

Saint Lucia Civil Service Co-operative Credit Union Ltd.

36th Annual General Meeting

Conference Room of the Finance Administrative Centre, Pointe Seraphine, Castries on Tuesday June 13th 2017.



“a place for everyone”

Annual Report 2016

NATIONAL ANTHEM

Sons and daughters of St. Lucia
Love the land that gave us birth
Land of beaches, hills and valleys,
Fairest isle of all the earth
Where so ever you may roam
Love, oh love our island home.
Gone the time when nations battled
For this "Helen of the West"!
Gone the days when strife and discord
dimmed her children's toil and rest
dawns at last a brighter day,
Stretches out a glad, new day.
May the Good Lord bless our island,
Guard her sons from woe and harm
May our people live united
Strong in soul and strong in arm
Justice, Truth and Charity
our ideal forever be.

Lyrics: Rev Charles Jesse FMI

Music: Sir Leton Thomas KCMG, SLC, OBE, CBE

PRAYER OF ST. 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.

STANDING ORDERS

1. (a) A member shall stand and state his name when addressing the chair.
(b) Speeches shall be clear and relevant to the subject before the meeting.
2. A member shall address the meeting when recognized or called upon by the Chairperson to do so, after which, he shall immediately take his seat.
3. No member shall address the meeting except through the Chairperson
4. A member shall not speak twice on the same subject, except:
(a) the mover of a motion who has a right to reply.
(b) the member rises to object to or explain any matter (with the permission of the Chair).
5. No speeches shall be made after the "Question" has been put to the meeting.
6. The Mover of a 'Procedural Motion' – (that is a motion for adjournment laid on the table, or motion to postpone) shall have no right to reply.
7. A member rising on a "Point of Order" shall state the point clearly and concisely.
(A Point of Order must have relevance to the Standing Orders.)
8. A member shall not "call" another member 'to order'.
(a) A member may draw the attention of the Chairperson to a 'breach of order'.
(b) On no account can a member call the Chairperson 'to order'.
9. Only one amendment shall be before the meeting at one and the same time.
10. When a motion is withdrawn, an amendment to it fails.
11. The Chairperson shall have the right to a 'casting vote'.
12. If there is an equality of voting on an amendment, and if the Chairperson does not exercise his casting vote, the amendment is lost.
13. Provision shall be made for protection by the Chairperson for vilification (personal abuse) among members.
14. No member shall impute improper motives against another.

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MISSION STATEMENT

THE CIVIL SERVICE CREDIT UNION WILL PROVIDE QUALITY FINANCIAL AND RELATED SERVICES TO MEET THE NEEDS OF MEMBERS, THROUGH EFFECTIVE MEMBER PARTICIPATION AND MOBILIZATION OF THEIR RESOURCES TO ENSURE CONTINUED GROWTH.

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CASTRIES
Cnr. Jeremie Street and Chaussee
8:00 am to 3:00 pm
Phone: (758)4524807/8
Fax (758) - 451 7725

VIEUX FORT
Road. Chitolie Mall, Beaufield
8:30 am to 3:00 pm
Phone: (758) 454-9774
Fax (758) - 4549778

NOTICE OF MEETING

NOTICE is hereby given that the 36th Annual General Meeting of the St. Lucia Civil Service Cooperative Credit Union Limited will be held at the Conference Room of the Finance Administrative Centre, Pointe Seraphine, Castries on Tuesday June 13th commencing at 5:00 p.m.

AGENDA

OPENING SESSION

1. Call To Order
2. National Anthem
3. Prayers/Invocation
4. Welcome Address – Junia Emmanuel-Belizaire
5. Greetings from Fraternal Organisations

CLOSED SESSION

1. Ascertainment of Quorum
2. Apologies for Absence
3. Reading and approval of the Minutes of the 35th Annual General Meeting and any intervening, Special General Meeting and discussion of matters arising therefrom.
4. Adoption/Confirmation of Reports:-
 - (i) Board of Directors
 - (ii) Treasurer
 - (iii) Auditor
 - (iv) Credit Committee
 - (v) Supervisory Committee
 - (vi) Any Sub - Committee
 - (a) Representative on the St Lucia Co-operative Credit Union League
 - (b) Nominating
5. Unfinished Business
6. Elections to:
 - (i) Board of Directors
 - (ii) Credit Committee
 - (iii) Supervisory Committee
 - (iv) The Management of any Registered Society in accordance with Bylaw 40 (2) (m)
7. Appointment of Auditors for the ensuing year.
8. New Business
 - (i) Resolutions : Declaration of Dividends and Patronage Refund
9. Adjournment

REFRESHMENTS WILL BE PROVIDED
BY ORDER OF THE BOARD



Sylvester Dickson, Secretary.



President's Message

My fellow cooperators, it is with sincerest gratitude that I take this occasion to thank you for giving me the opportunity to serve our Credit Union. Without you our members, our Credit Union would not exist. I thank you for your continued dedication and commitment in actively participating in our cooperatively owned institution. Like previous years, the Credit Union continues to provide members with product offerings in an attempt to make their dreams come true. These product offerings include a member's first home loan, a car loan, education or a small loan. Our extensive product offerings however do not keep our members from predatory lenders who entice with the convenience of readily available cash, with hidden fees and exorbitant interest rates. We have endeavored to provide financial counseling to increase members' ability to make more informed financial planning and decisions in an effort to avoid the trappings of predatory lending.

On a daily basis, I enjoy having conversations with members on matters of interest relating to cooperative issues. The opportunity to hear directly from members provides the avenue to influence changes in the way we do business. *It is important that members are aware that their voices are heard and suggestions considered in making our Credit Union the financial institution of their choice.* As a growing organization, we encourage your continued suggestions and feedback to providing

the services which you require to improve your social wellbeing. We would like our Credit Union to take its place in the “share of mind and heart” of members.

The future holds some exciting times for our Credit Union, as we will soon be undertaking a re-branding exercise which would require input from members on the image and quality of service we would like our organization to epitomize. We look forward to a greater presence from our CaribDE graduates who will be undertaking their project ideas to compliment the work of the Credit Union.

The delay in enacting the Cooperatives Societies Bill in Saint Lucia is impacting the operations of cooperative societies on the island. This bill we can assure when passed, will serve to enhance the legal and regulatory environment, in addition to encouraging the strengthening of the Credit Unions’ institutional capital. In anticipation of the passage into law of the legislation, our Credit Union continues to make the necessary provisions to become compliant.

As laws and regulations continue to change the structure and face of the financial services industry, it is important that we as members truly understand how credit unions are unique, different and necessary as our financial choice. This year’s theme for International Credit Union Day “The Authentic Difference” highlighted how Credit Unions differ in both philosophy and structure from other financial institutions. Our authentic difference is what creates an avenue for us to impact our environment by not only committing to

our community, but causing positive economic and social change. Our business is about people and not profit therefore it requires our Credit Union to provide all members with affordable financial services.

During 2016, we experienced the unprecedented regulatory, legislative and economic changes in the financial services industry. The trend of de-risking adopted by global banks, which led them to either terminate or threaten to terminate their correspondent banking relationships with local banks permeate our financial environment. The introduction of new banking charges and reduction in interest rates on savings and deposits also affected our capacity to earn projected income, whilst causing members to migrate funds to the safety of the Credit Union.

Notwithstanding all these environmental changes our Credit Union continues to experience successes as our asset base continued to show growth. The dedication of Management, Staff and Volunteers of our Credit Union must be commended as they continue to provide services for our members in such a volatile financial environment contributing to our every success.

Once again I thank you for the opportunity to serve as President. It was most definitely an enlightening experience and an honor to be of service to our Credit Union. On behalf of the Board of Directors, I wish our Credit Union a productive, informative and successful 36th Annual General Meeting as we chart our way forward.

**Junia Emmanuel-Belizaire
President**

“A Place for Ms. Catherine”



“
The Credit Union has put me on a better
footing and given me the opportunity to
own my home.
”

Miss Catherine
A satisfied Member!

Have you made use of the **Special Services** at the CU?



We are proud to offer these additional services to enhance your life.

They include:

Payment of Standing Orders

Payments on Members' Instruction for Insurance & Creditors

Utility Bill Payments - Water, Electricity.

Group Insurances - Medical, Homeowners, Vehicle, Contents, All-Risk,

The Family Indemnity Plan (FIP) - to cover funeral and burial costs

Special Savings Account - Can be part of your Financial Management plan

Financial Counseling: Loans staff can assist members by providing information and recommending options especially to those experiencing financial difficulty

Board of Directors



Junia T. Emmanuel-Belizaire

Profession: Management Consultant
Qualification: PG Diploma-Marketing Management, BSc.Management, PMP, Development Educator - CaribDE11 / USDE 2016
Substantive Position: Commerce & Industry Officer
Board Member Since: June 2011- 2015, 2016
Served on: Education and HR Committees.



Deale A. L. Lee

Profession: Attorney at Law
Qualification: LL.B, LL.M
Substantive Position : Associate, McNamara & Co.
Board Member Since: 2014
Served on: Finance & Investment Committee , Scholarship & Bursary Committee



Ivor Daniel

Profession: Accountant
Qualification: CloD, C.Dir, MBA, CPA, CGA
Substantive Position: Permanent Secretary
Board Member Since: 2003 -2009
Served on: Finance & Investment Committee, HR Committee



Sylvester D. Dickson

Profession: Income Tax Specialist
Qualification: BSc. Management
Substantive Position: Retired Civil Servant
Board Member Since: 1991
Served on: Membership, Scholarship & Bursary Committee; Finance & Investment Committee



Zepherin Francis

Profession: Financial and Management Consultant
Qualification: BSc Accounting, MSc Finance, MBA,
Substantive Position: Consultant
Board Member Since: (1989 - 2000),2013 to present
Served on: Finance & Investment Committee, Building Committee



Irene St Croix

Profession: Human Resource Professional
Qualification: Msc. HR Management & Training: Bsc. Management & Government
Substantive Position: Assistant Comptroller Inland Revenue Department.
Board Member Since: 2014
Served on: Human Resource Committee



Egbert Stevens

Profession: Business Management Consultant
Qualification: Masters in Business Administration
Substantive Position: Business Development Officer III
Board Member Since: 2015
Served on: Legislation & Regulation Committee



Michael St. Catherine

Profession: Attorney at Law
Qualification: LLB, LEC
Substantive Position: Attorney (Private Practice),
Board Member Since: 2011

Served on: Legislation & Regulation Committee

Table 1- Meeting Attendance Record 2016

Board	POLICY			LOANS			SPECIAL			QUARTERLY		
	POSS	ACT'L	ABS	POSS	ACT'L	ABS	POSS	ACT'L	ABS	POSS	ACT'L	ABS
ADRIA ROSE SONSON	5	5	-	4	4	-	7	5	2	1	1	-
DEALE LEE	12	9	3	11	10	1	14	11	3	4	3	1
SYLVESTER DICKSON	12	11	1	11	10	1	14	13	1	4	3	1
ZEPHERIN FRANCIS	12	9	3	11	8	3	14	13	1	4	4	-
AGOSTA DEGAZON	5	4	1	4	4	-	7	5	2	1	1	-
EGBERT STEVENS	12	12	-	11	11	-	14	13	1	4	4	-
MICHEAL ST. CATHERINE	12	9	3	11	10	1	14	10	4	4	3	1
JUNIA EMMANUEL-BELIZAIRE	7	7	-	7	7	-	7	6	1	3	3	-
IVOR DANIEL	7	7	-	7	7	-	7	5	2	3	1	2
IRENE ST. CROIX	12	10	2	11	10	1	14	9	5	4	3	1
JAMES CHARLES	5	2	3	5	2	3	6	2	4	2	-	2

Table 1.1- Meeting Attendance Record 2016

SUPERVISORY COMMITTEE	ORDINARY MEETINGS			SPECIAL/Joint			QUARTERLY		
	POSS	ACT'L	ABS	POSS	ACT'L	ABS	POSS	ACT'L	ABS
KERVYN TOBIAS	27	25	2	7	7	-	4	4	-
MYRNA JAMES	27	26	1	7	4	3	4	4	-
HENIX JOSEPH	13	11	2	4	3	1		1	-
LOUENDA GEORGE	27	18	9	7	3	4	4	4	-
LYNDELL ST. VILLE	27	24	3	7	1	6	4	4	-
MARTHA DUVAL	14	11	3	3	3	-		3	-

Table 1.2- Meeting Attendance Record 2016

	ORDINARY MEETINGS			SPECIAL			QUARTERLY		
	POSS	ACT'L	ABS	POSS	ACT'L	ABS	POSS	ACT'L	ABS
ANGELA BRICE	34	32	2	4	3	1	1	-	1
LISA GOODMAN	85	77	8	7	6	1	4	4	-
CLETUS CYRIL	34	29	4	4	2	2	1	1	-
ANNE VERNE JOHN	39	27	12	3	3	-	2	-	2
VENUS ALCINDOR	85	71	14	7	6	1	4	3	1
RICARDO CORSINIE	85	69	16	7	4	3	4	3	1
SHERMAN SYLVESTER	51	50	1	3	3	-	3	2	1



“Volunteering is the ultimate exercise in democracy. You vote in elections once a year, but when you volunteer, you vote every day about the kind of community you want to live in.” — Unknown”

General Statistics 2007 - 2016

Financial Factors (\$'000)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assets	111,463	121,961	130,613	139,427	149,945	160,384	173,730	187,449	205,319	227,505
Cash Resources	27,204	30,899	33,386	41,494	46,982	44,751	43,456	46,116	48,641	61,573
Investments	574	535	701	859	816	826	778	1,539	2,522	2,612
Loan to Members	73,343	84,800	91,466	92,220	97,229	109,958	124,763	134,918	149,332	157,007
Fixed Assets	4,387	4,405	4,290	4,707	4,757	4,671	4,546	4,504	4,452	4,580
Total Liabilities	8,042	7,617	8,272	9,395	10,678	11,445	136,521	146,989	161,963	178,901
Witdrawable Shares	79,906	88,323	94,238	100,496	105,545	112,157	119,696	132,359	145,135	157,502
Permanent Shares	3,605	4,650	5,646	6,535	7,271	8,323	9,431	10,293	11,354	12,737
Deposits	5,814	6,839	7,659	8,426	9,829	10,441	12,439	13,663	15,910	20,266
Reserves	12,740	13,946	15,281	16,404	17,979	19,601	20,735	22,695	24,741	27,266
Retained Earnings After Dividend. & Patronage Refund	2,316	2,535	2,561	2,517	2,787	2,892	2,946	*7,472	*7,262	*8,601
Members' Equity	103,321	114,344	122,340	130,032	139,267	148,937	37,209	40,460	43,356	48,604
Loans Approved	39,897	42,605	38,201	37,268	44,101	55,946	55,659	57,012	60,674	61,859
Net Income	6,258	6,704	6,112	5,429	7,798	7,902	5,652	6,615	6,353	8,776
Dividend - Withdrawable Shares	3,665	3,597	3,485	2,804	3,948	4,159	NA	NA	NA	NA
Dividend – Ordinary Shares	314	408	517	606	670	778	877	984	1,051	
Patronage Refund		884	613	668	1063	1084	1272	1385	1,416	
Membership	11,240	11,737	12,237	12,614	13,382	13,798	14,401	14,941	15,446	15,913
No. of Loans	9,746	10,288	10,180	9,284	9,619	10,325	10,357	11,223	11,182	10,514

◆ Retained Earnings before Dividend and Patronage Refund



Management





Management

Antonius Dusauzay

Finance Manager

Mathiaus Polius

Internal Auditor

Rita A. Francis

Credit Manager

Vanya Pilgrim-Samuel

Human Resource Manager

Melania Bailey-Francois

Systems Administrator

Olive St. Ville

Member Services Manager



Line Staff

Alin Verneuil	Amarae Arthur	Andrea Remy	Bibiana Etienne	Cheryl Joseph	Cleavert Jn. Baptiste
Clement Gill	Dayci Innocent	DeVaughn Charles	Donna Mathurin	Donovan Denis	Eldon Paul
Edwin Charlery	Gina John	Heather James	Jacinta Jn. Charles	Jerren St. Clair	Jessica Mc Vane
JnMill Augustin	Justina Samuel	Kirsten Savery	Lamar Frederick	Latoya Alphonse	Lylius Joseph
Malauge Vitalis	Maceo Miller	Marcella Roland	Marciana Gabriel	Marlan Biscette	Martin Lafeuille
Menassia Nelson	Neighman Lascaris	Olivia Cornielie	Priscilla Sidonie	Ria Marius	Warren Leo
Sandy Mitchel-Adams	Sarica St. Rose	Shenel Lionel	Sheralye Alcindor	Sylcia Philip	Tanize Stanislaus
Tony Abraham	Marylene Cherry-William				

STAFF MOVEMENT AND CHANGES

Six (6) new persons joined our staff complement and have been assigned as follows:

Management

Celestin Laurent - Deputy General Manager

Tellers

JnMill Augustin - Teller

Other awards captured by staff included:

Malauge Vitalis	-	Teller
Ria Marius	-	Teller
Sheralye Alcindor	-	Teller
Tanize Stanislaus	-	Receptionist

Members of staff were once again recognized for excellence. Mr Tony Abraham was the overall winner for the “Employee of the Year” with Mr Jerren St Clair as the runner-up under this category.

Categories	Employees
Above and Beyond	Heather James
Team Player of the Year	Neighman Lascaris
Excellence Member Services	Latoya Alphonse
Excellence in Member Services	Edwin Charlery
Corporate Image Award	Martin Lafeuillee
Spirit of CSCCU	Andrea Remy
Teller of the Year	Miguel Moses
Most Improved Employee	Lylius Joseph
Pillar of Performance	Jessica McVane
Pillar of Performance	Eldon Paul
Rising Star Award	Donna Mathurin
Star Award(Service, Teamwork, attitude, Reliability)	Menassia Nelson
Supervisor of the Year	Sandy Mitchel-Adams
Leadership Award	Marlan Biscette
Cornelia McDonald Award(Productivity)	Bibiana Etienne
General Manager's Award(Excellence)	Olivia Corneille
Employee of the Year 1st runner Up	Jerren St Clair
Employee of the Year 2016	Tony Abraham



2016 Caribbean Confederation of Credit Unions (CCCU) – 59th ANNUAL

INTERNATIONAL CONVENTION & 45th ANNUAL GENERAL MEETING

The theme for this year's Convention was "The Credit Union Difference: Vision in Action". A delegation of ten (10) participants attended the Convention held at The Hilton Bonnet Creek, Walt Disney, Florida, from July 1-6 2016. The delegation comprised Directors, Committees

Members, Management and Staff.

The 2016 Convention Programme provided educational and social opportunities for participants. Some of topics included:

- ◆ Empowering Youths, Enhancing Leadership Skills and Mentoring
- ◆ Best Practices for Attracting New Membership
- ◆ Climate Change and its Financial Impact
- ◆ A Framework for Leadership

- ◆ Cultivating A Success Mindset
- ◆ Balancing Social Impact of Financial Performance
- ◆ Inclusive Growth: understanding the Youth Market
- ◆ Enhancing Security and date breach readiness
- ◆ Understanding Mobile Banking and Its Effect on Members

2016 – 14th OECS CREDIT UNIONS SUMMIT MEETING

The 14th Annual OECS Summit was held in St Vincent and the Grenadines on September 14-18 2016 under the theme *“Strengthening OECS Credit Unions, Co-operating, Integration and Innovation”*. A thirteen (13) member delegation comprising volunteers from the various committees, management and staff attended this year's Summit. Some of the topics highlighted were:

- ◆ Strengthening OECS Credit Union, Cooperation, Integration and Innovation
- ◆ De-risking Practices, Implications for Credit Union and Solutions
- ◆ The establishment of a Credit Union Bureau in the ECCU and the Harmonized Credit Reporting Bill and Regulations
- ◆ Innovative Credit Union Product and Services
- ◆ Beyond Demographics –A Multidimensional View of Members' Needs
- ◆ Financial Strengthening for Corporate Enterprises
- ◆ Strategies for Managing Sustainable Central Funds

SCHOLARSHIPS FOR 2016

CSCCU continues to provide scholarships and bursaries to children and wards of our members. This year nine (9) scholarships were granted to students to attend secondary schools.

The 2016 Secondary Schools Scholarship Holders are:

New Scholarships (8)

	Child	School Assigned	Parent
1	Ms. Mikaili Philbert	SJC	Maura Philbert
2	Mr. Anthony St Omer	SMC	Andre St Omer
3	Ms. Tiah Lashley	SJC	Leonard Lashley
4	Ms. Andrez Daniel	SMC	Alexander Daneil
5	Ms. Phoebe Victorin	SJC	Gracelyn Louis-Victorin
6	Mr. Richie Hyacinth	SMC	Fluenrette Hyacinth
7	Ms. Callyne Jn Baptiste	SJC	Cornelia Jn Baptiste
8	Mr. Rashaad Augier	SMC	Krismond Stanislas

Staff Scholarship (1):

Child	School Assigned	Parent
Alana Philogeneity	Leon Hess	Ms Cheryl Joseph



A total of thirty-five (35) bursaries were awarded to children of members for both the secondary and tertiary level.

Four (4) Scholarships were awarded to students to attend the SALCC .

	Child's Name	Parent's Name
1	Jevon Charles	Gilbertha Charles
2	Patrice Lammie	Patrick Lammie
3	Marissa Auguste	Michelle Auguste
4	Kathleen Gill	Cathy Augier-Gill



MEMBERSHIP DEVELOPMENT

The Member Service Department continued to make use of electronic mailings and personal encounters to share credit union information with members. Periodic mailings were sent out via our departmental mobile phones, national radio stations, website and our official Facebook account. Staff undertook scheduled visits to member organisations and the six (6) Twinned Schools to share information and to answer member questions. Do the staff of your organisation have questions about our Credit Union? An organisational visit can be arranged by contacting the Member Services Department or through your departmental Contact Person. Interested persons may join our mailing list for updates or to stay abreast of our activities. through our official account: info@cscreditunion.org, liking our Facebook page - [St Lucia Civil Service Co-operative Credit Union](#), sending us a message on our [Whatsapp ,758-285-3742](#) or visiting our [website: cscreditunion.org](#). We would love to hear

how we can improve our services to you and be more relevant in our product offerings.

The development of our youth and their education continued to be a priority and in 2016 the Member Service staff focused on our Twinned Schools and on the Junior Account holders. These efforts manifested in a 2% contribution to adult membership growth from graduates of the Twinned Schools and a significant 9% from upgraded SOCA accounts . With respect to the number of SOCA (Spirit of the Calabash) Junior accounts a more moderate rate of growth was noted this year of 7% compared to 2015.

Membership Statistics

Table 2 provides an update on membership growth for 2016. Membership has almost attained the 16, 000 member mark as at year end from an almost 17% increase in new members.

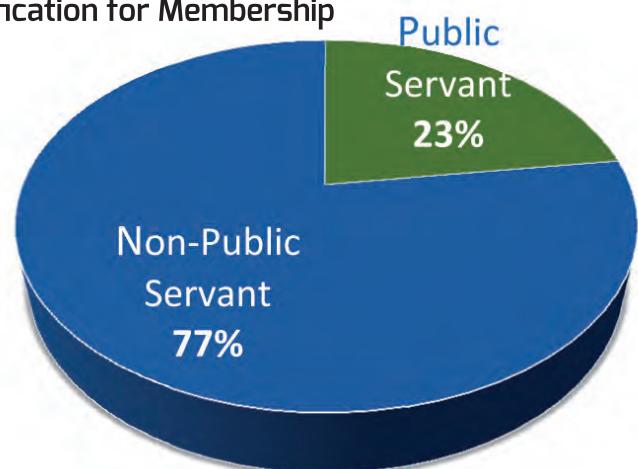
Table 2 -- ACCOUNT AND MEMBERSHIP GROWTH 2012-2016

	2012	2013	2014	2015	2016	SOCA				
						2012	2013	2014	2015	2016
Members	13798	14401	14941	15446	15913	2408	2588	2714	2869	2981
Change in Membership	453	665	688	505	589	152	180	213	235	251
% Change over Prior Year	3.1	4.6	3%	3.4%	16.6%	11.80	18.42	5%	10%	7%
No of Accounts Closed	37	62	57	26	125	66	77	54	80	115

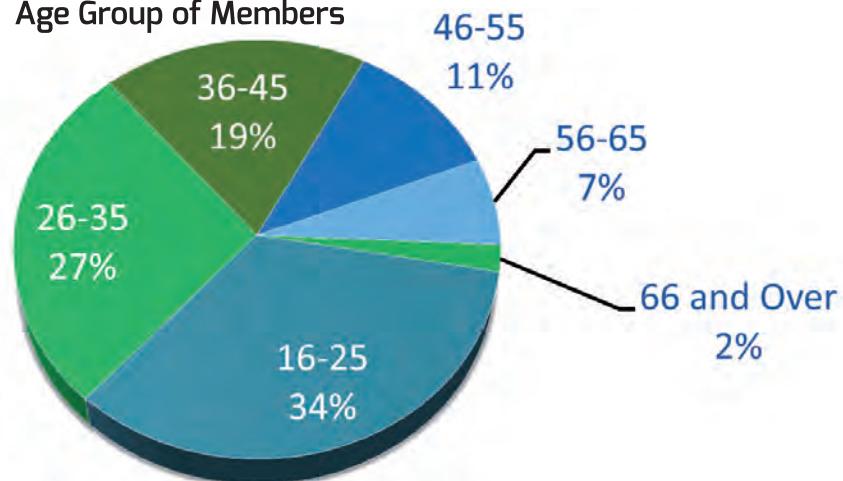
The reduction in the growth rate of the Public Service has meant that the majority of our new members (77%) are not from the service and are typically from Castries (94%). Over 60% of new members were female with youth below the age of 35 contributing 61% of the value of new members.

PROFILE OF APPROVED MEMBERS FOR 2016

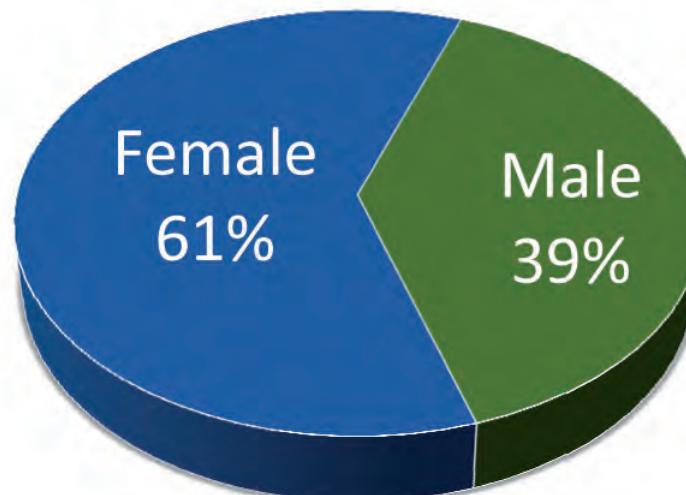
Qualification for Membership



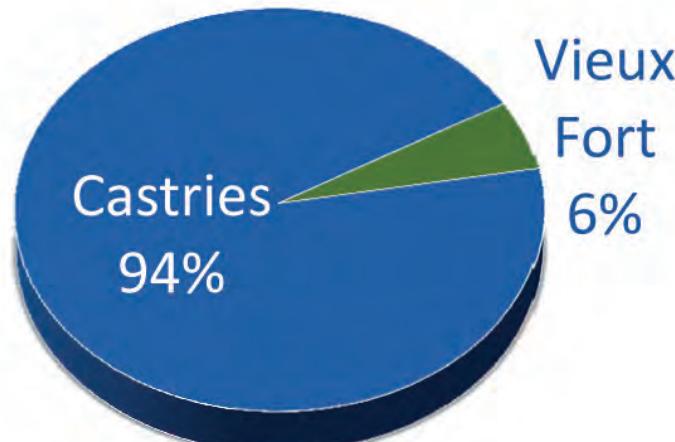
Age Group of Members

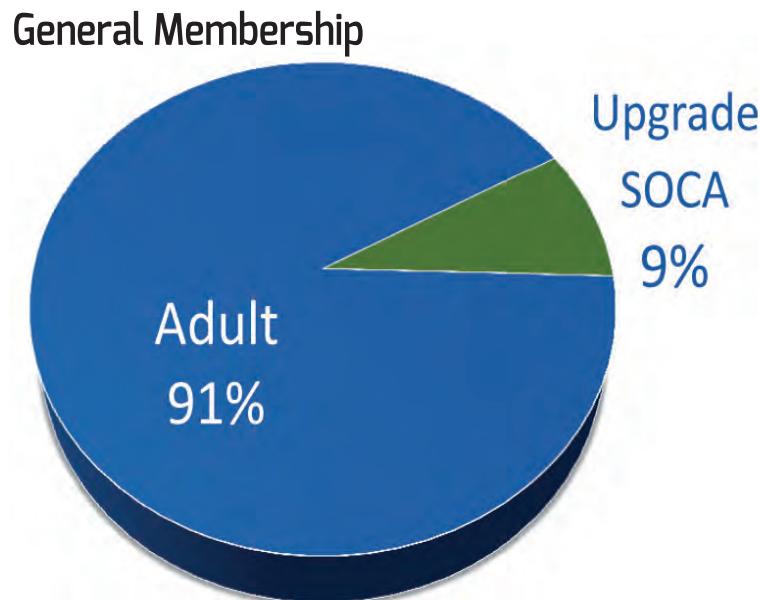


Gender of Members



Location of Membership





In 2016 the settlement of death claims was at an all time high causing a leap in account closures compared to 2015 as family members received the insurance proceeds from CUNA Mutual Insurance. Administratively, new strategies have been identified to improve the rate of membership approvals.

Parents and Guardians are reminded that their children and wards can enjoy full membership benefits at our Credit Union from age 16 as they begin the journey towards financial independence.

SPECIAL SAVINGS ASSISTANCE

Our Credit Union continues to provide a range of deposit services to support the money management plans of our members. Members are encouraged to explore our account and savings options as a component of their development plans.

In 2015 over 500 members made use of the Restricted Savings Account service to save money to assist with future plans. By 2016, the number had reduced to 334 while the value of the amount being saved had increased by 108% up to XCD\$0.5 million. These funds have been used to meet annual insurance renewal premiums, medical and emergency expenses, share requirements for loans and deposits for student loans.

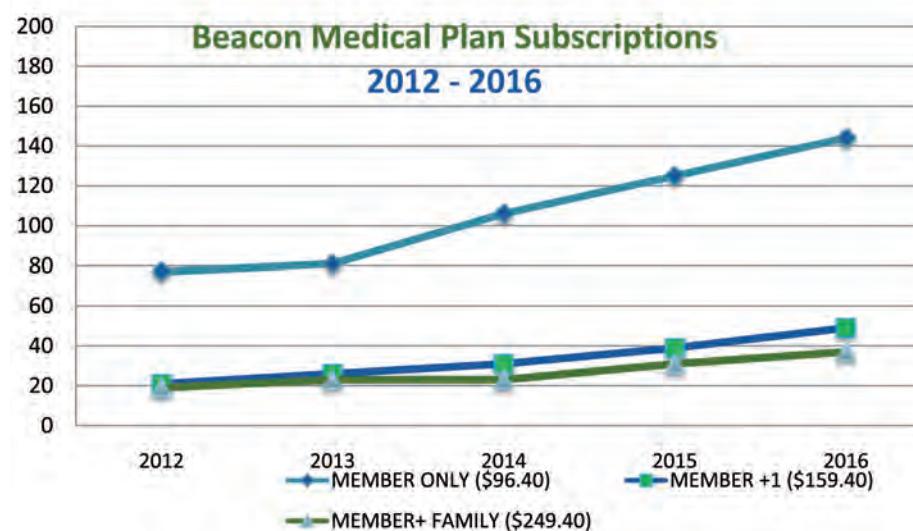
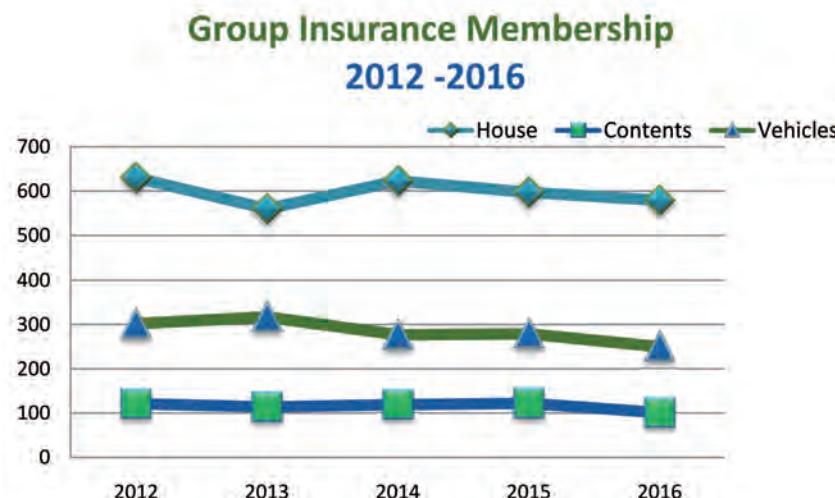
Do you need a bit of discipline to help you save? The Credit Union offers free payroll deductions to this special account in support of your personal development plans. More information can be provided by the Member Service staff .

GROUP INSURANCE PLANS

(Risk Consultants & Insurance Brokers - Homeowners, Contents, Vehicles and All Risk Coverage)

2016 was a great year for our insurance plans with an over 8% reduction in premiums for all classes of homes to ease the financial strain on our members. Despite this improvement, we note that increasingly members continue to take on more personal risk by either delaying or non renewal of policies. In 2016 reductions in plan membership were noted for all classes of insurance despite new admission to the plans and the rate reductions.

The Figure below reflects the performance of our Group plan for the past five years.



BEACON MEDICAL INSURANCE

As noted in the attached graph the plan continues to grow, with an average of 5 members applying every month. Cancellations meanwhile have also been significant as members delay in paying their monthly premiums and are subject to cancellations of their policies. The MSD provides all administrative support and services and information on benefits and requirements can be sourced from our Department.

In 2016 member claims increased by 50% over 2015 levels with an average of 80 claims per month being processed and over 79% of them successfully approved within the stipulated period.

RETIREE MEDICAL PLAN

Members are reminded that a Retiree plan with reduced benefits is available to persons who are already on the plan and attain the age of 60. Members of the plan should seek information from the staff about converting to the cheaper plan with reduced benefits in order to still enjoy medical insurance benefits from our plan.

LPP - LIVELIHOOD PROTECTION PLAN

The “Livelihood Protection Plan”, our new adverse weather risk management plan made members very happy in 2016. Three (3) times during this year benefits were paid out to members because of the island facing extreme rain or wind levels .

In October a check of over \$30, 000 was distributed



to the plan members. Again we would like to remind members that the incidences of adverse weather are becoming more common and that the LPP will make a very worthwhile contribution to a post disaster management plan for every member. Remember, heavy rain does not only fall, or strong winds only blow in the hurricane season.

Interested members should contact the Member Services Department to signup and for more information..

Our Credit Union offers the CUNA Mutual Insurance Family Indemnity Plan that has become a godsend to many members of our community. In 2016, over \$810,000.00 was directly paid out to the families of more than 50 members to assist them to meet the burial costs for their loved ones.

We note that the funeral and burial costs have significantly increased on the island and that having a facility to support your family meeting expenses at that time will reduce the stresses of the whole process. Our aging population and the increased incidences of health concerns among the population means that the financial strain on the family of all unplanned expenditures can be significant

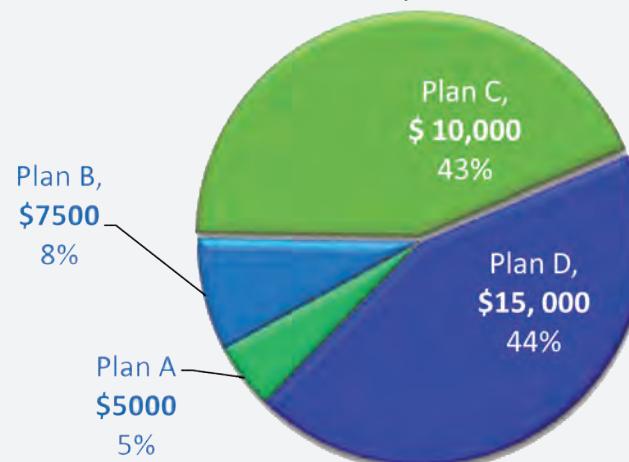
PERFORMANCE SUMMARY OF THE FIP FOR 2016

CATEGORY	2015	2016
Total Membership	1990	2100
New Enrollment	180	182
Number of Claims	48	64
Value of Claims XCD	\$ 610,000	\$ 810,000

Our staff can provide information on the four (4) plans that are available, the monthly premiums and the associated benefit. The process is relatively simple once accurate information is provided at inception and the majority of approvals are received within 48 hours of the claim being forwarded.

Under the Family Indemnity Plan subscribers can access a maximum of XCD\$ 15, 000 towards meeting funeral and burial costs. Currently 44% of the members of the plan have subscribed to this level of benefit and pay a monthly premium of \$79.20 for this assurance.

Membership of the Family Indemnity Plan FIP at December 2016 by Plan benefit



During 2016, 42 members of our Credit Union family passed on from this life. The Board of Directors Committees, Management, Staff and Members extend heartfelt sympathy to all of our members who experienced the loss of a loved one this year.

Deceased Members for 2016

1	Annette Martial	12	Gabriel Dolor	23	Kenneth Andrew Richardson	34	Richard Phillip
2	Anthony Popo	13	Genavie Pierre	24	Lucella A James	35	Richard Simon
3	Augustin Barthelmy	14	George Frederick	25	Lyrrl Gaston	36	Rose Ann Francois
4	Barbara Aimable	15	Glenda Moise	26	Marjorie Lake	37	Rose Anne Francois
5	Borna K St Rose	16	Hamilton Stapelton	27	Mary D St Marthe	38	Susanna Magdelina Jolie
6	Charles Joseph	17	Herick A Baptiste	28	Mary Fenelon	39	Sylvester D Calderon
7	Christopher Ellick	18	Jacinta C Prospere	29	Mary P Fenelon	40	Thomasine Felix
8	Cyril Matthew	19	Johannes Eugene	30	Mervin Sanviera Justin	41	Worrel John Isaac
9	Dale Francis	20	John George	31	Morella Edward	42	Yana Alman Auguste
10	Daria George	21	James Charles	32	Myrle Emmanuel		
11	Etheline Lawerence	22	Kennedy Vincent Francis	33	Pamela Drysdale		



In 2016 the Vieux-Fort branch hosted two major activities geared towards engaging our immediate membership and also to wider community. In May of 2016, the branch hosted the second annual "Fun Walk". Participants included members and non members from Dennery to Vieux-Fort , numbering over a hundred and thirty. This registered an increase of over fifty participants from the previous year in spite of a lengthier route which started from Micoud and ended in Vieux-Fort a distance of approximately twelve miles. The event also grew in scope as prizes were offered in various categories. The event culminated in with a healthy breakfast and health screening by our faithful nurse and health aide volunteers.

In keeping with the organizations values of a holistic approach to the care and development of our members the branch also hosted the third consecutive financial cocktail. Members were engaged in lively discourse on matters relating to budgeting, retirement and financial prudence. Facilitators for this workshop included our deputy general manager Mr Celestin Laurent and our loans manager Mrs Rita Francis. Participants expressed overwhelming satisfaction with the information and encouragement that they received. Each participant made a renewed commitment to attain various financial goals.

The Vieux-Fort Branch stands committed to serve our member base in the communities of the southern

region. Guided by our mission statement we consistently endeavour to provide ultimate customer satisfaction, enhance members' quality of life and engage in demonstrable social responsibility.



Photos: 1&2 - Financial Cocktail

3&4 - 2nd Annual Fun Walk



Thanks & Farewell

TO CU STALWARTS

While we say farewell to all of the members who have left us , we must make special mention of our committed and dedicated members identified in the previous list. These members went above and beyond during their lifetime as organization.



CYRIL MATTHEW

In November 2016, Mr Cyril Thomas Matthew the immediate past Manager of the Credit Union and long serving volunteer departed this life . Mr Matthew successfully managed our CU during a period of great expansion and formalization of processes. His keen interest in member education led him to serve as a resource person for many workshops throughout the movement in St Lucia not just in our Credit Union. During his tenure membership grew steeply, asset growth was phenomenal and his determination that member welfare stay at the forefront of the Credit Union operations led to the advancement of many average members. He oversaw the authoring and formalization of policies that are still in use today, the purchase of our current head Office and the opening of the Branch in Vieux Fort.



JAMES CHARLES

Mr Charles had the distinction of serving on the Education, Credit and Supervisory Committees and the Board of Directors during his 22 years of service. He was an extremely reliable yet humble volunteer who was always early for meetings and has been described as the ultimate team player. He was committed to member problem solving and would often be found seeking information to transmit to inquiring members .



ANNETTE MARTIAL

Ms Martial provided service to our Credit Union on the Education and Credit Committee and she did so with distinction. She could be counted on to be always punctual and never to miss a meeting. This powerhouse of a volunteer may have been soft spoken but she never shirked her responsibilities to the CU and its membership.

The Board of Directors would like to officially express our thanks and appreciation for the contributions that these volunteers made to the development of our Credit Union . To their families, we say a big thank you for sharing them with us and we offer you our sincerest condolences at your losses. *They may be gone, but will not be forgotten.*

PRE-COMMON ENTRANCE STRESS RELEASE WORKSHOP

In April 2016 a special workshop was held for children of members to expose them to valuable information and to help them develop skills, techniques and strategies to prepare for the exam. Another strategic objective was to allow the students to develop tools that would assist them in dealing with this stressful exam. During the Easter vacation, thirty five (35) students attended the two (2) day event and participants reported the event as informative and lively.



Participants seemed to appreciate the format of the workshop where they able to gain vital knowledge while being active and the facilitators made use of range of media. For the first time, 4 students and 3 volunteers registered via our Vieux Fort branch and attended the sessions.

MEMBER WORKSHOPS/ TRAINING

The New Member Orientation Sessions continued to be held this year and were organised and delivered by the staff of the Member Service Department quarterly along with two (2) other seminars. The Board of Directors would like to again encourage members to make full use of the opportunity to understand how to maximize your Credit Union benefits.

These sessions were very informative, provided invaluable financial education and offer an opportunity for attendees to have their questions answered .

We would like to encourage members to make the most of all training opportunities offered by and through the Credit Union as they can be life changing.



The table displays workshops held during the period:



Workshop	Date Held
New Member Orientation	May
New Member Orientation	July
Summer Safari Volunteers Training	August
New Member Orientation	October
Insurance	November

INTERNATIONAL CREDIT UNION MONTH CELEBRATIONS 2015

From October 2nd 2016, our Credit Union joined with the World Council of Credit Unions (WOCCU) with a programme of activities to celebrate International Credit Union Day. The Theme for the celebrations in 2014 was "The Authentic Difference "

Saint Lucia Civil Service Co-Operative Credit Union (International Credit union Month Activities, 2016)

Date	Time	Activity	Venue
October			
Sunday 2nd	8:00 a.m.	Church Service	La Clery Church
	9:30am to 12:00 noon	Creole Brunch	CSA Centre, Sans Souci
Monday 17th	8:00am	Christmas Wishmaker Begins	All Branches
Wednesday 19th	5:15pm to 6:30pm	New member orientation Workshop	Castries Office
Thursday 20th	9:00am to 3:00pm	Open day (International Credit union day)	All Offices
Saturday 22nd	5:15pm to 6:30pm	Member Workshop	CSA Centre Sans Souci
Wednesday 26th	5:15pm to 7:00pm	Seminar (topic to be decided)	Castries Office
Friday 28th	9:00 am to 2:30	Volunteers Day/ Creole member Appreciation	All Branches
November			
Sunday 13th	6:30am to 2:00pm	Member Hike/ Physical Activity	Soufriere
December			
Saturday 10th	9:30am to 4:00pm	Senior Treat	Monchy

The activities were scheduled from October to December to minimize undue stress on Member Service Department staff and to reduce competition from other national events. A combination of educational and social programming opportunities were offered to members.

The celebrations began with the Creole breakfast and Church Service. This year modifications were made to allow our usual venue to accommodate more members.



On International Credit Union Day, the contribution of members' was recognized with a Member Appreciation and an Open House. All members visiting the branches on October 28th partook of our creole treats and had the opportunity to interact with their elected volunteers.

A Member Orientation workshop was held along with an Insurance seminar that members' rated as very informative.





In November 37 members made the trek through Fond St Jacques along the Micro Reflector Trail . The hikers were muddy upon their return but in very high spirits.



Senior Appreciation 2016

The final event, Senior Appreciation was held December 10th and in attendance were 41 seniors. Twelve (12) staff from the Credit Union assisted at this event.



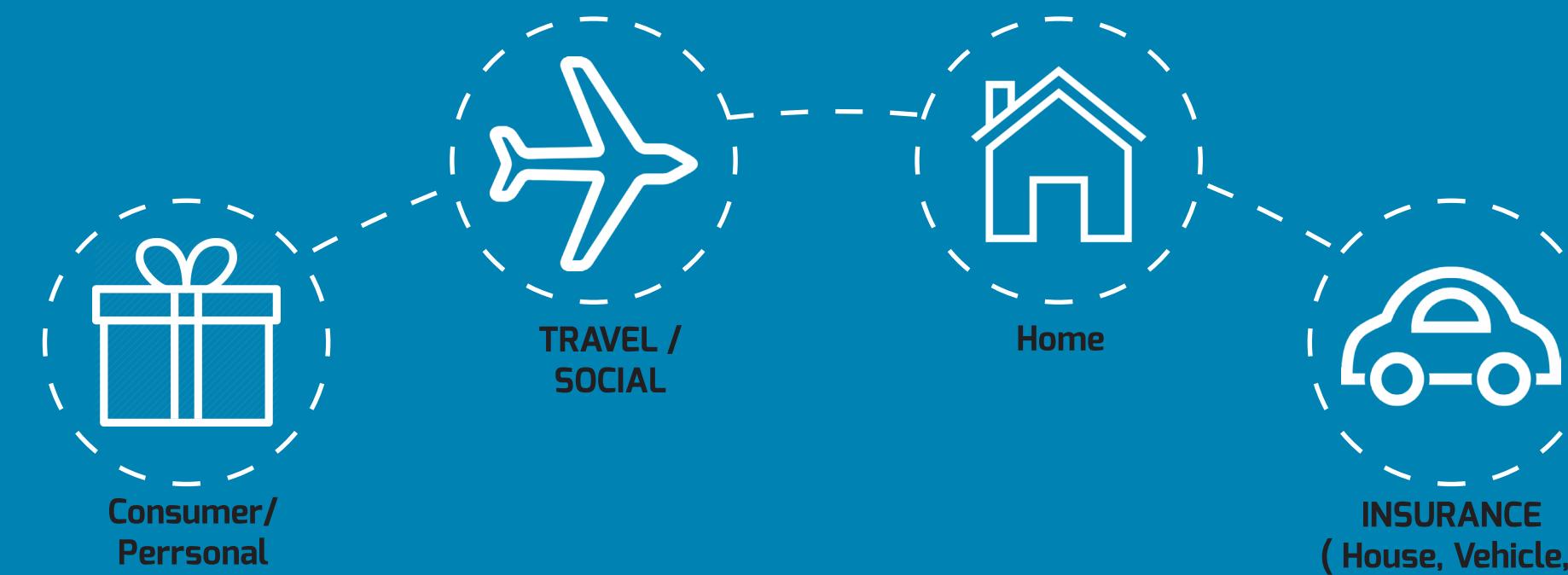
“A Place for Jefferson”



“With an easy loan from the Credit Union, i was finally able to afford my 1st car.”

Mr. Jefferson
A satisfied Member

Contact us for your next **Loan!**



Whether you're thinking about buying a home, taking a vacation or paying off bills, the St. Lucia Civil Service Co-operative Credit Union is here for you.

Take advantage of our low interest rates and excellent customer service.

For Loan appointments: Call 452-4807 (Ext 255)

To speed up the application process, please ensure that you bring the required supporting documents for the loan.

The basic requirements for all loans are:

- ◆ Qualifying shares
- ◆ National ID
- ◆ Recent salary slip, All members must provide an original copy of their most recent salary slip
- ◆ Documentation for the purpose of the loan (eg invoices, bills, job estimates, statement)



Treasurer's Report

I am indeed grateful to be serving once again as a Director and Treasurer of this esteemed Credit Union, having been elected at the last AGM in 2016. As a Board we continue to adhere to the local regulatory requirements as well as keeping focused on the International Credit Union Safety and Soundness Principles as espoused by the World Council of Credit Unions. (WOCCU.)

OVERALL PERFORMANCE

The growth and strong financial performance of the St. Lucia Civil Service Co-operative Credit Union Limited is reflected in the results for 2016 which ensures that our Credit Union is positioned to continue to serve members for many years to come.

1. ASSETS

In 2016 we realized a total asset growth of 11% over 2015 bringing our net assets to \$227,505,411. The main contributor to this growth is withdrawable shares which stood at \$157,501,700 from \$145,135,408 a growth rate of 9%. This is a clear indication that we are not immune to activities taking place within the financial service sector.

Cash and Financial Investments

As a result of the over \$12 million growth in withdrawable shares, cash and financial investments grew by 38% and 24% respectively. Excessive Liquidity continues to plague the sector with returns on investment yielding less than one (1) percent.



Loans and Advances to Members

The loan portfolio grew by \$7,675,179. This declining growth rate was attributable to uncertainty of the economic environment, members experiencing job loss and increased delinquency.

2. LIABILITIES

We also experienced much growth in our liabilities and are anticipating this trend to continue through the coming year, reflective of activities taking place within the sector.

Deposits from Members

On the deposit side, our deposits from members grew by 2.7% or \$4,356,009.

3. MEMBERS' EQUITY

We remained financially strong as we added \$5,247,744 to members' equity with statutory reserve increasing by \$2.5 Million.

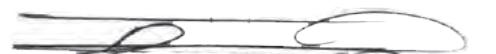
B. STATEMENT OF COMPREHENSIVE INCOME

1. OPERATING INCOME AND EXPENSES

On the income statement, we also had very positive trends. While the interest margin and operating expenses remained relatively flat, we realized a reduction in interest expense as a result of the reduction of interest

on withdrawable shares and deposits. The increase in delinquent loans resulted in \$827,435 expense for impairment loss.

Overall 2016 was another financially successful year. As Board and Management focus on improving operating efficiency by finding ways to streamline processes, reduce delinquency and increase loan portfolio, we expect to see even stronger financial results in 2017.



Ivor Daniel
TREASURER

	CRITERIA	2016		2015		STANDARD
		ACTUAL	RATING	ACTUAL	RATING	
PROTECTION						
1	1 Provision for Loan Losses/Loan Delinquent>12 Months	100%	1	100%	1	100%
	2 Provision for Loan Losses/Loan Delinquent<12 Months	80%	1	74%	1	35%
	3 Solvency (Net Value of Assets/Total Shares & Deposits	119%	1	119%	1	>111%
EFFECTIVE FINANCIAL STRUCTURE						
2	1 Net Loans/Total Assets	69%	2	73%	1	70-80%
	2 Savings Deposits/Total Assets	78%	1	78%	1	70-80%
	3 Member Shares Capital/Total Assets	6%	2	6%	2	Less than or equal to 20%
	4 Institutional Capital/Total Assets	16%	1	16%	1	Greater than 10%
ASSET QUALITY						
3	1 Total Delinquency/Gross Loan Portfolio	4%	1	4%	1	Less than or equal to 5%
	2 Non-Earning Assets/Total Assets	2%	1	2%	1	Less than or equal to 5%
RATE OF RETURN AND COST						
4	1 Operating Expenses/Average Assets	3%	1	3%	1	Maintain 5%
	2 Net Income/Average Assets	4%	1	4%	1	E4=10%
	3 Fin. Cost : Member Shares	5%	1	10%	1	Market Rate
						Market Rate > Inflation
LIQUIDITY						
5	1 Liquid Reserves/Total Savings Deposit	24%	1	18%	1	Minimum 15%
	2 Non-Earning Liquid Assets/Total Assets	0.24%	1	0.22%	1	Less than or equal to 1%
SIGNS OF GROWTH						
6	1 Asset	11%	1	10%	1	Greater than inflation rate
	2 Member Shares	12%	1	10%	1	To achieve goal in E2
	3 Loans	5%	1	11%	2	To achieve goal in E1
	4 Membership	3%	2	3.4%	2	Minimum 5%
	5 Institutional Capital	12%	1	8%	1	To achieve goal in E4

INTERPRETATION OF GRADES

GRADE 1 CREDIT UNION IS DOING WELL.

GRADE 2 CREDIT UNION IS DOING WELL BUT EXPERIENCING MINOR INTERNAL PROBLEMS

GRADE 3 CREDIT UNION IS ON THE WATCH LIST

GRADE 4 CREDIT UNION IS IN SERIOUS TROUBLE

GRADE 5 CREDIT UNION IS ON THE WAY OUT WITH THE POSSIBILITY OF LIQUIDATING OR MERGING WITHIN SIX (6) MONTHS

Analysis of Financial Statements

Indicators	2016	2015	Increase/(decrease)	
	\$	\$	\$	%
Assets	227,505,411	205,319,362	22,186,049	10.81%
Net Loans	157,007,096	149,331,917	7,675,179	5.14%
Members' Withdrawable shares	157,501,700	145,135,408	12,366,292	8.52%
Members' Deposits	20,265,745	15,909,736	4,356,009	27.38%
Shares	12,736,592	11,353,517	1,383,075	12.18%
Members' Equity	48,604,102	43,356,358	5,247,744	12.10%
Interest Income	16,709,077	15,427,734	1,281,343	8.31%
Operating and Administrative Expenses	5,498,693	5,177,896	320,797	6.20%
Net Operating Surplus	8,776,056.00	6,353,392.00	2,422,664	38.13%



Supervisory Committee members during the reporting period were as follows:

Mr. Kervyn Tobias

- Chairperson

Mrs. Louenda George

- Secretary

Ms. Myrna James

Dr. Lyndell St. Ville

Ms. Kearl Duval

The Supervisory Committee is essentially the internal auditor for the Credit Union and, as a result, is responsible for ensuring that a quality system of checks and balances is maintained. We oversee both the internal and external audit functions of the Saint

Lucia Civil Service Co-operative Credit Union (SLCSCU), to maintain compliance with the Credit Union's By-Laws and the Cooperative Society Act Chapter 12.06 of the Laws of Saint Lucia. We ensure that the Board of Directors and Management of the SLCSCU meet the required financial reporting objectives/standards, and establish practices and procedures sufficient to safeguard the financial resources of the Credit Union and to protect the interest of its members. We also ensure that operations are conducted in accordance with governing rules and regulations and assets are properly administered. In this capacity we are pleased to present this 2016 report.



We had a change in the membership composition of the Committee during 2016 with the departure of Mr. Henix Joseph, who reached the end of his tenure after serving two consecutive terms, and the introduction of Ms. Kearl Duval as a new Committee member. Mrs. Louenda George, who reached the end of her first three-year term, opted to pursue serving another term and was duly re-elected. We embraced the Committee's new make-up and proceeded exuberantly towards bringing Ms. Duval up to speed and continuing with our work programme. On average, the Committee met twice a month to monitor the operations and financial sustainability of the Credit Union. This included supervising the work of the Internal Auditor as well as carrying out our own reviews. We met periodically with the management of the Credit Union to review the quality of all financial reports and responses to internal audits conducted, thereby ensuring the accuracy and strength of internal controls and assuring operational continuity.

Internal audits supervised by the Committee during the year included reviewing and testing of operations vis-à-vis the established policies and procedures and also ensuring that internal controls and safe practices were being adhered to.

INTERNAL AUDIT AND CONTROLS

The work plan of the Internal Auditor was continuously monitored to ascertain that all planned activities were undertaken and completed within the specified timeframes.

The following areas were audited:

- Corrective actions taken by Management in response to Internal Audit recommendations
- Cashier Operations
- Branch Operations
- Loans
- Dividend Payments & Interest
- Purchases
- Fixed Assets
- Management Files

These audits were carried out satisfactorily and there were no findings of significance. In addition, internal controls regarding members' deposits were reviewed, and measures implemented to strengthen security and minimize potential risks.

The Committee notes that the policy on Anti-Money Laundering, which was mentioned in last year's report, has been completed and the Credit Union, as part of the finalisation process, is now liaising with the Financial Services Regulatory Authority.

The tenure of our Internal Auditor, Mr. Mathias Polius, would be coming to an end early in 2017 as he proceeds on retirement. We will therefore be working with the Board and Management to find a suitable replacement who can at least provide the level of expertise and diligence we benefitted from with Mr. Polius.

FINANCIAL AFFAIRS ATTESTATION

The Committee reviewed all monthly management accounts for the year, and notes an improvement in the timeliness of the submission of these accounts, in keeping with Section 81(5) of the By-Laws.

Managing delinquency continues to be a challenge for the Credit Union. We are proud that our delinquency rate of 3.9% is currently the lowest in the movement in Saint Lucia. However, any level of delinquency is of concern and therefore the Supervisory Committee encourages any member experiencing difficulties with loans to speak with the Credit Union officers to find some resolution.

CORPORATE GOVERNANCE

Throughout the year the Committee continued to monitor and review the activities of the Board and Management, which included the review of Board Minutes to ascertain whether relevant plans, policies and control procedures established were properly administered in accordance with the Credit Union's guiding principles.

The daily operations of the Credit Union were also under constant review as matters brought to our attention by members were taken up with the Board and Management. A review was also done of Personnel files and it was found that adequate internal controls existed to protect members and no policy violations were noted. In the opinion of the Committee, the Credit Union maintained a system of internal accounting and administrative controls of a high quality.

In addition, the Financial Services Regulatory Authority (FSRA) would have undertaken its routine examinations of the Credit Union's records and, based on their feedback, the Credit Union is in general conformance with regulation. Still, the Supervisory Committee would have noted and followed up on any recommendations coming out these examinations, particularly with

respect to areas where improvements could be made. The Supervisory Committee can pronounce with confidence that our Credit Union continues to maintain a high level of financial safety and soundness. We remain vigilant in the representation of our members' interests, ensuring continued safety and soundness for your money as the credit union strives to provide you and your family with excellent member service.

CREDIT UNION BUILDING

One item which was closely monitored was the Credit Union's investment in the "Credit Union Building", situated in the William Peter Boulevard in Castries, and processes leading up to the commissioning of the building. The building was scheduled to be opened in the first quarter of 2017. We have a vested interest in this initiative and, as such, need to be diligent with respect to playing our part in the effective oversight of the use and maintenance of the building.

HR REVIEW

A strategic review of HR focusing on the Credit Union's staff structure was initiated by the Board in 2016. An external consultant was contracted to undertake a "Management Salaries Review" which would inform the decisions of the Board with respect to the organisational structure and future management salary adjustments. The Supervisory Committee has not had the opportunity to review reports pertaining to this activity as yet, in particular the final reports from the contracted consultant and the Salaries Review Committee. However, we look forward to receiving them for review in the short term alongside the respective Board approvals/decisions,



CONVENIENCE SERVICES

In recent times, the Credit Union has been working towards the establishment of convenience services such as ATM cards and online account access in an effort to provide members with more readily available access to services and greater ease of transacting business. Since our report last year, the Credit Union has partnered with an indigenous bank, First National, on the initiative to introduce debit/credit cards. Progress has been delayed slightly as the bank undertook to upgrade its systems and rollout the more secure RFID cards which would directly benefit us. It is anticipated that the implementation of card services will begin during the first half of 2017 and the Committee looks forward to this facility being enjoyed by members.

CONCLUSION

As we recognise yet another successful year, we would like to express our sincere appreciation for the support extended to us by the management, staff, Board of Directors and other volunteers of the Credit Union. Special thanks to the Internal Auditor for his dedicated service and to the General Manager and her staff who always accommodated us.

The Supervisory Committee values and pays very close attention to the contributions and feedback of members on whose behalf we serve. We follow up on all concerns and suggestions brought to our attention especially those raised at Annual General Meetings. For example, at the last AGM there were two notable concerns dealing with self-employed persons possibly being disadvantaged when applying for loans and persons being able to open accounts for dependent

grandchildren. These have been given due attention and steps have been taken to ensure in the future that members' needs are adequately met in this regard.

I wish to thank the members of the Supervisory Committee for their hard work, dedication and support over the last year. We may not all be professional auditors, but all share the invaluable passion, commitment, and conviction to ensure that our Credit Union principles are upheld, members' investments are secure and our Credit Union performs at a satisfactory level and it continues to grow and meet our financial needs in better ways. We are honoured that members have placed such confidence in us and we look forward to continued service to you.

Mr. Kervyn Tobias

Mrs. Louenda George

Ms. Myrna James

Ms. Kearl Duval

Dr. Lyndell St. Ville



Credit Committee Report

Loans to our members are the best investment our credit union can make. The Credit Committee is delighted to present to you, the members of the St.Lucia Civil Service Co-operative Credit Union Ltd., its report for the period January to December 2016.

At all times our objective is to consider each loan on its own merits and to give each application due consideration. The primary factor that we take into consideration is the member's ability to repay the loan and it is vitally important that we have a full financial picture of our member's ability to repay. We try to balance our members overall level of debt with immediate need for access to credit and seek to ensure that all decisions are made in the best interest

of both our members and that of our Credit Union. Our mandate is enshrined in the statute and by-laws of this Credit Union.

The Committee bade farewell to its Chairman, Ms Angela Brice at the 36th Annual General Meeting (AGM) of the Lucia Civil Service Co-operative Credit Union Ltd. Held on May 30, 2016. Ms. Brice had come to the end of her tenure having served two (2) successive terms as a member of the Committee. It was indeed an honour serving with Ms Brice. The Committee thanks Ms Brice for her commitment and invaluable contribution to the committee and the Credit Union movement.

The Committee welcomed Ms Verne Ann John and Mr. Sherman Sylvester who were both elected

at the AGM. A few months into the year Ms John tendered her resignation from the Committee. The Committee extends heartfelt gratitude to Ms John for her commitment and contribution during her time of service. As a result of Ms John's resignation the Committee welcomed Mr. Cletus Cyril who was the runner up/alternate Committee member pursuant to the AGM election rules.

The following are the members of the Credit Committee:

1. Ms Lisa Goodman	Chairman
2. Ms Venus Alcindor	Secretary
3. Mr. Ricardo Corsinie	Member
4. Mr. Sherman Sylvester	Member
5. Mr. Cletus Cyril	Member

Your Credit Committee continued to meet on a bi-weekly basis to review and consider loan applications. The members of the Committee must be commended for their level of dedication and commitment as they provided unwavering support and service.

During our meetings we were engaged in the following;

1. Review of new loan applications;
2. Review of deferred loans;
3. Interviewing of members when required;
4. Listening to members when an audience is requested by the member;
5. Ratification of over-the-counter loans;
6. Review and Ratification of Management approved loans;
7. Reviewing of Credit Union monthly delinquency summary reports;
8. Preparing of referral reports to the Board;
9. Providing a level of financial counselling to members.

ANALYSIS OF LOANS

During the period ending December 31st, 2016, a total of 10,462 loans were approved representing a 1% decrease in number approved and a 4% decrease in total value over the preceding year.

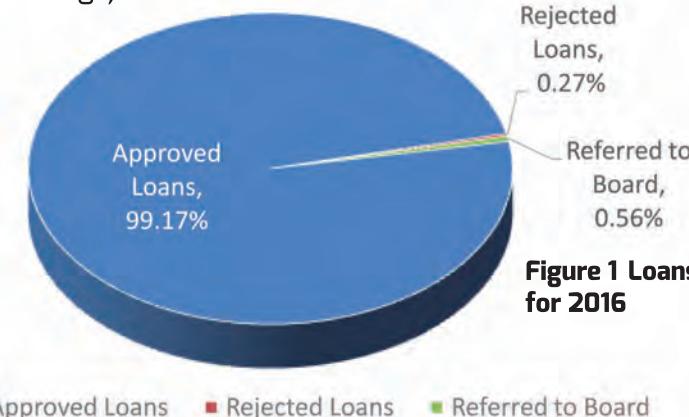


Figure 1 Loans considered for 2016

Consumer loans continue to be the largest section of our loan portfolio. This was followed by loans for educational purposes and social purposes. The chart and table below depicts the values of the various categories of loans disbursed for 2016 as compared to 2015.

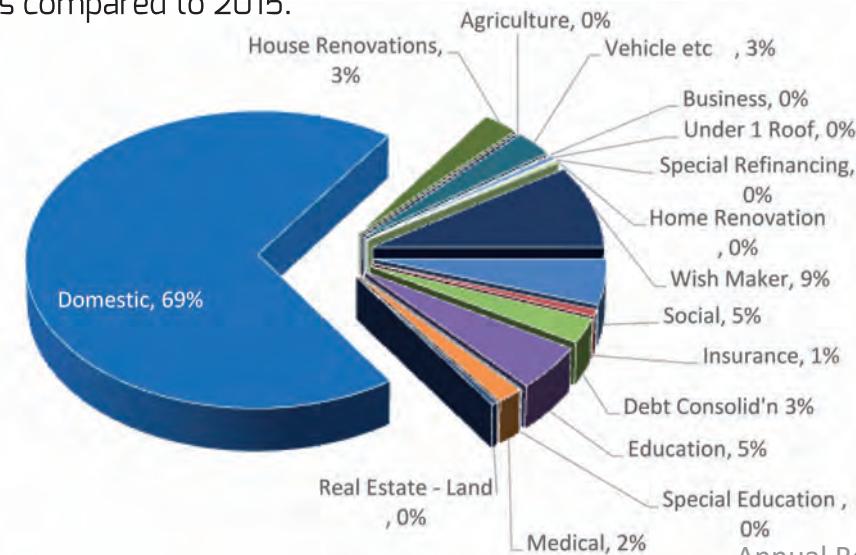


Table 1 Loans considered and approved by the Credit Committee

Item	Type of Loan	No. Approved 2015	Amount Approved 2016	No. Approved 2016	Amount Approved 2016
1	Social-Travel, Wedding, Death Etc.	525	\$2,754,722.00	321	\$1,954,137.11
2	Insurance	75	\$207,405.95	47	\$147,079.28
3	Debt Consolidation	288	\$4,058,561.13	256	\$3,110,462.87
4	Education	523	\$3,588,229.66	322	\$2,157,762.29
	Special Education			27	\$137,327.50
5	Medical	184	\$590,785.52	192	\$828,982.31
6	Real Estate - Land	47	\$8,261,363.84	55	\$7,706,602.67
8	Domestic - furniture, appliances, personal expenses, other purpose etc.	7319	\$20,298,779.40	8085	\$23,151,737.14
9	House Renovations, Improvements or House Repair	275	\$2,705,276.26	163	\$1,889,485.26
10	Agriculture	3	\$55,818.35	4	\$13,600.00
11	Vehicle (New, Old) Parts etc	298	\$5,081,845.12	292	\$6,434,908.58
12	Business	11	\$209,401.06	13	\$251,046.00
1R	Under 1 Roof (First time Homeowners) Land and the House	49	\$6,252,956.07	50	\$5,432,333.49
RF	Special Refinancing	10	\$303,879.47	3	\$66,284.20
HR	Home Renovation	26	\$569,146.38	30	\$733,072.00
XMAS	Wish Maker	955	\$5,736,317.11	602	\$4,506,617.26
TOTALS		10588	\$60,674,487.32	10462	\$58,521,437.96

The Committee observed that there was a drop in loans for the purpose of debt consolidation and wishes to encourage members not to allow themselves to be enticed by other financial institutions offering quick money at high interest rates out there. Although some loans were very challenging the committee was able to work with the members who attended the interview. In many instances they were very thankful for the guidance offered.

The Committee continued with conducting interviews with members and as always these sessions provided the information necessary for the committee to make a more informed decision on the loan being applied for. **The committee reiterates its admonition to members for financial restraint and a continued passion for self-improvement and saving.** We continue to encourage our members to save and borrow with pride.

We take this opportunity to remind our members that the staff of the Credit Union are able to provide you with debt counselling and budget advice. We urge members who feel they are experiencing difficulty with a debt burden or feel they would benefit from assistance with budgeting to contact the Credit Union. The staff in the loans section are always happy to assist you in a courteous, professional and above all, confident manner.

The committee strives always to be fair and provide the help and assistance needed to all members; however, we sometimes have to decline a loan. This occurs in very rare circumstances as you can see from the Chart in Figure 1 less than 1% of all applications were declined this year. **The most common reasons for a loan to be declined are, a member's overall indebtedness, the performance of a member's overall debts or uncertainty regarding a member's ability to repay the loan.** If a member's loan has been denied and they feel that there are additional factors, information or explanation which is relevant to their application they should provide such information and make an appeal to the Board of Directors. It is therefore important that when applying for a loan that all the relevant information is provided to the Loans Officer at all times.

DELINQUENT LOANS

The Credit Committee continues to work alongside Management and the Board of Directors in addressing the level of delinquency. We continue to keep a watchful eye on the debt service ratios and the levels of debt of members. We again urge members to come in and dialogue whenever financial difficulty arises. Members are therefore encouraged to make regular payments towards their loans.

TIME PERIOD	TOTAL DELINQUENT LOAN PORTFOLIO 2015	TOTAL DELINQUENT LOAN PORTFOLIO 2016
1 - 30 days	5	21
31 - 60 days	54	16
61 - 90 days	44	11
91 - 179 days	44	44
180 - 269 days	11	24
365 days & over	20	18
Over 12 Months	333	373
TOTAL	511	507

IMPORTANT INFORMATION FOR MEMBERS TO NOTE

Members you are important to us and it is with this in mind we share the following with you. The existing Loans Policy to better serve you, is currently on the final stage of review. It is hoped that these modifications will prove to be of immense benefit to you as you work along with us as your preferred financial institution.

Members are reminded:

1. of the importance of full disclosure on all loan applications as failure to supply the required information could result in delays in the processing of loan applications;
2. to seek 'Financial Counselling' when embarking upon any major or important financial undertaking;
3. to be more serious about budgeting at least on a monthly basis;
4. to take advantage of Member Education Opportunities especially of a financial nature;
5. to save more by increasing your contribution to shares;
6. to reduce frivolous consumer spending. This will yield greater positive long term benefits;
7. to refrain from withdrawal of your shares;
8. Always help your Credit Union to help you and
9. Come talk to your Credit Union before going to the other micro lenders.

We wish to reiterate that a loan from your Credit Union offers the following benefits:

- A fixed interest rate
- The interest due is calculated on the daily reducing balance
- There is no penalty for early repayment nor is there any loan fees or charges
- All loans are insured in the event of death of a

member at no extra direct charge

- Your savings continue to grow attracting interest while you repay the loan.
- Your savings are also insured against death at no direct cost to you.
- Each year a patronage refund of approximately 10% of the interest paid is credited to your account.

CONCLUSION

The Credit Committee would like to thank the Manager, Loan Officers and Office Staff for the tremendous work done by them over the past year. Our heartfelt thanks also to you the members, management and Board Members for your input and support during the year. Thank you for entrusting us with this very important task.

It was a pleasure for me to have served as your Chairperson for the year 2016. I take this opportunity to also thank my fellow committee members for their hard work, commitment and attendance during the year. The Credit Committee looks forward to continuing to serve you and your family with excellent service.



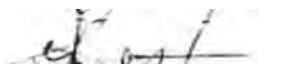
Ms Lisa Goodman



Ms Venus Alcindor



Mr. Ricardo Corsinie



Mr. Sherman Sylvester



Mr. Cletus Cyril



Blessings to you cooperative friends. It is a pleasure to present to you the League Delegates Report for the year 2016.

Our Credit Union selected the following directors to serve as its Delegates and alternate Delegates respectively for the year 2016. Sylvester Dickson, Zepherin Francis, Junia Emmanuel-Belizaire and Irene St. Croix. Following the League's annual general meeting on June 11, Mr. Dickson who had been serving as the Treasurer on the League's Board for the past year, was selected to serve as the League's President.

The activities and achievements of the League for the

year are highlighted below:

MEETINGS OF DELEGATES

The League held three meetings of delegates during the year. The first was held in March at which the following agenda items were dealt with: (a) An amendment to League Bylaw 32; (b) a proposed Management Education Scholarship, which would enable staff of credit unions to pursue a scholarship in Cooperative Management.

The second was the Annual General Meeting which was held on June 11, at which the following new directors were elected to the Board: - Alymphia Lionel (Secretary),

Stephenson Etienne (Treasurer), Martin James (PRO).

The third meeting was held in November with the main agenda items being: - Credit Union Marketing Officer as a shared resource; Caribbean Credit Bureau Consultation; and hosting OECS Summit 2017.

EDUCATION AND TRAINING

As is customary, the League engaged staff and volunteers of credit unions throughout the Movement by providing training opportunities in a variety of subject areas. Topics ranged from Co-operative History and Principles to Anti-Money Laundering Legislation and Practices. By year end one hundred and forty - seven (147) individuals had received training, an increase of ten percent over the previous year.

ADVOCACY

As the secondary body, the League is responsible for advocating with the Regulators and the Government on behalf of the sixteen (16) member credit unions which comprise the Credit Union Movement. During the year, meetings were held with the Attorney General (AG) and the Financial Services Regulatory Authority (FSRA) with a view to getting consensus on the Cooperative Societies Bill. In November, the League Board met with Minister in the Prime Minister's Office with responsibility for Credit Unions, Dr. Ubaldus Raymond to familiarize him with the issues affecting the Credit Union Movement, namely the still to be enacted Cooperative Societies Bill, and the impact of the removal of Shares from the basket of tax deductions as proposed by the former Government. The Minister was also encouraged to dialogue with the Minister who has responsibility for

Cooperatives, since the legislation affects all types of cooperatives (Financial and non-financial/producer).

CUNA

Cognizant of the many delays experienced by credit union members in getting their claims settled by CUNA, the League was able to facilitate a meeting with the company in June. The company's team was headed by Mr. Mukesh Mallian, vice President of Operations, while the League's team was headed by the President, Mr. Sylvester Dickson. The League's team articulated their disappointment in the long delays taken to settle members' claims and the frequent requests by CUNA for documents which were previously provided. Since that meeting regular contacts have been made with the company to facilitate a more efficient service.

CENTRAL FINANCE FACILITY

The Central Finance Facility functions as the Credit/Loans Department of the League and also provides a mechanism through which credit unions can invest surplus funds. In conformity with the provisions of Bylaw 65, a five-member team comprising Lucius Elivique, Antonius Dusauzay, Priscillus Simeon, Christal Charles and Nigel Mitchel was appointed to manage the affairs of the committee. During the year under review, the Committee approved four loans to credit unions.

ATM PROJECT

The project is moving on gradually with twelve credit unions signing a Memorandum of Understanding with the League, thus placing the facility within the reach of approximately fifty thousand of their members. This



expression of support has enabled Capita Financial to employ a Project Manager who will have sole responsibility for the project.

LEAGUE BUILDING

The contract for the renovation /refurbishment of the building was awarded to the firm of Inter-Island Architects and Planners and work commenced in August 2016. At year's end the renovation was completed and the League began preparations to relocate its offices from Coral Street to the William Peter Boulevard.

CCCU CONVENTION

This year the Caribbean Confederation of Credit Unions (CCCU) held its 59th Annual International Convention at the Hilton Bonnet Creek Hotel in Orlando, Florida, from July 1-6, 2016. The theme of the convention was “The Credit Union Difference: Vision in action.” A contingent of thirty-four cooperators representing seven credit unions in Saint Lucia attended the conference.

OECS SUMMIT

A contingent of forty-four cooperators represented Saint Lucia at the fourteenth Annual OECS Summit which was held at Buccament Bay Resort in St. Vincent from September 14-18, 2016. The theme for the Summit was “Strengthening OECS Co-operation, Integration and Innovation.”

CREDIT UNION MONTH

The month of October is recognized universally as “Credit Union Month” and the third Thursday of October is celebrated as “International Credit Union Day”. In

July, the World Council of Credit Unions announced the 2016 International Credit Union (ICU) Day theme – “The Authentic Difference” – that celebrates what makes credit unions truly unique. This took place this year on October 20, 2016. To commemorate the two events, the League recorded and aired infomercials relating to the month. An address to the Nation by the League's President was recorded and aired and he also visited credit unions in the Castries basin on International Credit Union Day October 20, 2016. Visits to the credit unions in the rural areas were done during the following week. A panel discussion on matters pertinent to the sector was also recorded for airing.

HURRICANE MATTHEW

This year, the Saint Lucian Credit Union Movement through the League was again called upon to provide some financial assistance to Credit Unions in the region after the passage of Hurricane Matthew which devastated parts of the Bahamas and Haiti. In the true spirit of Cooperation among Cooperatives, twelve credit unions contributed EC \$40, 000.00 to the call for assistance from CCCU.



Sylvester Dickson
Delegate



Zepherin Francis
Delegate



Junia Emmanuel-Belizaire
Alternate Delegate



Irene St. Croix
Alternate Delegate

“A Place for

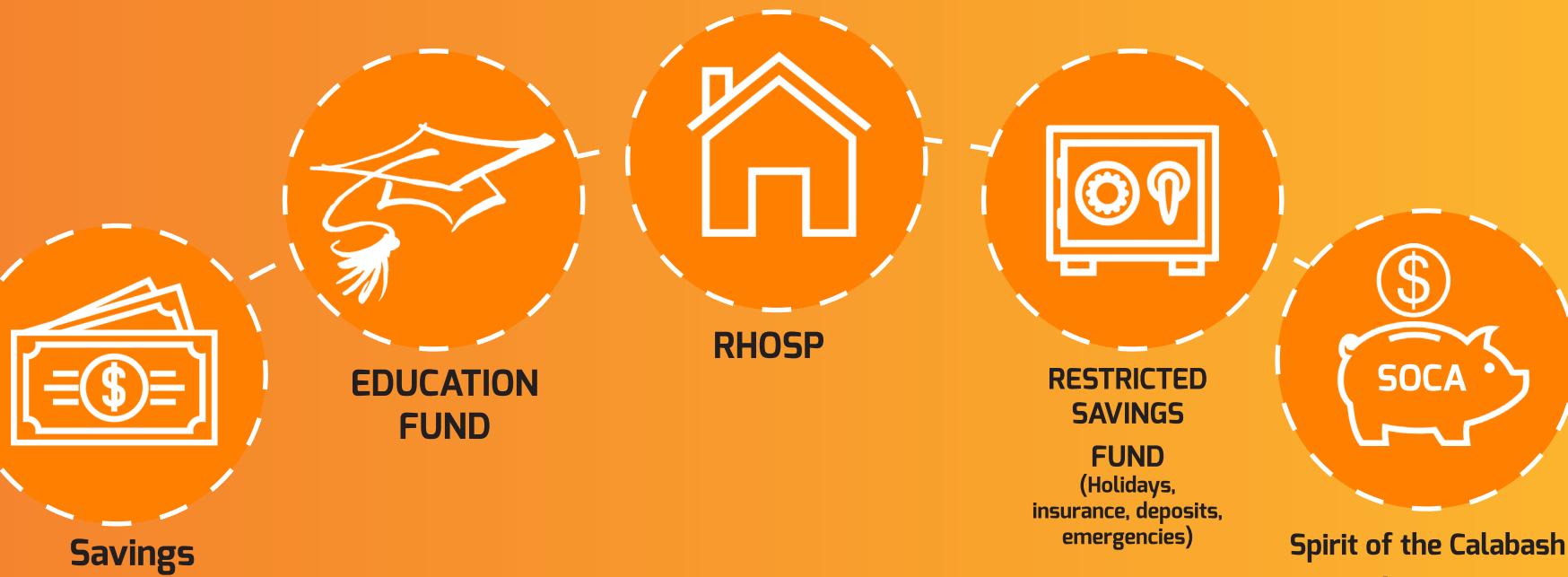
The Montoute Family”



“Because of the Financial Counseling at the Credit union, we can rest easy knowing our kids have a bright future ahead....”

The Montoute Family
Satisfied members

Open your next **Savings account** with us



Your **Savings** allow you to access our Credit Union products and Services

DO YOU KNOW:

A good **savings** habit gives you flexibility to finance an expenditure; planned or unplanned or to take advantage of an investment opportunity.

Put a salary deduction in place as automatic deposits to your account makes it easier to **save and grow** your **savings**.

Start Saving Today! Contact the Credit Union for more information.

Auditor's Report

**St. Lucia Civil Service
Co-operative Credit Union Ltd.
Financial Statements
Year Ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)**

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INDEPENDENT AUDITORS' REPORT

To the Members of St. Lucia Civil Service Co-operative Credit Union Ltd.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Lucia Civil Service Co-operative Credit Union Ltd. (the Credit Union), which comprise the statement of financial position as at December 31, 2016, and the statements of changes in members' equity, comprehensive income and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the Co-operative Societies Act Cap 12.06.

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 Auditors' Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in St. Lucia and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Cont'd)**Key audit matter: Allowance for impairment of loans****The Risk**

The Credit Union changed its policy for the impairment loss on loans receivable to be in line with International Accounting Standards (IAS) 39, 'Financial Instruments Recognition and Measurement'. Previously, the impairment loss on loans was in accordance with section 29 of the Co-operatives Societies Regulations of St. Lucia, which provides thresholds for computing the impairment of loans which are considered to be overdue.

Under ISA 39, if there is any objective evidence that an impairment of financial asset or group of financial assets has occurred, the Credit Union shall recognise an impairment loss equivalent to the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Audit response

Under IAS 39, the adequacy of the allowance for impairment was reassessed taking into consideration the present value of estimated future cash flows. The same approach was applied retrospectively resulting to restatement as at the beginning of the earliest comparative period presented, as disclosed in Note 27.

The allowance for impairment of loans provided using IAS 39 adequately addresses the provisioning requirement detailed in the Co-operative Societies Regulations.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 IFRSs, 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.

Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

TDJ

May 10, 2017

**St. Lucia Civil Service Co-operative
Credit Union Ltd.**

Statement of Financial Position
As at December 31, 2016
(Expressed in Eastern Caribbean Dollars)

	Notes	2016		2015		2014	
		\$	\$	\$	\$	\$	\$
ASSETS							
Cash	6	19,371,817	13,994,843	12,276,311			
Financial investments:							
- Held-to-maturity	7	44,669,108	35,737,468	33,946,966			
- Available -for-sale	7	1,431,581	1,430,346	1,431,608			
Other receivables	8	445,704	371,879	372,519			
Loans and advances to members	9	157,007,096	149,331,917	134,917,849			
Property, plant and equipment	10	4,580,105	4,452,909	4,503,940			
TOTAL ASSETS		227,505,411	205,319,362	187,449,193			
LIABILITIES AND MEMBERS' EQUITY							
Liabilities							
Trade and other accounts payable	11	1,133,864	917,860	960,092			
Deposits from members	12	20,265,745	15,909,736	13,663,105			
Members ordinary shares	13	157,501,700	145,135,408	132,359,438			
Deferred income	14	-	-	6,800			
		178,901,309	161,963,004	146,989,435			
Members' Equity							
Share capital	16	12,736,592	11,353,517	10,293,035			
Statutory reserve	17	25,070,795	22,522,438	20,455,291			
Education reserve	18	500,000	500,000	500,000			
Development fund	19	538,156	538,156	538,156			
Disaster fund		230,112	240,112	240,112			
Funeral and burial benefits scheme	20	878,695	892,695	899,695			
Revaluation reserve	21	48,674	47,439	61,488			
Retained earnings		8,601,078	7,262,001	7,471,981			
		48,604,102	43,356,358	40,459,758			
TOTAL LIABILITIES AND MEMBERS' EQUITY		227,505,411	205,319,362	187,449,193			

The accompanying notes form an integral part of these financial statements.

APPROVED ON BEHALF OF THE BOARD:-


Director


Director

St. Lucia Civil Service Co-operative Credit Union Ltd.

Statement of Changes in Members' Equity

For the Year Ended December 31, 2016

(Expressed in Eastern Caribbean Dollars)

	Notes	Ordinary Shares	Statutory Reserve	Education Reserve	Development Fund	Disaster Fund	Funeral and Burial Benefits Scheme	Revaluation Reserve	Retained Earnings	Total
Balance as at December 31, 2014		10,293,035	20,455,291	500,000	538,156	240,112	899,695	61,488	7,471,981	40,459,758
(Restated)										
New shares issued	16	1,105,593	-	-	-	-	-	-	-	1,105,593
Shares withdrawn	16	(45,111)	-	-	-	-	-	-	-	(45,111)
Total comprehensive income for the year		-	-	-	-	-	-	(14,049)	6,353,392	6,339,343
Allocation for - Statutory reserve	17	-	1,730,819	-	-	-	-	-	(1,730,819)	-
- Increase in allocation	17	-	330,798	-	-	-	-	-	(330,798)	-
- Education reserve	18	-	-	320,061	-	-	-	-	(320,061)	-
- Benefits paid	20	-	-	-	-	-	(7,000)	-	-	(7,000)
Entrance fees	17	-	5,530	-	-	-	-	-	-	5,530
Dividends	15	-	-	-	-	-	-	-	(2,796,966)	(2,796,966)
Patronage refund	15	-	-	-	-	-	-	-	(1,384,728)	(1,384,728)
Members' training expenses	18	-	-	(320,061)	-	-	-	-	-	(320,061)
Balance as at December 31, 2015		11,353,517	22,522,438	500,000	538,156	240,112	892,695	47,439	7,262,001	43,356,358
(Restated)										
New shares issued	16	1,746,748	-	-	-	-	-	-	-	1,746,748
Shares withdrawn	16	(363,673)	-	-	-	-	-	-	-	(363,673)
Total comprehensive income for the year		-	-	-	-	-	-	1,235	8,776,056	8,777,291
Allocation for - Statutory reserve	17	-	2,194,014	-	-	-	-	-	(2,194,014)	-
- Increase in allocation	17	-	348,483	-	-	(10,000)	-	-	(348,483)	(10,000)
- Education reserve	18	-	-	440,610	-	-	-	-	(440,610)	-
- Benefits paid	20	-	-	-	-	-	(14,000)	-	-	(14,000)
Entrance fees	17	-	5,860	-	-	-	-	-	-	5,860
Dividends	15	-	-	-	-	-	-	-	(2,994,008)	(2,994,008)
Patronage refund	15	-	-	-	-	-	-	-	(1,459,864)	(1,459,864)
Members' training expenses	18	-	-	(440,610)	-	-	-	-	-	(440,610)
Balance as at December 31, 2016		12,736,592	25,070,795	500,000	538,156	230,112	878,695	48,674	8,601,078	48,604,102

The accompanying notes form an integral part of these financial statements.

**St. Lucia Civil Service Co-operative
Credit Union Ltd.**
Statement of Comprehensive Income
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

	Notes	2016	\$	2015	\$	Restated
Income						
Interest income on members' loans		16,709,077		15,427,734		
Less: interest expense		3,274,779		4,456,226		
Net Interest Income		13,434,298		10,971,508		
Other Income						
Investment income	22	1,469,954		1,397,835		
Other operating income	23	197,932		203,264		
Amortisation of government grant		-		6,800		
		1,667,886		1,607,899		
		15,102,184		12,579,407		
Operating Income						
General and Administrative Expenses						
Operating and administrative expenses	24	5,498,693		5,177,896		
Impairment losses on loans and advances to members	9	827,435		1,048,119		
		6,326,128		6,226,015		
NET INCOME FOR THE YEAR						
Other Comprehensive Income						
Fair value increase/(decrease) in AFS investment						
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,235		(14,049)		
		8,777,291		6,339,343		

The accompanying notes form an integral part of these financial statements.

St. Lucia Civil Service Co-operative Credit Union Ltd.

Statement of Cash Flows
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

	2016	2015	Restated 2015
	\$	\$	\$
Cash Flows from Operating Activities			
Net income for the year	8,776,056	6,353,392	
Adjustments for:			
Training expenses	(440,610)	(320,061)	
Funeral and burial benefits paid	(14,000)	(7,000)	
Disaster fund expenses paid	(10,000)		
Depreciation	165,363	269,134	
Provision for loan losses	834,308	1,054,350	
Amortisation of government grant		(6,800)	
Interest income on members' loans	(16,709,077)	(15,427,734)	
Interest income on investments	(1,469,954)	(1,397,835)	
Interest expense	3,274,779	4,456,226	
Bank charges	16,247	17,341	
Operating loss before working capital changes	(5,576,888)	(5,008,987)	
Increase in trade receivables	(73,825)	640	
Increase in loan and advances to members	(8,440,600)	(15,399,915)	
(Decrease) / increase in trade and other payables	216,004	(42,232)	
Increase in deposits from members	4,356,009	2,246,631	
Increase in members' ordinary shares	12,366,292	12,775,970	
Entrance fees	5,860	5,530	
Cash generated from/(used in) operations	2,852,852	(5,422,363)	
Interest received from members	16,640,190	15,359,231	
Interest expense paid	(3,274,779)	(4,456,226)	
Bank charges	(16,247)	(17,341)	
Net cash generated from operating activities	16,202,016	5,463,301	
Cash Flows from Investing Activities			
Interest received	1,373,425	1,477,109	
Purchase of investment securities	(349,427)	(458,449)	
Proceeds from sale of investments securities	625,000	125,000	
Purchase of property, plant and equipment	(292,559)	(218,103)	
Net cash generated from investing activities	1,356,439	925,557	
Cash Flows from Financing Activities			
Increase in share capital	1,383,075	1,060,482	
Dividends	(2,994,008)	(2,796,966)	
Patronage refund	(1,459,864)	(1,384,728)	
Net cash used in financing activities	(3,070,797)	(3,121,212)	
Increase in Cash	14,487,658	3,267,646	
Cash - Beginning of Year	30,349,771	27,082,125	
Cash - End of Year	44,837,429	30,349,771	

“A PLACE FOR EVERYONE”

**St. Lucia Civil Service Co-operative
Credit Union Ltd.**
Statement of Cash Flows
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

Represented by:-	2016		Restated 2015	
	\$	\$	\$	\$
Cash in hand	539,051		457,795	
Cash at bank	18,832,766		13,537,048	
Fixed deposits	25,465,612		16,354,928	
	<hr/> 44,837,429		<hr/> 30,349,771	

The accompanying notes form an integral part of these financial statements.

St. Lucia Civil Service Co-operative Credit Union Ltd.

Index to Notes to the Financial Statements

Note 1	Introduction
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St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements
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1. **Introduction**

St. Lucia Civil Service Co-operative Credit Union Ltd. ("the Credit Union") is a co-operative society registered in St. Lucia as a Credit Union under the Co-operative Societies Act Cap 12.06 on September 28, 1972.

Its principal activity is that of providing financial services and other benefits to its members.
2. **Date of Authorisation of Issue**

These financial statements were authorised for issue by the Board of Directors on May 10, 2017.
3. **Significant Accounting Policies**

The principal accounting policies adopted are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial statements comprise of the statements of financial position, changes in members' equity, comprehensive income, cash flows and the notes.

These financial statements have been drawn up in accordance with International Financial Reporting Standards and under the historical cost convention, as modified by the revaluation of available-for-sale (AFS) Investments.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Critical accounting estimates may be made in determining impairment of financial assets as set out in note 3 (e).

The cash flows from operating activities are determined by using the indirect method. The net surplus is therefore adjusted by non-cash items, and all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. Interest received on investments is classified as investing activities and bank charges are classified as operating activities. The cash flows from investing and financing activities are determined by using the direct method. Management determines the classification of the cash flows into operating, investing and financing activities.

The Credit Union classifies its expenses by the nature of expense method.

Amendments to International Financial Reporting Standards effective in the 2016 financial year
IAS 1, 'Presentation of Financial Statements'

The amendments issued in December 2014 are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. The amendments became effective January 1, 2016.

IAS 16, 'Property, Plant and Equipment' and IAS 38, 'Intangible Assets'

The amendments to the standards were issued in May 2014 and provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated. The amendments became effective January 1, 2016.

St. Lucia Civil Service Co-operative Credit Union Ltd.

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“A PLACE FOR EVERYONE”

3. Significant Accounting Policies (Cont'd)

(a) Basis of Preparation (Cont'd)

Amendments to International Financial Reporting Standards effective in the 2016 financial year

IAS 19 (Revised), 'Employee Benefits'

The amendment issued in September 2014 clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid, thus the depth of the market for high quality corporate bonds should be assessed at currency level. The amendments became effective January 1, 2016.

New and revised International Financial Reporting Standards that have been issued but are not yet effective and have not been early adopted

IFRS 9, 'Financial Instruments Part 1: Classification and Measurement'

IFRS 9 issued in November 2009 replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition and the classification depends on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the assets. In October 2010, the requirements for classification and measurement of financial liabilities, as well as the requirements for derecognition of financial assets and liabilities, were moved from IAS 39 to IFRS 9. This standard is effective January 1, 2018; however, earlier application is allowed.

IFRS 15, 'Revenue from Contracts with Customers'

The standard was issued in May 2014 and establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18, 'Revenue' and IAS 11, 'Construction Contracts' and the related Interpretations when it becomes effective. The core principle of the standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard is effective January 1, 2018; however, earlier application is allowed.

IFRS 16, Leases

The standard was issued in January 2016 and establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective January 1, 2019; however, earlier application is allowed.

**St. Lucia Civil Service Co-operative
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 Notes to the Financial Statements
 For the Year Ended December 31, 2016
 (Expressed in Eastern Caribbean Dollars)

3. Significant Accounting Policies (Cont'd)

(b) Foreign Currencies

The financial statements are presented in Eastern Caribbean dollars which is the currency of the primary economic environment in which the Credit Union operates (its functional currency). All values are rounded off to the nearest dollar, unless otherwise indicated.

Assets and liabilities expressed in foreign currencies are translated into the functional currency at the rates of exchange ruling at the date of the financial statements. Transactions arising during the year involving foreign currencies are translated into the functional currency and recorded at the rates of exchange prevailing on the dates of the transactions. Differences arising from fluctuations in exchange rates as well as including differences between buying and selling rates, are included in the Statement of Comprehensive Income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the revaluation reserve in equity.

(c) Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

(d) Cash

Cash comprise cash on hand and deposits on call.

(e) Financial Assets

(i) Classification

The Credit Union classifies its financial assets into these categories:-

- Held-to-maturity (HTM) Investments;
- Available-for-sale (AFS) Investments;
- Loans and receivables.

Management determines the appropriate classification of these assets at initial recognition.

AFS investments are non-derivative investments that are not designated as another category of financial assets.

Financial assets with fixed maturities and for which management has both the intent and ability to hold to maturity are classified as HTM Investments.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2016

(Expressed in Eastern Caribbean Dollars)

3. Significant Accounting Policies (Cont'd)

(e) Financial Assets (Cont'd)

(ii) Recognition and measurement

AFS investments are carried at fair value except for unquoted equity securities whose fair value cannot be reliably measured, which are carried at cost.

HTM Investments and loans and receivables are carried at amortised cost less allowance for impairment.

(iii) Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- a) The contractual rights to receive cash flows from the asset have expired;
- b) The Credit Union retains the contractual right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or;
- c) The Credit Union has transferred its contractual rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Credit Union has transferred its contractual rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of ownership of the asset nor transferred control of the asset, the asset is recognized to the extent of the Credit Union's continuing involvement in the asset.

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements
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3. Significant Accounting Policies (Cont'd)

(e) Financial Assets (Cont'd)

(iv) Impaired financial assets

Assessment of impairment

The Credit Union assesses at each financial reporting date whether a financial asset or group of financial assets is impaired. It assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The determination of impairment losses for financial assets is inherently subjective because it requires material estimates, including the amount and timing of expected recoverable future cash flows. These estimates may change significantly from time to time, depending on available information.

Evidence of impairment

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Impairment on financial assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of loss shall be recognized in Statement of Comprehensive Income. Such impairments loss shall not be reversed.

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2016

(Expressed in Eastern Caribbean Dollars)

3. Significant Accounting Policies (Cont'd)

(e) Financial Assets (Cont'd)

(iv) Impaired financial assets (Cont'd)

Impairment on financial assets carried at cost (Cont'd)

If there is an objective evidence of an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or of a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment on AFS investments

When a decline in the fair value of an AFS investment has been recognized in equity as other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity shall be reclassified from equity to Profit or Loss even though the financial asset has not been derecognized.

The amount of the cumulative loss that is reclassified from equity and recognized in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in Profit or Loss.

Impairment losses recognized in profit or loss for equity investments classified as AFS investments are not subsequently reversed through Profit or Loss. Impairment losses recognized in profit or loss for debt instruments classified as AFS investment are subsequently reversed in the Statement of Comprehensive Income if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Reversal of impairment loss

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the Statement of Comprehensive Income, to the extent that the carrying amount of the asset does not exceed its cost or amortized cost at the reversal date.

**St. Lucia Civil Service Co-operative
Credit Union Ltd.**
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

3. Significant Accounting Policies (Cont'd)

(f) Property, Plant and Equipment

Items of property, plant and equipment except for land are recorded initially at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Land is measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the assets. Purchased software that is integral to the functionality of related equipment is capitalised as cost of that equipment. Subsequent expenditure is capitalised when it will result in future economic benefits to the Credit Union.

Depreciation is calculated on the straight-line basis, so as to write down the cost of property, plant and equipment to their residual values, over their estimated useful lives. The estimated useful lives of property, plant and equipment are as follows:-

Assets	Estimated Useful Lives
Freehold buildings	50 years
Leasehold improvements	5 years
Furniture and equipment	5 - 10 years

Gains or losses arising on the disposal or retirement of an item of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised in the Statement of Comprehensive Income.

(g) Financial Liabilities

The Credit Union classifies its financial liabilities as Other Financial Liabilities. This classification pertains to financial liabilities that are not held for trading or not designated as at fair value through profit or loss upon the inception of the liability. Included in this category are liabilities arising from operations or borrowings.

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs. Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.

The Credit Union recognizes a provision if a present obligation has arisen as a result of a past event, payment is probable and the amount can be reliably measured. The amount recognized is the best estimate of the expenditure required to settle the present obligation at financial reporting date, that is, the amount the Credit Union would rationally pay to settle the obligation to a third party.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognized as finance cost.

The Credit Union's other payables, deposit from members and withdrawable shares are classified as other financial liabilities.

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements
For the Year Ended December 31, 2016
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3. Significant Accounting Policies (Cont'd)

(h) **Offsetting Financial Instruments**

There is a legally enforceable right to offset members' withdrawable shares against any related loan balances when loan repayments are 180 days overdue.

(i) **Members' Equity**

Share Capital is determined using the nominal value of shares that have been issued.
Reserves are set aside by the Credit Union whereby allocations are transferred from Retained Earnings as necessary.

Retained earnings include all current and prior period results of operations as disclosed in the Statement of Comprehensive Income.

(j) **Interest Income and Expenses**

Interest income and expenses are recognised in the Statement of Comprehensive Income for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price.

(k) **Fees and Other Revenue**

Fees and other revenue are recognised on an accrual basis when the related service has been provided, except for interest on funds placed with the central financing facility of the St. Lucia Co-operative League that is recognised on a cash basis.

Income from operating leases is recognised on the straight-line basis over the term of the lease.

(l) **Expenses**

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be reliably measured. Expenses are recognised: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the Statement of Financial Position as an asset.

Expenses in the Statement of Comprehensive Income are presented using the nature of expense method. These are costs incurred that are associated with the premium revenue and costs attributable to administrative and other business activities of the Credit Union.

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements
For the Year Ended December 31, 2016
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3. Significant Accounting Policies (Cont'd)

(m) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

(n) Income Tax

The Credit Union is exempt from income tax under Section 25(1)(q) of the Income Tax Act, Cap 15.02 of the revised laws of St. Lucia.

(o) Dividend Distributions

Dividend distributions to the Credit Union's members are recognised as a liability in the Credit Union's financial statements in the period in which the dividends are approved by the members.

(p) Related Parties

Parties are considered related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Individuals, associates or companies that directly or indirectly control or are controlled by or under common control are considered related parties. The key management personnel of the Credit Union are also considered to be related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely legal form. Transactions between related parties are accounted for at arm's-length prices or terms similar to those offered to non-related entities in an economically comparable market.

4. Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Credit Union's risk management framework. The Credit Union's risk management policies are established to identify and analyse the risk faced by the Credit Union, to set appropriate risk limits and controls and to monitor risks and adherence to limits and controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Credit Union's activities. The Credit Union, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Supervisory Committee oversees how management monitors compliance with the Credit Union's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Credit Union. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Supervisory Committee and to the Board of Directors.

The Credit Union's activity of accepting funds from members and of investing deposit receipts in loans and other investments exposes the Credit Union to various financial risks. Financial risks include credit, liquidity and market risks. Market risks arise from changes in interest rates, equity prices, currency exchange rates or other market factors. The effects of these risks are disclosed in the sections below.

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements
For the Year Ended December 31, 2016
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4. Financial Risk Management (Cont'd)

(a) Credit Risk

Credit risk is the exposure that the counterparty to a financial instrument is unable to meet an obligation, thereby causing a financial loss to the Credit Union.

Credit risk from financial assets is minimised through advancing loans only after careful assessment of the borrower, obtaining collateral before advancing loans, and placing deposits with financial institutions with a strong capital base. The risk accepted in relation to one borrower is restricted to 10% of the shareholder's equity. Exposure to credit risk is also managed in part by obtaining collateral and guarantees for loans receivable. The collateral may consist of real estate, member deposits and shares, equipment or vehicles.

	2016	2015
	\$	\$
Credit risk exposure relating to on-balance sheet items:-		
Cash	19,371,817	13,994,843
HTM investments	44,669,108	35,737,468
AFS investments	1,431,581	1,430,346
Other receivables	445,704	371,879
Loans and advances to members	157,007,096	149,339,917
	<u>222,925,306</u>	<u>200,874,453</u>
Credit risk exposure relating to off-balance sheet items:-		
Loans and advances to members	<u>3,876,480</u>	<u>2,317,594</u>
	<u>226,801,786</u>	<u>203,192,047</u>

Credit risk in respect of loans and advances is limited as this balance is shown net of impairment losses on loans and advances. The maximum exposure to credit risk for loans and advances to members at the reporting date by category was:-

	2016	2015
	\$	\$
Social	7,096,339	5,839,794
Insurance	571,223	700,179
Debt Consolidation	6,029,464	5,202,367
Education	9,254,224	10,166,716
Medical	1,784,266	1,424,564
NIB Mortgage	18,492	-
Mortgages and Real Estate	66,570,114	50,623,113
Renovations	5,007,144	5,422,832
Christmas Wishmaker	10,050,189	9,952,843
Vehicles	9,115,263	7,064,633
Refinancing	775,544	1,036,245
Consumer loans/other	45,964,950	56,326,342
	<u>162,218,720</u>	<u>153,778,120</u>

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(i) Past due and impaired financial assets

A financial asset is past due when a counterparty has failed to make payments when contractually due. The Credit Union is most exposed to the risk of past due assets with respect to its loans and advances to members.

Loans and advances to members less than 90 days past due are not assessed for impairment unless other information is available to indicate the contrary.

The table below summarises the carrying value of financial assets which are past due and impaired.

	2016		2015	
	Gross \$	Impairment \$	Gross \$	Impairment \$
Carrying values:				
With amounts past due up to 3 months	155,620,463	26,259	147,901,282	6,477
With amounts past due 4 to 6 months	961,607	681,558	1,404,161	943,341
With amounts past due 7 to 9 months	596,943	529,655	276,641	273,267
With amounts past due 10 to 12 months	286,866	285,192	133,465	119,738
With amounts past due over 1 year	4,752,841	4,713,986	4,062,571	4,059,519
	162,218,720	6,236,650	153,778,120	5,402,342

Interest is not accrued on impaired financial assets.

(ii) Repossessed assets

The Credit Union may foreclose on overdue loans by repossessing the pledged asset. The pledged asset may consist of real estate, equipment or vehicles which the Credit Union will seek to dispose of by sale. In some instances, the Credit Union may provide re-financing.

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2016

(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(iii) Credit quality per class of financial assets

The table below shows the credit quality by class of financial assets (gross of allowance for credit losses) of the Credit Union based on their historical experience with the corresponding third parties as at December 31, 2016.

The credit quality of the Credit Union's financial assets is evaluated using internal audit rating. Financial assets are considered as neither past due nor impaired if the counterparties are not expected to default in settling their obligations, thus credit risk exposure is minimal. There counterparties include banks, members and other financial institutions who pay on or before due date.

	Neither past due nor impaired \$	Impaired \$	Total \$
As at December 31, 2016			
Cash	19,371,817	-	19,371,817
HTM investments	44,669,108	-	44,669,108
Other receivables	445,704	-	445,704
Loans and advances to members	153,946,852	8,271,868	162,218,720
AFS investments	1,431,581	-	1,431,581
	219,865,062	8,271,868	228,136,930
As at December 31, 2015			
Cash	13,994,843	-	13,994,843
HTM investments	35,737,468	-	35,737,468
Other receivables	1,430,346	-	1,430,346
Loans and advances to members	371,879	-	371,879
AFS investments	146,485,589	7,292,531	153,778,120
	198,020,125	7,292,531	205,312,656

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements
For the Year Ended December 31, 2016
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4. Financial Risk Management (Cont'd)

(b) Liquidity Risk

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

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

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

Management undertakes continuous review of cash inflows and outflows and seeks to maintain a loans-to-savings ratio not exceeding 85%. For the purpose of this ratio savings include deposits from members and shareholder balances.

The table below presents the cash flows payable by the Credit Union for financial liabilities by remaining contractual maturity dates at the date of the financial statements. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Credit Union manages the inherent liquidity risk based on expected undiscounted cash flows.

	Carrying amounts	Contractual Cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
As at December 31, 2016							
Other payables	1,133,864	1,133,864	1,133,864	-	-	-	-
Deposits from members	2,026,575	2,026,575	2,026,575	-	-	-	-
Withdrawable shares	157,501,700	157,501,700	157,501,700	-	-	-	-
	160,662,139	160,662,139	160,662,139	-	-	-	-
As at December 31, 2015							
Other payables	917,860	917,860	917,860	-	-	-	-
Deposits from members	15,909,736	15,909,736	15,909,736	-	-	-	-
Withdrawable shares	145,135,408	145,135,408	145,135,408	-	-	-	-
	161,963,004	161,963,004	161,963,004	-	-	-	-

St. Lucia Civil Service Co-operative

Credit Union Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2016

(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(c) Interest Rate Risk

The Credit Union is exposed to interest rate risk, which arises when a change in market interest rate affects the current or future yields of financial assets and financial liabilities. The occurrence of an increase in interest rates on financial liabilities may result in financial loss to the Credit Union.

Interest on loans and advances to members and deposits from members is fixed to maturity.

The table below summarises the exposures to interest rate risks of the Credit Union's financial assets and financial liabilities. Amounts are stated at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Immediately rate sensitive \$	1 - 3 months \$	3 - 12 months \$	Greater than 12 months \$	Non-rate sensitive \$	Total \$
As at December 31, 2016						
Financial Assets						
Cash at bank	19,371,817	-	-	-	-	19,371,817
HTM investments	-	14,555,455	26,479,325	3,000,000	634,328	44,669,108
AFS investments	-	-	-	1,431,581	-	1,431,581
Other receivables	-	-	-	-	445,704	445,704
Loans	-	155,594,204	349,011	38,855	1,025,026	157,007,096
Financial Liabilities						
Other payables	-	-	-	-	(1,133,864)	(1,133,864)
Deposits from members	(20,265,745)	-	-	-	-	(20,265,745)
Withdrawable shares	(157,501,700)	-	-	-	-	(157,501,700)
Total interest sensitivity gap	(158,395,628)	170,149,659	26,828,336	4,470,436	971,194	44,023,997
Net liquid gap	(158,395,628)	11,754,031	38,582,367	43,052,803	44,023,997	-

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements
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4. Financial Risk Management (Cont'd)

(c) Interest Rate Risk (Cont'd)

	Immediately rate sensitive \$	1 - 3 months \$	3 - 12 months \$	Greater than 12 months \$	Non-rate sensitive \$	Total \$
As at December 31, 2015						
Financial Assets						
Cash at bank	13,994,843	-	-	-	-	13,994,843
HTM investments	-	4,792,258	25,782,411	4,625,000	537,799-	35,737,468
AFS investments	-	-	-	1,430,346	-	1,430,346
Other receivables	-	-	-	-	371,879	371,879
Loans and advances to members	-	147,894,805	477,921	3,052	956,139	149,331,917
Financial Liabilities						
Other payables	-	-	-	-	(917,860)	(917,860)
Deposits from members	-	-	-	-	15,909,736	15,909,736
Withdrawable shares	-	-	-	-	145,135,408	145,135,408
Total interest sensitivity gap	13,994,843	152,687,063	26,260,332	6,058,398	161,993,101	360,993,737
Cumulative gap	13,994,843	166,681,906	192,942,238	199,000,636	360,993,737	-

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

4. Financial Risk Management (Cont'd)

(c) Interest Rate Risk (Cont'd)

At the reporting date, the carrying values of the Credit Union's interest-bearing, fixed-rate financial instruments were:

	2016 \$	2015 \$
Financial Assets		
HTM investments	44,034,780	35,737,468
Loans and advances to members	155,982,070	148,375,778
	<hr/>	<hr/>
	200,016,850	184,113,246
Financial Liabilities		
Deposits from members	20,265,745	15,909,736
Withdrawable shares	157,501,700	145,135,408
	<hr/>	<hr/>
	177,767,445	161,045,144

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

	2016 %	2015 %
Financial Assets		
Cash	0 - 0.75	0 - 2.00
Financial investments	2.50 - 7.50	2.50 - 7.50
Loans and advances to members	0 - 14.00	0 - 14.00
Financial Liabilities		
Deposits from members	2.00 - 4.00	3.00
Withdrawable shares	2.00	3.00

**St. Lucia Civil Service Co-operative
Credit Union Ltd.**
 Notes to the Financial Statements
 For the Year Ended December 31, 2016
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4. Financial Risk Management (Cont'd)

(d) Fair Value Hierarchy

IFRS 7 specifies a hierarchy valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Credit Union's market assumptions.

Where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting date. The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:-

- The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;
- The fair value of variable-rate financial instruments is assumed to approximate their carrying amounts.

Observable and unobservable inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes listed equity securities and debt instruments on exchanges.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (that is, as prices) or indirectly (that is derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

The Credit Union's financial assets and financial liabilities as disclosed in the Statement of Financial Position approximate their fair value.

The following table shows an analysis of financial instruments measured at fair value by level of the fair value hierarchy:-

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at December 31, 2016				
Securities available for sale	155,728	1,275,853	-	1,431,581
	<hr/>	<hr/>	<hr/>	<hr/>
As at December 31, 2015				
Securities available for sale	154,486	1,275,860	-	1,430,346
	<hr/>	<hr/>	<hr/>	<hr/>

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2016

(Expressed in Eastern Caribbean Dollars)

5. Capital Risk Management

The Credit Union's objectives when managing capital are:-

- To comply with the statutory capital requirements of the Co-operative Societies Act of St. Lucia;
- To safeguard the Credit Union's ability to continue as a going concern so that it can continue to provide returns for members and benefits for other stakeholders; and
- To maintain a strong capital base to maintain members, creditors and other parties' confidence and to sustain future development of the Credit Union.

The Board of Directors monitors the return on capital, which is defined as surplus for the year divided by total shares, as well as the level of dividends to members.

Section 119 of the Co-operative Societies Act Cap 12.06 requires the Credit Union to maintain statutory and other reserves at not less than 10% of its liabilities. The Credit Union is in compliance as at December 31, 2016.

6. Cash

	2016 \$	2015 \$
Cash on hand	539,051	457,795
Cash at bank	18,832,766	13,537,048
	<hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/>
	19,371,817	13,994,843

For the purposes of the Statement of Cash Flows, cash include fixed deposits which are held to meet the liquidity requirements of Section 119 (3) of the Co-operative Societies Act Cap 15.02 of the revised laws of St. Lucia.

**St. Lucia Civil Service Co-operative
Credit Union Ltd.**
 Notes to the Financial Statements
 For the Year Ended December 31, 2016
 (Expressed in Eastern Caribbean Dollars)

7. Financial Investments

		2016 Cost \$	2016 Carrying Value \$	2015 Cost \$	2015 Carrying Value \$
Securities Available-for-Sale					
Listed					
- Eastern Caribbean Financial Holding Limited 20,452 ordinary shares at \$5.51 (2015 - \$5.50)	204,520	105,328	204,520	112,486	
- St. Lucia Electricity Services Ltd. 2,100 ordinary shares at \$24.00 (2015 - \$20.00)	40,000	50,400	40,000	42,000	
Unlisted					
- St. Lucia Co-operative League Eastern Caribbean Home Mortgage Bank 1,642 ordinary shares at \$152 (2015 - \$152)	1,000,112	1,000,105	1,000,112	1,000,112	
- 1st National Bank St. Lucia Limited 1,700 ordinary shares at \$15.04 (2015 - \$15.04)	250,180	250,180	250,180	250,180	
	5,000	25,568	5,000	25,568	
		<u>1,431,581</u>		<u>1,430,346</u>	
Securities Held-to-Maturity					
St. Lucia Government Bonds	3,000,000		3,625,000		
St. Lucia Government Treasury Bills	1,575,000		1,575,000		
First Citizens Investment Services Ltd. Treasury Bills	9,738,175		9,482,916		
Eastern Caribbean Home Mortgage Bank Bond	1,000,000		1,000,000		
Bank of St. Lucia treasury bills	3,255,993		3,161,825		
	<u>18,569,168</u>		<u>18,844,741</u>		
Fixed Deposits					
1st National Bank St. Lucia Limited	11,939,064		11,668,944		
Bank of Saint Lucia Limited	12,345,887		3,594,652		
St. Lucia Co-operative League	1,180,661		1,091,332		
	<u>25,465,612</u>		<u>16,354,928</u>		
	<u>634,328</u>		<u>537,799</u>		
	<u>44,669,108</u>		<u>35,737,468</u>		

**St. Lucia Civil Service Co-operative
Credit Union Ltd.**

Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

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	2016	2015	
	\$	\$	\$
8. Other Receivables			
Other receivables	482,844	409,019	
Allowance for impairment	(37,140)	(37,140)	
	<u>445,704</u>	<u>371,879</u>	
9. Loans and Advances to Members			
	Restated	2015	2014
	\$	\$	\$
Loans	100,852,869	96,741,381	90,081,741
Mortgages	61,365,851	57,018,247	48,243,358
National Insurance Corporation loans	-	18,492	53,106
Less: allowance for impairment	162,218,720	153,778,120	138,378,205
	(6,236,650)	(5,402,342)	(4,347,991)
	<u>155,982,070</u>	<u>148,375,778</u>	<u>134,030,214</u>
Interest receivable	1,025,026	956,139	887,635
	<u>157,007,096</u>	<u>149,331,917</u>	<u>134,917,849</u>
Allowance for Impairment			
Balance - beginning of year	5,402,342	4,347,992	3,644,397
Impairment losses	834,308	1,054,350	703,594
Balance - end of year	<u>6,236,650</u>	<u>5,402,342</u>	<u>4,347,991</u>
Impairment Losses			
Current year allowances	834,308	1,054,350	703,594
Recoveries	(6,873)	(6,231)	(7,744)
	<u>827,435</u>	<u>1,048,119</u>	<u>695,850</u>

**St. Lucia Civil Service Co-operative
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 Notes to the Financial Statements
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 (Expressed in Eastern Caribbean Dollars)

10. Property, Plant and Equipment

	Land \$	Freehold Buildings \$	Leasehold Improvements \$	Furniture and Equipment \$	Total \$
At December 31, 2014					
Cost	3,218,986	1,142,151	45,686	2,182,231	6,589,054
Accumulated depreciation	-	(295,485)	(17,527)	(1,772,102)	(2,085,114)
Net book value	3,218,986	846,666	28,159	410,129	4,503,940
Year ended December 31, 2015					
Opening net book value	3,218,986	846,666	28,159	410,129	4,503,940
Additions	-	38,055	-	180,048	218,103
Depreciation charge	-	(23,584)	(9,137)	(236,413)	(269,134)
Closing net book value	3,218,986	861,137	19,022	353,764	4,452,909
At December 31, 2015					
Cost	3,218,986	1,180,206	45,686	2,362,279	6,807,157
Accumulated depreciation	-	(319,069)	(26,664)	(2,008,515)	(2,354,248)
Net book value	3,218,986	861,137	19,022	353,764	4,452,909
Year ended December 31, 2016					
Opening net book value	3,218,986	861,137	19,022	353,764	4,452,909
Additions	-	54,068	-	238,491	292,559
Depreciation charge	-	(24,686)	(9,137)	(131,540)	(165,363)
Closing net book value	3,218,986	890,519	9,885	460,715	4,580,105
At December 31, 2016					
Cost	3,218,986	1,234,274	45,686	2,600,770	7,099,716
Accumulated depreciation	-	(343,755)	(35,801)	(2,140,055)	(2,519,611)
Net book value	3,218,986	890,519	9,885	460,715	4,580,105

**St. Lucia Civil Service Co-operative
Credit Union Ltd.**

Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Dollars)

	11. Other Payables	2016	2015
	Accruals	\$ 187,535	\$ 181,513
	Other payables	946,329	736,347
		<u>1,133,864</u>	<u>917,860</u>
	12. Deposits from Members	2016	2015
	Registered Home Owners Savings Plan (R.H.O.S.P.)	219,704	253,477
	Special savings	16,708,160	12,814,107
	S.O.C.A. savings	3,337,881	2,842,152
		<u>20,265,745</u>	<u>15,909,736</u>
	Members fixed deposits are payable on demand and has effective interest rates ranging from 2% to 4% (2015 : 3%)		
	13. Withdrawable Shares		
	The withdrawable shares have a nominal value of \$5. The shares are allotted on the basis of the amount credited to the members' withdrawable shares account. There are no restrictions for the redemption of the shares.		
	14. Deferred Income	2016	2015
	Balance - beginning of year	-	-
	Amortisation	-	6,800
	Balance - end of the year	-	(6,800)
	In 2010, a grant of equipment and furniture valued at \$45,300 was given to the Credit Union through the OPSR's 2002 Work Programme - RESTORE. In keeping with the grant agreement, the assets were amortised over a five-year period. The assets were fully amortised in 2015.		
	15. Dividends Payable	2016	2015
	Dividends declared	\$ 2,994,008	\$ 2,796,966
	Patronage refund	1,459,864	1,384,728
	Converted to shares and distributed	(4,453,872)	(4,181,694)
	Balance - end of the year	-	-
	The dividend proposed and approved at the 2016 annual general meeting was paid by the issuance of additional ordinary shares, withdrawable shares and deposits to members' savings accounts. The patronage refund of 10% (2015 - 10%) approved at the meeting was deposited to members' savings accounts.		

**St. Lucia Civil Service Co-operative
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Notes to the Financial Statements
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		2016 \$	No. of Shares	2015 \$	No. of Shares
Ordinary Shares					
Balance - beginning of year		2,270,704	11,353,517	2,058,607	10,293,035
Issued		349,350	1,746,748	221,119	1,105,593
Transferred		(72,735)	(363,673)	(9,022)	(45,111)
Balance - end of year		2,547,319	12,736,592	2,270,704	11,353,517
		2,547,319	12,736,592	2,270,704	11,353,517
The Credit Union is authorised to issue an unlimited number of ordinary and withdrawable shares, each with a par value of \$5.00.					
		2016 \$	2015 \$	2016 \$	2015 \$
Statutory Reserve					
Balance - beginning of year		22,522,438	20,455,291		
Increase in transfer for 2015		348,483	330,798		
Transfer from retained earnings		2,194,014	1,730,819		
Entrance fees		5,860	5,530		
Balance - end of year		25,070,795	22,522,438		
In accordance with Section 119 of the Co-operative Societies Act, the Credit Union is required to set aside a statutory reserve of at least 20% of net surplus (if any) each year. In addition, all entrance fees are placed in the statutory reserve.					
		2016 \$	2015 \$	2016 \$	2015 \$
Education Reserve					
Balance - beginning of year		500,000	500,000		
Transfer from retained earnings		440,610	320,061		
Training expenses		(440,610)	(320,061)		
Balance - end of year		500,000	500,000		
In accordance with a resolution passed by the members, the Credit Union is required to set aside an education reserve of 10% of net surplus (if any) after the statutory reserve allocation less training expenses once the reserve falls below \$500,000 or such percentage as the Board of Directors may subsequently approve.					
		2016 \$	2015 \$	2016 \$	2015 \$
Development Fund					
The Co-operative Societies Act and the Credit Union's By-laws allow the Credit Union, on the recommendation of the Board of Directors, to make an annual contribution to the National League not exceeding 10% of its realised surplus from operations to be used for the development of registered societies.					

**St. Lucia Civil Service Co-operative
Credit Union Ltd.**

Notes to the Financial Statements
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20. Funeral and Burial Benefits Scheme

	2016	2015
	\$	\$
Balance - beginning of year	892,695	899,695
Benefits paid	(14,000)	(7,000)
Balance - end of year	<u>878,695</u>	<u>892,695</u>

The Credit Union approved the allocation of \$60,000 per annum to the Funeral and Burial Benefits Scheme together with any additional sums as may be required and approved by the Board of Directors.

For the current year however, the board decided not to allocate any funds to this reserve.

21. Revaluation Reserve

	2016	2015
	\$	\$
Balance - beginning of year	47,439	61,488
Fair value decrease/(increase) in investment securities	1,235	(14,049)
Balance - end of year	<u>48,674</u>	<u>47,439</u>

The revaluation reserve arises on the restatement at fair value of the Credit Union's investments in Eastern Caribbean Financial Holdings Limited and St. Lucia Electricity Services Limited which are classified as AFS investments.

22. Investment Income

	2016	2015
	\$	\$
Interest on savings account - Bank of Saint Lucia Limited	71,100	76,827
Interest on savings account - 1st National Bank St. Lucia Limited	2,403	645
Interest on fixed deposits - other	673,432	533,694
Interest on government bonds and treasury bills	705,420	784,714
Other	17,599	1,955
	<u>1,469,954</u>	<u>1,397,835</u>

23. Other Operating Income

	2016	2015
	\$	\$
Insurance administration fees	64,987	70,598
Family Indemnity Plan (FIP) income	106,693	96,935
Rental income	10,000	21,000
Other	16,252	14,731
	<u>197,932</u>	<u>203,264</u>

**St. Lucia Civil Service Co-operative
Credit Union Ltd.**

Notes to the Financial Statements
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24. Operating and Administrative Expenses

	2016	2015
	\$	\$
Advertising and promotion	260,544	308,408
AGM expenses	71,732	60,127
Audit fees	44,000	44,000
Bank charges	16,247	17,341
Board and committee expenses	42,524	44,646
Credit union week	77,736	52,826
Cuna insurance	909,814	866,997
Depreciation	165,363	269,134
Donations	198,128	50,305
General insurance	47,578	47,145
League dues	75,000	75,000
Miscellaneous	6,928	1,348
Office supplies and stationery	92,677	98,783
Professional fees	52,770	22,012
Property taxes	40,675	23,733
Rent	23,460	23,460
Repairs and maintenance	190,984	198,683
Security	182,518	184,042
Scholarships	115,818	89,720
SOCA expenses	62,875	36,854
Staff-related expenses	2,547,436	2,351,370
Utilities	273,886	311,962
	5,498,693	5,177,896

St. Lucia Civil Service Co-operative Credit Union Ltd.

Notes to the Financial Statements
For the Year Ended December 31, 2016
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25. Staff-related Expenses

Included in operating and administrative expenses are the following:-

	2016 \$	2015 \$
Senior Management		
Salaries	722,362	613,349
National Insurance contributions	24,000	21,000
Allowances	52,209	43,200
Bonus	28,897	23,493
Gratuity	33,000	52,740
	860,468	753,782
Other Staff Costs		
Salaries and wages	1,278,845	1,134,950
National Insurance contributions	62,836	60,513
Allowances	12,654	9,910
Bonus	49,693	45,983
Overtime	19,283	9,701
Uniforms	51,513	62,507
Staff training and development	136,602	141,400
Staff benefits	75,542	123,609
Gratuity	-	9,015
	1,686,968	1,597,588
	2,547,436	2,351,370

The total number of administrative staff as at December 31, 2016 was 516 (2015 - 49).

26. Related Party Transactions

The Credit Union recorded balances with its directors and senior management at the date of the financial statements as follows:-

	2016 \$	2015 \$
Shares and deposits	778,541	860,063
Loans and advances	1,607,170	1,738,689

**St. Lucia Civil Service Co-operative
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 Notes to the Financial Statements
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27. Prior Year Restatement

The prior year financial statements have been restated to reflect the correction of an understatement of interest receivable and allowance for impairment in 2015 and 2014. The effect of the restatements are summarised below:

	Effect on 2015 \$	Effect on 2014 \$
Statement of Financial Position		
Increase in interest receivable	76,834	750,310
Increase in allowance for impairment		103,594
Statement of Comprehensive Income		
Increase in interest income on members loans	76,834	646,717
Increase in impairment losses on loans and advances to members		103,594
Statement of Changes in Equity		
Decrease in net income	569,883	103,594
Decrease in retained earnings	673,477	103,594

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+1 758-452-4807



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Corner of Jeremie Street,
Chaussee' & Trinity Church Roads
Castries
Saint Lucia