-Laws to have at least one class of shares, namely qualifying shares, which shall be issued at a par value of \$5. These shares shall be held by all members and shall not be withdrawable on demand but transferrable.
- (c) No interest was paid on qualifying shares.



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

17. Transfer of assets and liabilities

During this financial year 100% of the assets and liabilities of Family Co-operative Credit Union Limited (**Family**) were transferred to the United Enterprise Credit Union, on May 30, 2024. During the 2023 financial year, 100% of the assets and liabilities of Courtesy Co-operative Credit Union Limited (**Courtesy**) were transferred to the United Enterprise Credit Union Limited, on March 31, 2023. The transfers were agreed to at special meetings that were held with the two relevant parties. Assets and liabilities were valued at their fair values as at the transfer date. The details of the transfer are as shown below:

	<u>Family</u>	<u>Courtesy</u>
Assets		
Cash and cash equivalents	1,116,611	697,508
Accounts receivable and prepayments	12,595	10,986
Current Investment	150,000	0
	<u>1,279,206</u>	<u>708,494</u>
Non-Current investment	1,055,822	573,896
Loans to members	818,230	209,071
Plant and equipment	0	1,011
Total Assets	<u>3,153,258</u>	<u>1,492,472</u>
Liabilities		
Accounts payable and accruals	(52,312)	(8,010)
Deposits and non-qualifying shares payable	(2,686,112)	(1,109,837)
Total liabilities	<u>(2,738,424)</u>	<u>(1,117,847)</u>
Total Net Assets and Liabilities transferred	<u>414,834</u>	<u>374,625</u>
Qualifying shares	24,450	10,600
Statutory Reserve	351,720	157,005
Unrealized Gain Reserve	318,227	414,204
Undivided Earnings	(279,563)	(207,184)
Total Equity transferred	<u>414,834</u>	<u>374,625</u>



NOTES TO FINANCIAL STATEMENTS

June 30, 2024

Expressed in Barbados dollars

18. Prior year adjustment(s) (net effect on equity of \$7,448)

These financial statements for the year ended June 30, 2024, includes adjustments for the Right-of-Use (ROU) assets and lease liabilities for the prior year ended September 30, 2022 and the 9 months ending June 30, 2023.

These adjustments resulted in the following:

ROU Assets: The ROU assets for the year ending September 30, 2022 totaling \$207,394 for the year ending September 30, 2022 and \$169,993 for the period ending June 30, 2023. ROU assets represent the leasee's right to the use of a leased asset.

Lease Liabilities: Correspondingly, the lease liabilities for the year ending September 30, 2022, totaling \$214,842 and \$172,007 for the period ending June 30, 2023. Lease liabilities represent the financial obligation for the payments required by a lease.

	Original balance at September 30, 2022	Adjusted balance at September 30, 2022	Prior Year Adjustment September 30, 2022
Plant, equipment and ROU asset	108,830	183,631	74,801
Investment Property	1,086,302	1,218,895	132,593
Lease liability	0	(214,842)	(214,842)
Total Equity adjustment			(7,448)

19. Comparative amounts

Certain of the comparative amounts have been reclassified to conform to the current year's presentation.



SCHEDULE OF OTHER OPERATING EXPENSES

June 30, 2024

Expressed in Barbados dollars

	12 months to June 30, 2024	9 months to June 30, 2023
Advertising and promotion	600	923
Bad debt expense	118,256	136,234
Bank charges	4,914	4,147
Cleaning	6,737	5,889
Conventions	26,074	2,445
Co-operative celebrations	3,097	1,160
Courier service	7,200	5,550
Donations	8,153	4,545
Education Fund	15,454	5,430
Financial Services Commission annual fee	8,936	2,300
Fines and penalties	181	106
Honoraria	33,875	22,800
Insurance	15,726	11,319
Mutual Benefits Plan (MBP) assessments	53,013	38,708
League membership dues	14,763	9,639
Meetings	16,541	18,166
Miscellaneous	10,020	8,180
National Development Fund	1,666	1,489
Office supplies	10,948	2,423
Postage	495	0
Professional fees	59,713	52,407
Lease interest	2,416	1,410
Repairs and maintenance	13,600	5,739
Software maintenance	21,621	13,618
Stationery and printing	8,694	6,778
Subscriptions	4,238	8,966
Training and seminars	37,618	43,355
Transfer taxes	4,018	0
Utilities - electricity	14,174	8,727
Utilities - telephone	13,652	11,088
Webpage and email	2,364	4,481
	538,757	438,022