

**UNITED ENTERPRISE
CREDIT UNION LTD.**

**FINANCIAL STATEMENTS
9 MONTHS TO JUNE 30, 2023**

UNITED ENTERPRISE CREDIT UNION LTD.

Financial Statements 9 months to June 30, 2023

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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, 2023, 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.

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, 2023 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting. (IFRS)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' (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.

Independent Auditor's Report (*continued*)

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.

Independent Auditor's Report (*continued*)

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, 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
September 06, 2023

UNITED ENTERPRISE CREDIT UNION LTD.

Balance Sheet

9 months to June 30, 2023

Expressed in Barbados dollars

	9 months to June 30, 2023	For the year to Sept 30, 2022
Assets		
Current assets		
Cash and cash equivalents - Note 7	1,191,149	643,972
Accounts receivable and prepayments - Note 8	156,674	145,282
Current investments - Note 9	1,228,561	1,519,692
	<u>2,576,384</u>	<u>2,308,946</u>
Non-current investments - Note 9		
	3,040,972	2,412,469
Investment property- Note 10	1,086,302	1,283,870
Loans to members - Note 11	10,752,962	9,386,537
Plant and equipment - Note 12	67,221	108,830
	<u>17,523,841</u>	<u>15,500,652</u>
Liabilities and equity		
Current liabilities		
Accounts payable and accruals - Note 13	148,247	210,180
Deposits and non-qualifying shares payable - Note 14	13,852,591	12,214,989
	<u>14,000,838</u>	<u>12,425,169</u>
Equity		
Qualifying shares - Note 15	84,050	72,100
Statutory reserve	1,215,452	970,298
Revaluation reserve – Note 10 (c)	41,027	239,102
Unrealized gain reserve - Note 9 (c)	824,905	423,421
Undivided earnings	1,357,569	1,370,562
	<u>3,523,003</u>	<u>3,075,483</u>
Total liabilities and equity	<u>17,523,841</u>	<u>15,500,652</u>

See notes to financial statements.

Approved by the Board of Directors, September 06, 2023, and signed on their behalf by:



President



Treasurer

UNITED ENTERPRISE CREDIT UNION LTD.

Statement of Changes in Equity 9 months to June 30, 2023 Expressed in Barbados dollars

	Qualifying Shares	Statutory reserve	Revaluation Reserve	Unrealized gain reserve	Undivided earnings	Total
Balance - September 30, 2021	51,000	718,668	0	350,623	1,369,200	2,489,491
Transfer from Shamrock Co-operative Credit Union Ltd.	21,932	158,364	239,102	0	(203,690)	215,708
Net payments	(832)	0	0	0	0	(832)
Entrance fees	0	650	0	0	0	650
Net income for year	0	0	0	0	297,668	297,668
Fair value gain on unquoted equity investments	0	0	0	72,798	0	72,798
25% of net comprehensive income	0	92,616	0	0	(92,616)	0
Balance - September 30, 2022	72,100	970,298	239,102	423,421	1,370,562	3,075,483
Transfer from Courtesy Co-operative Credit Union Ltd.	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	281,810	281,810
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 - June 30, 2023	84,050	1,215,452	41,027	824,905	1,357,569	3,523,003

MEM M. E. O'Malley & Co.

See notes to financial statements.

UNITED ENTERPRISE CREDIT UNION LTD.

Statement of Comprehensive Income
9 months to June 30, 2023
Expressed in Barbados dollars

	9 months to June 30, 2023	For the year to Sept 30, 2022
Interest income		
Loans to members	794,016	924,424
Investments	72,236	83,590
Cash and cash equivalents	292	25
	<u>866,544</u>	<u>1,008,039</u>
Interest expense		
Demand deposits and non-qualifying shares - 0.5% to 0.75% (prior year 0.25% to .75%)	40,914	30,237
Term deposits - 1.80% to 3.25% (prior year 1.60% to 3.25%)	59,200	79,048
	<u>100,114</u>	<u>109,285</u>
Net interest income	<u>766,430</u>	<u>898,754</u>
Other income		
Dividend received	6,982	21,017
Investment property net income – note 10 (a)	65,696	43,899
Unrealized gain on fair value investments	3,067	13,343
Write-up of Government securities	9,769	6,349
Sundry income	18,585	7,650
	<u>104,099</u>	<u>92,258</u>
Other expenses		
Depreciation	46,544	51,312
Staff costs - Note 6	189,063	254,361
Other operating expenses	353,112	387,671
	<u>588,719</u>	<u>693,344</u>
Net income for year	<u>281,810</u>	<u>297,668</u>
Other Comprehensive Income		
Fair value (loss) / gain on unquoted equity shares - Note 9(c)	(12,720)	72,798
Net comprehensive income for year	<u>269,090</u>	<u>370,466</u>

See notes to financial statements.

UNITED ENTERPRISE CREDIT UNION LTD.

Statement of Cash Flows
9 months to June 30, 2023
Expressed in Barbados dollars

	<u>9 months to June 30, 2023</u>	<u>For the year to Sept 30, 2022</u>
Cash provided / (used) by:		
Operating activities		
Net comprehensive income for year	269,090	370,466
<i>Adjustments for items not involving cash</i>		
Depreciation	65,467	51,312
Transfer of (liabilities) / assets from other credit unions	364,025	(767,365)
Write-down of Government securities - Note 9(f)	(9,769)	(6,349)
Fair value gain on unquoted equity shares	12,720	(72,798)
Unrealized gain on fair value investments	(3,067)	(13,343)
	<u>698,466</u>	<u>(438,077)</u>
<i>Change in non-cash operating items</i>		
Accounts receivable and prepayments	(11,392)	(39,179)
Accounts payable and accruals	(61,933)	30,854
Deposits and non-qualifying shares payable	1,637,602	1,426,251
Qualifying shares	11,950	21,100
	<u>2,274,693</u>	<u>1,000,949</u>
Investing activities		
Increase in loans to members	(1,366,425)	(1,156,345)
Increase in investments	(337,256)	(9,720)
Acquisition of investment property	(19,430)	(325,495)
Purchase of plant and equipment	(4,935)	(5,324)
	<u>(1,728,046)</u>	<u>(1,496,884)</u>
Financing activities		
Entrance fees	530	650
	<u>530</u>	<u>650</u>
Net cash provided by financing activities		
	<u>530</u>	<u>650</u>
Increase / (Decrease) in cash and cash equivalents	547,177	(495,285)
Cash and cash equivalents - start of year	643,972	1,139,257
Cash and cash equivalents - end of year	<u><u>1,191,149</u></u>	<u><u>643,972</u></u>

See notes to financial statements.

UNITED ENTERPRISE CREDIT UNION LTD.

Notes to Financial Statements 9 months to June 30, 2023 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. On May 18 2022 Shamrock Cooperative Credit Union Ltd and subsequently Courtesy Cooperative Credit Union Ltd on Feb 21 2023 transferred their assets to the Credit Union. 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.

UNITED ENTERPRISE CREDIT UNION LTD.

Notes to Financial Statements 9 months to June 30, 2023 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.

UNITED ENTERPRISE CREDIT UNION LTD.

Notes to Financial Statements 9 months to June 30, 2023 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.

4. Fair value of financial instruments

(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.

UNITED ENTERPRISE CREDIT UNION LTD.

Notes to Financial Statements 9 months to June 30, 2023 Expressed in Barbados dollars

4. Fair value of financial instruments - continued

(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.

(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 and 10.

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:

	9 months to June 30, 2023	For the year to Sept 30, 2022
Loans	<u>174,250</u>	<u>59,909</u>
Shares and deposits payable	<u>67,069</u>	<u>176,657</u>

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

Honoraria	<u>12,000</u>	<u>18,000</u>
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(d) Key management personnel remuneration was \$76,163 (prior year \$96,525) and is included in Staff Costs in the Statement of Comprehensive Income.

UNITED ENTERPRISE CREDIT UNION LTD.

**Notes to Financial Statements
9 months to June 30, 2023
Expressed in Barbados dollars**

6. Staff costs	9 months to June 30, 2023	For the year to Sept 30, 2022
	189,063	254,361

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

7. Cash and cash equivalents	9 months to June 30, 2023	For the year to Sept 30, 2022
Current account	778,314	603,211
Demand deposits - 0.1% p.a. (prior year 0.1%)	6,568	6,506
Barbados Co-operative & Credit Union League Ltd.:		
- Ordinary shares	73,895	3,805
- Ordinary deposit - 1.5% p.a.	64,251	0
- Statutory reserve deposit - 0.75% p.a.	237,671	0
Cash on hand	30,450	30,450
	1,191,149	643,972

8. Accounts receivable and prepayments	9 months to June 30, 2023	For the year to Sept 30, 2022
Interest receivable	95,841	97,519
Other receivables	54,414	33,835
Less: Impairment provision	(55,000)	(24,000)
Prepayments	61,419	37,928
	156,674	145,282

(a) Impairment provision	9 months to June 30, 2023	For the year to Sept 30, 2022
Balance - start of year	24,000	24,000
Increase in provision	31,000	0
Balance - end of year	55,000	24,000

UNITED ENTERPRISE CREDIT UNION LTD.

Notes to Financial Statements 9 months to June 30, 2023 Expressed in Barbados dollars

9. Investments	9 months to June 30, 2023	For the year to Sept 30, 2022
<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	224,676
Capita Financial Services Inc. -2.15% to 2.4% p.a. (prior year - 2.15% to 2.4%)	282,248	468,623
Central Fund Facility Trust - 1.50% p.a. (prior year 1.50%)	148,072	145,884
City of Bridgetown Co-operative Credit Union Ltd. - 1.5% p.a. (prior year 1.5%)	264,513	261,568
First Citizens Investment Services Ltd. - 1.3% (prior year 1.3% p.a.)	15,486	152,990
Net Government securities – Note 9(e)	84,157	65,797
NCB Capital Markets (Barbados) Limited -1.5% to 2.1%	203,792	200,154
	1,228,561	1,519,692
<i>Non-current investments</i>		
<i>Term deposits - Held to maturity</i>		
BOSS Bonds – Note 9 (d)	250,000	150,000
Net Government securities – Note 9(e)	685,527	727,017
RF Merchant Bank and Trust (Barbados) Ltd., Williams Renewable Energy 2, Series B Bond - 4% p.a.	650,000	650,000
<i>Available-for-sale</i>		
Barbados Co-operative & Credit Union League Ltd.:		
- 20 membership shares (prior year 40)	200	400
Co-operators General Insurance Co. Ltd.:		
- 3,113 (prior year 1,869) ordinary shares	1,197,198	735,975
Co-operators General Management Company Inc.:		
- 1,054 (prior year 539) ordinary shares	209,735	103,833
Listed securities	48,312	45,244
	3,040,972	2,412,469
	4,269,533	3,932,161

UNITED ENTERPRISE CREDIT UNION LTD.

Notes to Financial Statements 9 months to June 30, 2023 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 3.15 (prior year 2.95).

(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 installments 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 installments 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.

UNITED ENTERPRISE CREDIT UNION LTD.

Notes to Financial Statements
9 months to June 30, 2023
Expressed in Barbados dollars

9. Investments - continued

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

Maturity Profile	9 months to June 30, 2023	For the year to Sept 30, 2022
Current portion - up to one year	<u>84,157</u>	<u>65,797</u>
Non-current portion		
Greater than one, up to 5 years	<u>379,080</u>	<u>368,604</u>
Greater than 5 years, up to 10 years	<u>382,330</u>	<u>444,064</u>
Gross value	<u>761,410</u>	<u>812,668</u>
Net present value write-down	<u>(75,883)</u>	<u>(85,651)</u>
Net Government securities	<u><u>685,527</u></u>	<u><u>727,017</u></u>

10. Investment property

Renewable Energy Project	9 months to June 30, 2023	For the year to Sept 30, 2022
Cost b/d	<u>325,495</u>	<u>325,495</u>
Additions	<u>19,430</u>	<u>0</u>
Accumulated depreciation	<u>(18,923)</u>	<u>0</u>
Cost c/d	<u><u>326,002</u></u>	<u><u>325,495</u></u>
Land and Building		
Property transferred from Shamrock Credit Union Ltd.	<u>719,273</u>	<u>719,273</u>
Fair value start of period	<u>958,375</u>	<u>958,375</u>
Loss on revaluation	<u>(198,075)</u>	<u>0</u>
Fair value end of period	<u>760,300</u>	<u>958,375</u>
Total investment property	<u><u>1,086,302</u></u>	<u><u>1,283,870</u></u>

UNITED ENTERPRISE CREDIT UNION LTD.

Notes to Financial Statements 9 months to June 30, 2023 Expressed in Barbados dollars

10. Investment property- continued

Investment property income	9 months to June 30, 2023	For the year to Sept 30, 2022
Renewable Energy Project	31,778	7,668
Land and Buildings	33,918	36,231
Total investment property income	65,696	43,899

- (a) Land and Building
Land and building comprise property located at "Hill-Selby", Corner 4th Ave Belleville & Pine Road, St. Michael, Barbados. During the previous financial year, 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
In the previous year the value of the property was shown as per the audited financial statements for Shamrock Co-operative Credit Union Ltd. for the year ended March 31, 2017. An independent valuation of the Credit Union's property on September 29, 2014 and the gain of \$239,102 was recorded in the revaluation reserve account. 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.
- (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.

During the year, the Credit Union made further investment in another 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.

Both projects are expected to generate electricity for sale to the Barbados Light and Power Company Limited (BL&P) energy grid. Under the terms of the Agreement with the Church, the Credit Union will lease the rooftop space for a duration of fifteen (15) years.

UNITED ENTERPRISE CREDIT UNION LTD.

Notes to Financial Statements
9 months to June 30, 2023
Expressed in Barbados dollars

11. Loans to members	9 months to June 30, 2023	For the year to Sept 30, 2022
Total loans outstanding	11,397,962	9,966,537
Less: Impairment provision	(645,000)	(580,000)
Net value of loans	<u>10,752,962</u>	<u>9,386,537</u>
(a) Impairment provision	9 months to June 30, 2023	For the year to Sept 30, 2022
Balance - start of year	580,000	650,000
Increase / (Decrease) in provision	65,000	(70,000)
Balance - end of year	<u>645,000</u>	<u>580,000</u>
(b) Maturity profile of loans	9 months to June 30, 2023	For the year to Sept 30, 2022
Amounts due in:		
Less than one year	821,349	863,675
Greater than one, up to 5 years	4,192,031	3,998,450
Over 5 years	6,384,582	5,104,412
Total	<u>11,397,962</u>	<u>9,966,537</u>
(b) Interest on loans is charged at varying rates, mainly between 7% p.a. and 18% p.a. on the reducing balance basis.		
(d) Commitments	9 months to June 30, 2023	For the year to Sept 30, 2022
Loans approved but not yet disbursed	<u>108,840</u>	<u>887,337</u>

UNITED ENTERPRISE CREDIT UNION LTD.

Notes to Financial Statements
9 months to June 30, 2023
Expressed in Barbados dollars

	9 months to June 30, 2023	For the year to Sept 30, 2022
12. Plant and equipment		
<i>Gross carrying amount</i>		
Cost	400,485	395,550
Accumulated depreciation	(333,264)	(286,720)
Net book values - end of year	67,221	108,830
	9 months to June 30, 2023	For the year to Sept 30, 2022
(a) <i>Reconciliation of Net Book Values</i>		
Balance - start of year	108,830	152,052
Transfer from Shamrock Co-operative Credit Union Ltd.	0	2,766
Purchases	4,935	5,324
Depreciation charge for year	(46,544)	(51,312)
Balance - end of year	67,221	108,830
	9 months to June 30, 2023	For the year to Sept 30, 2022
13. Accounts payable and accruals		
Interest payable	61,883	134,301
Other accounts	86,364	75,879
	148,247	210,180

UNITED ENTERPRISE CREDIT UNION LTD.

Notes to Financial Statements 9 months to June 30, 2023 Expressed in Barbados dollars

	9 months to June 30, 2023	For the year to Sept 30, 2022
14. Deposits and non-qualifying shares payable		
Members deposits	3,787,607	3,431,769
Special savings	300,334	221,592
Regular shares	6,057,616	5,107,817
Term deposits - members	1,269,550	1,320,605
Term deposits - corporate	2,437,484	2,133,206
	<u>13,852,591</u>	<u>12,214,989</u>

- 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.

	9 months to June 30, 2023	For the year to Sept 30, 2022
15. Qualifying shares		
	<u>84,050</u>	<u>72,100</u>

- (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.

16. Comparative amounts

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

UNITED ENTERPRISE CREDIT UNION LTD.

Schedule of Other Operating Expenses 9 months to June 30, 2023 Expressed in Barbados dollars

	<u>9 months to June 30, 2023</u>	<u>For the year to Sept 30, 2022</u>
Advertising and promotion	923	756
Bad debt expense	136,234	74,404
Bank charges	4,147	4,209
Cleaning	5,889	8,374
Conventions	2,445	21,040
Co-operative celebrations	1,160	1,465
Courier service	5,550	7,050
Donations	4,545	31,483
Education Fund	5,430	11,418
Financial Services Commission annual fee	2,300	9,070
Fines and penalties	106	5,000
Honoraria	22,800	31,200
Impairment provision - increase	(124,000)	(102,863)
Insurance	11,319	13,384
Mutual Benefits Plan (MBP) assessments	38,708	39,360
League membership dues	9,639	10,825
Meetings	18,166	9,130
Miscellaneous	8,180	8,343
National Development Fund	1,489	1,201
Office supplies	2,423	4,009
Postage	0	70
Professional fees	52,407	67,009
Rent - office	40,500	54,000
Repairs and maintenance	5,739	7,588
Software maintenance	13,618	16,516
Stationery and printing	6,778	9,704
Subscriptions	8,966	9,050
Training and seminars	43,355	4,082
Utilities - electricity	8,727	15,300
Utilities - telephone	11,088	12,724
Webpage and email	4,481	2,770
	<u>353,112</u>	<u>387,671</u>