



CARIBBEAN
CONFEDERATION
OF CREDIT UNIONS



2017 ANNUAL REPORT

**THEME: CREDIT UNIONS: THE POWER
TO CHANGE THE FUTURE**

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St Francis of Assisi

THE CREDIT UNION PRAYER

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

O Divine Master
 Grant that I may not so much seek
 To be consoled as to console
 To be understood as to understand
 To be loved as to love

For it is 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.

Amen



CARIBBEAN
 CONFEDERATION
 OF CREDIT UNIONS

VISION

To Become The Pre-eminent
 Regional Apex Organization Empowering
 Caribbean people through a Unified
 Co-operative Sector.

MISSION

To drive Caribbean Co-operatives
 towards improved Economic
 Competitiveness and Social Well-Being.

CCCU PROFILE



The Caribbean Confederation of Credit Unions (CCCU) was established on August 17, 1972 in Dominica, as the successor to the West Indies Conference of Credit Societies (WICCS) and serves as the apex trade and development organization for Credit Unions and non-credit union co-operatives in the Caribbean. The CCCU is an affiliate of the World Council of Credit Unions (WOCCU) and represents the Caribbean Diaspora with 2.2 million members as part of the 222 billion members of the Global Credit Union Sector.

OBJECTIVES OF THE CCCU

In pursuit of its mission, the CCCU performs the following broad functions:

- Defending and representing the interest of the Co-operative Sector;
- Providing technical and managerial assistance to strengthen and expand the Co-operative Sector;
- Promoting and facilitating technology transfers and expertise;
- Conducting promotional and educational campaigns to showcase Co-operative Sector achievements and benefits;
- Organizing educational conventions and other fora to strengthen leadership, governance and management;
- Providing directors and employees opportunities for skills training with regional and international certification;
- Mobilizing financial and technical resources for expanding the sector.

CCCU STRATEGIC BUSINESS UNITS

The CCCU is structured into two (2) primary strategic business units, namely the Trade Association and the Development Foundation

1. Trade Association:

The mandate of the Association is to project the CCCU as a major regional advocate for the Co-operative Sector as a critical stakeholder in social-economic development and integration of the Caribbean. In this regard, it is responsible for research, marketing, representation, affiliate relations, policy advocacy, legislation and regulation, training and education, and expanding the sector throughout the region.

2. Development Foundation:

The primary responsibility of the Foundation is to mobilize resources to foster social and community development through co-operative activities and formulating programmes and projects aimed at disaster relief, education, youth and rural development.

Primary Strategic Business Units

Trade Association

The Development Foundation

2016 CONSOLIDATED STATISTICS

as at December 31, 2016, expressed in U.S. \$

Affiliates	Credit Unions	Members	Shares & Deposits	Loans	Reserves	Assets
Antigua & Barbuda	6	39,675	73,363,060	67,496,211	4,887,430	93,546,246
The Bahamas*	9	42,220	347,147,484	216,255,177	25,095,454	395,705,189
Barbados	31	185,618	876,678,959	754,820,376	114,374,875	1,017,558,876
Belize	7	120,514	346,016,028	281,528,191	50,425,831	417,730,238
Bermuda	1	4,288	11,077,955	9,370,654	1,018,906	12,243,160
Cayman Islands	1	17,000	267,472,100	201,086,906	26,867,045	298,252,365
Curacao(FEKOSKAN)	8	31,764	133,697,126	165,233,651	13,787,959	222,252,580
Dominica	7	75,310	235,627,165	180,937,505	25,698,908	270,522,928
Grenada	10	63,539	197,067,547	180,097,430	5,792,295	243,998,513
Guyana	24	28,681	17,433,049	16,572,666	4,426,748	28,109,101
Jamaica	32	1,028,211	574,826,744	496,252,385	53,110,903	744,871,407
Montserrat	1	5,596	18,837,924	16,582,210	920,006	20,997,756
Sr. Kitts & Nevis	4	23,766	93,640,696	78,202,244	15,865,322	114,665,683
St. Lucia	16	92,113	232,356,089	209,414,461	21,119,151	287,522,356
St. Vincent & The Grenadines	4	64,562	125,186,983	96,931,681	18,117,504	124,453,701
Trinidad and Tobago	54	422,154	711,601,453	539,485,632	110,509,653	833,836,671
SUB-TOTAL	215	2,245,011	4,262,030,360	3,510,267,380	492,017,989	5,126,266,772

Non-Affiliated Credit Unions						
Barbados	2	236	607,743	521,045	128,232	746,497
Belize	1	24,753	25,852,000	29,352,500	5,570,500	35,660,500
Guyana	4	4,973	1,889,004	1,431,351	266,138	2,528,467
Trinidad and Tobago*	75	230,945	952,397,879	675,221,567	153,655,980	1,247,692,752
SUB-TOTAL	82	260,907	980,746,626	706,526,463	159,620,850	1,286,628,216
TOTAL	297	2,505,918	5,242,776,985	4,216,793,842	651,638,839	6,412,894,987

** Data for The Bahamas and Trinidad and Tobago are estimated.

2017 CONSOLIDATED STATISTICS

as at December 31, 2017, expressed in U.S. \$

Affiliates	Credit Unions	Members	Shares & Deposits	Loans	Reserves	Assets
Antigua & Barbuda	6	34,929	90,524,101	79,361,158	5,248,270	106,958,896
The Bahamas*	9	43,064	354,090,434	220,580,281	25,597,363	403,619,293
Barbados	31	194,381	958,230,416	803,103,528	125,289,382	1,105,350,689
Belize	7	134,147	358,305,848	282,340,741	75,327,477	436,137,709
Bermuda	1	4,714	13,806,449	9,112,727	1,053,154	15,006,849
Cayman Islands	1	13,579	291,485,660	215,167,980	28,775,501	324,793,358
Curacao(FEKOSKAN)	7	35,448	151,707,692	174,243,065	16,156,703	242,611,406
Dominica	6	71,122	266,629,861	184,611,219	26,880,608	307,590,964
Grenada	10	69,478	233,067,854	215,711,169	6,542,556	284,188,612
Guyana	25	24,759	18,611,336	16,713,044	4,368,544	28,983,212
Jamaica	28	1,015,253	646,075,787	573,457,418	53,005,592	832,457,457
Montserrat	1	5,392	19,166,620	17,173,537	941,523	21,429,639
Sr. Kitts & Nevis	4	24,917	102,752,420	87,231,383	20,652,684	126,015,447
St. Lucia	16	95,988	257,609,957	231,261,441	23,368,827	324,652,034
St. Vincent & The Grenadines	4	69,337	136,134,829	108,080,372	18,391,549	130,713,709
Trinidad and Tobago	56	434,156	884,307,979	673,811,708	136,435,205	1,044,957,418
SUB-TOTAL	212	2,270,664	4,782,507,241	3,891,960,771	568,034,937	5,735,466,690

Non-Affiliated Credit Unions						
Barbados	2	247	646,766	486,860	145,567	809,481
Belize	1	25,287	27,844,294	29,262,600	3,536,056	35,592,599
Guyana	5	5,004	1,889,822	1,432,273	275,041	2,545,683
Trinidad and Tobago*	73	226,326	933,349,921	661,717,136	150,582,860	1,222,738,897
SUB-TOTAL	81	256,864	963,730,804	692,898,868	154,539,524	1,261,686,659
TOTAL	293	2,527,529	5,746,238,045	4,584,859,639	722,574,461	6,997,153,349

** Data for The Bahamas and Trinidad and Tobago are estimated.



Caribbean Confederation Of Credit Unions

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AFFILIATED TO THE WORLD COUNCIL OF CREDIT UNIONS

Notice of 47th Annual General Meeting

Notice is hereby given that the 47th Annual General Meeting of the Caribbean Confederation of Credit Unions will be held on Tuesday June 19, 2018 commencing at 10:45 am at the Masquerade Ballroom, Hyatt Hotel, Port of Spain, Trinidad & Tobago.

Agenda

1. Call to Order
2. Invocation/Silent Tribute.
3. Report of Credentials Committee and Ascertainment of Quorum.
4. Approval of Standing Orders.
5. Minutes of the 46th Annual General Meeting of June 19, 2017.
6. Matters Arising from the Minutes.
7. Report of the Board of Directors.
8. Report of the External Auditors.
9. Report of the Treasurer & Financial Statements for the year ended December 31, 2017.
10. Report of the Internal Audit Committee.
11. Report of the By-Laws Committee.
12. Report of the Nominations Committee.
13. Elections.
14. Resolutions.
15. Appointment of External Auditors.
16. Any Other Business.
17. Termination.

Winston Fletcher
Secretary
April 19, 2018

Affiliates:

Leagues: Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Netherlands Antilles, St. Christopher and Nevis, St. Lucia, St. Vincent & the Grenadines, Trinidad & Tobago.

Credit Unions: Bermuda, Cayman Islands, Montserrat.

Associate Member: Co-operators General Insurance, Barbados

STANDING ORDERS

1. A member may sit, when addressing the Chair.
- 1.1 Speeches shall be clear and relevant to the subject before the meeting.
2. A member shall address the meeting when called upon by the Chairman to do so, after which he/she shall immediately take his/her seat.
3. No member shall address the meeting except through the Chairman.
4. A member shall not speak twice on the same subject except:
 - 4.1 The mover of a motion who has the right to reply;
 - 4.2 He/she rises to object or to explain (with permission of the Chair).
5. No speeches shall be made after the question has been put, carried or negated.
6. The mover of a “procedural motion” (adjournment, postponement, lay on the table) shall have no right of reply.
7. A member rising on “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” but may draw the attention of the Chair to a “breach of order”.
- 8.1 In no event can a member “call” the Chair “to order”.
9. A “Question” shall not be put to the vote, if a member desires to speak on it or move an amendment to it – except that a “procedural motion”, “the previous question”, “proceed to the next business” or the “closure”, “that the question be now put”, may be moved at the time.
10. Only one motion/amendment shall be before the meeting at one and the same time.
11. When a motion is withdrawn, any amendment to it falls.
12. The Chairman shall have, in addition to his/her ordinary vote, a “casting vote” in the case of an equality of votes.
13. If there is an equality of votes on a motion or an amendment, and if the chairman does not exercise his casting vote, the motion or amendment is lost.
14. The Chairman shall make provision for the protection of members from vilification (personal abuse).
15. No member shall impute improper motives against the Chairman, Board of Directors, Officers of the Confederation or any other member.



Hally Haynes - President



Joseph Remy - Vice President



Lennox Bowman - Treasurer



Winston Fletcher - Secretary



Aaron Moses - Director



Carol A. Fraser - Director



Leopoldo Romero - Director



Andre Goindoo - Director

BOARD OF DIRECTORS

BOARD OF DIRECTORS REPORT

REGIONAL CREDIT UNION SECTOR PERFORMANCE

During the period under review the Credit Union Sector continued on its growth path notwithstanding the challenges faced by regional economies and the impact of global factors on our vulnerable economies in the region. The impact of Hurricanes' Maria and Irma affected the performance and operations of several credit unions in the region.

All Regional Credit Unions

Table I – Regional Credit Unions Performance 2017

	2016	2017	% Growth
Number of Credit Unions	297	293	(1.35)
Membership	2,505,918	2,527,529	0.86
Total Savings (US\$)	5,242,776,985	5,746,238,045	9.6
Total Loans (US\$)	4,216,793,842	4,584,859,639	8.7
Total Assets (US\$)	6,412,894,987	6,997,153,349	9.1

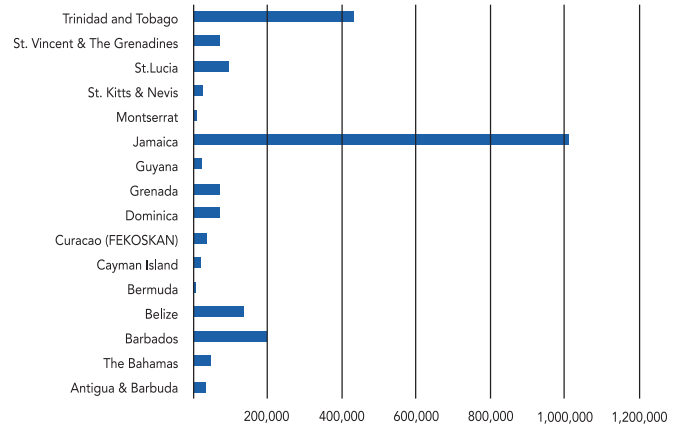
As at December 31, 2017 the regional credit union sector comprised of some 293 credit unions with some 212 CUs or 72% affiliated to the Confederation.

Table II – Affiliates' Membership

	2016	2017	% Growth
# of Affiliated Credit Unions	215	212	(1.40)
Membership	2,245,011	2,270,664	1.14
Total Savings (US\$)	4,262,030,360	4,782,507,241	12.21
Total Loans (US\$)	3,510,267,380	3,891,960,771	10.87
Total Assets (US\$)	5,126,266,772	5,735,466,690	11.88

The total membership of our affiliates recorded 2.27 million at year end with growth of just over one percent (1.14%) moving from 2,245,011 to 2,270,664. The growth in membership is indeed creditable especially given the prevailing environment. It has also been suggested that more persons are recognizing the importance of the credit union sector in regional economies especially given the posture of international banks which operate within our region. In addition, several of our credit unions in the region have rebranded and have increased market share.

Chart I – Affiliates Membership



Affiliates Membership Cont'd

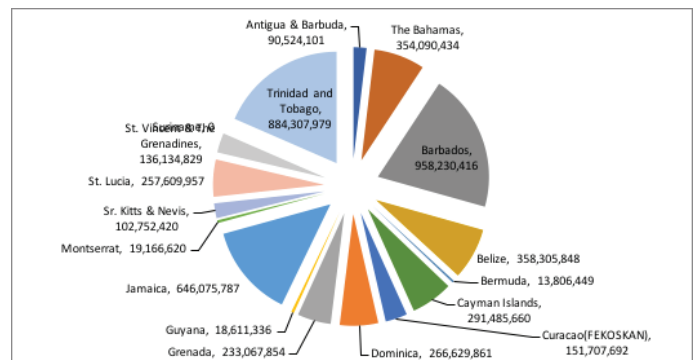
Affiliates membership increased by 25,653 representing a 1 percent growth over last year. The rate of growth among the affiliates varied from two percent to 11.6%. Ten of the affiliates achieved positive membership growth whereas six (6) affiliates attained negative growth. The highest membership growth was recorded in Curacao with 11.6% followed by Belize with 11.3%, Bermuda with 10%, Grenada with 9.4% and St. Vincent & the Grenadines 7.4%. St. Lucia, Barbados and St. Kitts & Nevis experienced modest growth of 4%, 4.7% and 4.8% respectively.

The Cayman Islands suffered the worst decline in membership with negative 20% followed by Guyana with (13.7%) and Antigua & Barbuda with 12% reduction.

SAVINGS

The total savings of affiliates were approximately US\$4.78 billion, an increase of some \$520.5 million or twelve percent (12%) over 2016. This represents 83 percent of the total savings of the regional Credit Union Sector.

Chart II – Affiliates' Savings



Savings by Country

All the affiliated countries experienced positive growth in Savings. The highest growth in Savings was recorded by Bermuda with 24.6% followed by Trinidad & Tobago with 24.3% and Antigua & Barbuda with 23%. Other significant increases were achieved by Grenada, Curacao, Dominica, Jamaica and St. Lucia with 18%, 13.5%, 13%, 12% and 10.9% respectively. The others recorded single digit growth.

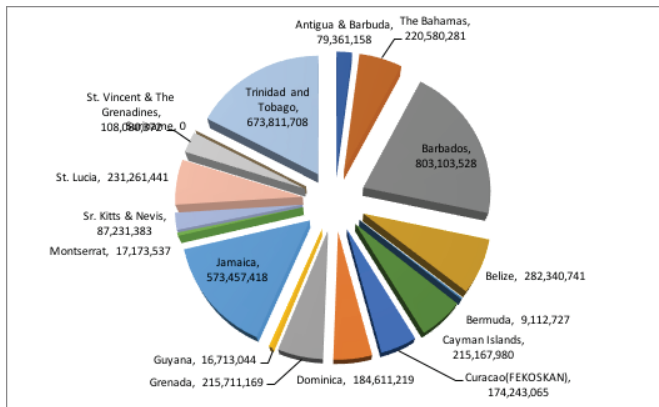
The largest quantum (value) savings increase was attained by Barbados with \$81,551,457 followed by Jamaica with \$71,249,043.

LOANS

The Loan portfolio of affiliates recorded approximately eleven percent (11%) growth moving from US\$3.5 billion to US\$3.9 billion.

The affiliates' loan portfolio represents 85 percent of the total loans made to the sector.

Chart III – Affiliates' Loans



Loans by Country

There was positive growth among affiliates with the exception of Bermuda which experienced a negative growth of 2.75%. The highest growth in the Loans segment was achieved by Trinidad & Tobago with a record high of 25%. This could be attributed to more attractive loan packages offered to members.

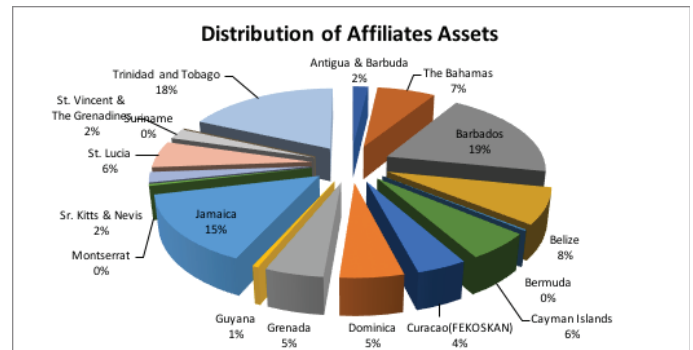
Other significant increases were attained by Grenada, Antigua & Barbuda, Jamaica, St. Kitts & Nevis and St. Lucia of 19.8%, 17.6%, 15.6%, 11.6% and 10.4% respectively. Others worthy of note were Cayman Islands -7%, Barbados - 6.4%, Curacao - 5.5%, Montserrat - 3.6% and Dominica - 2%. Belize and Guyana had growth of less than 1% with 0.3% and 0.85% respectively.

ASSETS

The total assets of affiliates moved from US \$5.13 billion in 2016 to US \$5.74 billion at the end of the period under review, an increase of approximately 12 percent.

Total assets of affiliates amounts to approximately 8.5% of the Region's Gross Domestic Product.

Chart IV – Affiliates' Growth in Assets



Affiliates' Assets

The affiliates had very encouraging growth in assets with Trinidad & Tobago obtaining the highest growth of 25% followed by Bermuda with 23%. Other significant increases were recorded by Grenada, Dominica, St. Lucia and Jamaica of 16.5%, 13.7%, 12.9% and 11.8% respectively. The other affiliates, St. Kitts & Nevis, Curacao, Cayman Islands, Barbados, St. Vincent & the Grenadines, Belize and Guyana had satisfactory growth of 9.9%, 9.2%, 8.9%, 8.6%, 4.4% and 3% respectively.

EMPLOYEES

As at December 2017, approximately 4,900 persons were employed in the credit union sector compared to 4,600 as at December 2016, an increase of 300 staff representing 6.5% increase over last year.

The biggest increase in credit union employment occurred in St. Lucia with over 100 additional staff, followed by Grenada with 28 and Antigua with 20 new employees.

Two countries experienced a reduction in credit union employees; Dominica recorded a reduction from 257 to 246 employees and Guyana reported a reduction from 103 to 80 employees. In the case of Dominica, the reduction could be attributed to the decrease in the number of credit unions from 7 to 6 due to an ongoing amalgamation process.

According to the Caribbean Development Bank (CDB) 2017 Report, the countries which reported declines in their unemployment rate in 2017 includes Belize, The Bahamas, Grenada, Jamaica and St. Lucia also recorded positive economic growth. However, double-digit unemployment remains an area of concern for most of the Caribbean and youth and women are disproportionately affected.

MARKET SHARE

Table III - Analysis of Savings - 2016 -2017

	SAVINGS (\$ '000s)			
	Banks 2017	Credit Unions 2017	C.U's % 2017	C.U's % 2016
Antigua & Barbuda	1,364,441	90,524	6	5
The Bahamas	6,925,960	354,090	4.9	4
Barbados	4,694,160	958,230	17	28
Belize	1,315,920	358,306	21	21
Bermuda	3,441,000	13,807	0.4	.04
Cayman Islands	732,549,405	291,486	0.04	0.06
Curacao	5,328,708	151,708	2.8	2
Dominica	832,183	266,630	24	24
Grenada	1,076,703	233,068	17.8	16
Guyana	1,707,129	18,611	1	1
Jamaica	7,144,143	646,076	8	10
Montserrat	127,276	19,167	13	13
St. Kitts & Nevis	1,675,812	102,752	5.8	5
St. Lucia	1,537,939	257,610	14.4	14
St. Vincent & The Grenadines	661,916	136,135	17	16
Trinidad & Tobago **	9,831,313	884,308	8	12

Notwithstanding the aggressive competition (level of competitiveness) in the financial market, credit unions continue to increase their market share in certain categories.

In analyzing the aforementioned data in comparison with the commercial banking sector, regional Credit Unions' share of the savings market fluctuated. Most of the affiliates increased their market share in Savings, however Barbados, Cayman Islands and Jamaica showed a reduction.

Loans Market Share

As it relates to the loan portfolio of credit unions as compared to that of banks it is interesting to note that virtually all the affiliates increased their

market share with the exception of Trinidad & Tobago with a significant reduction and Jamaica which decreased by a mere one percentage point.

Table IV – Analysis of Loans 2016 - 2017

	Banks 2017	C.U's 2017	C.U'S % 2017	C.U'S% 2016
Antigua & Barbuda	896,394	79,361	8.1	7
The Bahamas	6,607,880	220,580	3	2
Barbados	3,002,320	803,104	21	20
Belize	1,009,095	282,341	22	22
Curacao	3,411,910	174,243	5	3
Dominica	343,456	184,611	35	34
Grenada	605,502	215,711	26	23
Guyana	1,031,808	16,713	1.6	2
Jamaica	4,924,855	573,457	10	11
Montserrat	37,236	17,174	31.6	32
St. Kitts & Nevis	666,210	87,231	11.6	11
St. Lucia	1,283,977	231,261	15	14
St. Vincent & The Grenadines.	456,009	108,080	19	18
Trinidad & Tobago **	8,861,075	673,812	7	10

Table V: Affiliated Credit Unions' 5-year Performance
(Financial data quoted in U.S.\$ 000's)

	2013	2014	2015	2016	2017	% Inc./(dec)
No. of CUs	225	223	214	215	212	(1.4)
Member	1,933,086	2,090,883	1,975,042	2,245,011	2,270,664	1.14
Savings	3,413,158	3,811,421	3,766,328	4,262,030	4,782,507	12.2
Loans	2,940,074	3,186,274	3,147,844	3,510,267	3,891,961	10.87
Reserves	512,357	479,192	449,633	492,018	568,035	15.45
Total Assets	4,180,917	4,609,563	4,560,312	5,126,267	5,735,467	11.88

CCCU OPERATIONS

Governance

The 60th Annual International Convention was held June 17 – 20, at the Memories Resort, Varadero, Cuba, under the theme "Reshaping Caribbean Sustainable Development". The choice of venue was consistent with the Confederation's strategy of creating awareness of Credit Unions and the wider co-operative Movement in Cuba. Significant challenges had to be overcome however, to ensure a successful event.

At the Opening Ceremony of the Convention, the Keynote Speaker was the Prime Minister of St. Vincent and the Grenadines, the Hon. Ralph Gonsalves. The Opening Ceremony was also attended by the Ambassadors of CARICOM countries, as well as officials of the Cuban Government.

The format of the Convention programme was altered to facilitate participants being able to visit historic places in Cuba. Notwithstanding, the 486 registered participants engaged in general sessions and workshops on topics such as:

- The Sensei Leader: Effective Credit Union Leadership through Courage, Compassion and Wisdom.
- Eight Strategies for Emerging Credit Union Leaders.
- The Power of Failure
- Bridging the Generational Divide.
- The Role of Credit Unions in facilitating Health Care coverage for Caribbean Citizens.
- Mitigating the impact of De-risking on Financial Institutions.
- Maximising Social Media and IT Platforms towards Business enhancement.
- Embedding Sustainability in Organizational Culture, Investing and Decision Making.
- Environmental Trends Affecting Regional Credit Unions.

The Convention was preceded by a one-day Roundtable for Credit Union Managers and Leaders who participated in presentations and discussions on the following topics

- Building Generational Wealth for Members.
- Achieving Sustainability through Digital Financial Services.
- Creating Risk Intelligent Credit Unions.
- Digital Framework for Sustainable Development of Credit Unions.
- Trends, Issues and Challenges Impacting Credit Unions and Solutions.
- Strategies for Participation in Remittance Markets.

At the 46th Annual General Meeting held on June 19, 2017 retiring Directors were Lennox Bowman and Clement Usher. Director Bowman was re-elected for a three (3) year term, while Director Usher, who held a guaranteed seat, was replaced by Leopoldo Romero. Director Tulloch, who also held a guaranteed seat, was replaced by Winston Fletcher.

At the conclusion of the meeting, Director Cox-Hamilton was withdrawn as a Delegate by The Bahamas Co-operative League, thus creating a vacancy to be filled by the Board.

The composition of the Board subsequent to the Annual General Meeting was as follows:

Hally Haynes	- President
Joseph Remy	- Vice President
Lennox Bowman	- Treasurer
Winston Fletcher	- Secretary
Aaron Moses	- Director
Leopoldo Romero	- Director

At the Board of Directors meeting held October 14, 2017, Mrs. Carol Harding-Fraser of Guyana was appointed to fill the vacancy created by the recall of former Director Sonia Cox-Hamilton. Director Harding-Fraser will serve the unexpired term of former Director, Cox-Hamilton.

Board Meetings

The Board convened three (3) meetings during the year, in the following countries:

- St. Lucia
- Varadero, Cuba
- Trinidad and Tobago.

A meeting scheduled to be held in Belize was cancelled as a result of the threat posed by Hurricane Irma.

At the first meeting convened in St. Lucia during the period March 24-25, 2017, the Board along with the Board of the St. Lucia Credit Union League, met with the Minister of Finance the Hon. Ubaldo Raymond and held wide ranging discussions on issues impacting the Sector, as well as the proposed new Co-operative Societies Act.

The Board also met with Mr. Calixte Leon, Executive Director of the Financial Services Regulatory Authority (FSRA), and his senior staff, to discuss the regulatory environment and to urge consultation on the completion of the Co-operative Societies Act amendment process, as St. Lucia was the only OECS Country that had not yet done so.

The Board and the League also held an open forum with the leadership of Credit Unions for discussions on current issues, trends and challenges facing the Sector, Regionally and Internationally.

At the final meeting for 2017, which was held during the period October 13-14, 2017 in Trinidad and Tobago, the Board of Directors paid a courtesy call on the President of the Republic, His Excellency Anthony Carmona. At the invitation of His Excellency Anthony Carmona, the Board of Directors participated in the opening of Diwali Festival.

The Board of Directors also held discussions with the Commissioner of Co-operatives, Mr. Karyl Adams and senior staff of the Department of Co-operatives. Some of the matters discussed included the re-unification of the Trinidad and Tobago movement, and also the proposed amendments to the Co-operative Societies Act. The Directors also enquired of possible involvement of the Co-operative Department in the upcoming CCCU Convention to be staged in 2018.

The Board of Directors visited the Progressive Credit Union, where it observed an ATM pilot project being implemented.

Meetings were also held with the leadership of the League, to discuss the League's development agenda, efforts to reform the regulatory environment, as well as the CCCU 2018 Convention. The Board also participated in activities to launch Credit Union Week.

During the Board meeting, sub-committees were appointed to support the organization's governance structure as follows:

Bye-Laws

Barry Hunte	- Barbados	- Chairman
Clyde Nesbeth	- Jamaica	- Member
William Joseph	- Grenada	- Member

Internal Audit

Paul Maxwell	- Barbados	- Chairman
Marilyn Johnson	- St. Kitts & Nevis	- Member
Aylmer Irish	- Dominica	- Member

Convention

Director Aaron Moses	- Chairman
Director Lennox Bowman	- Member
Director Joseph Remy	- Member

Building

Director Aaron Moses	- Chairman
Director Lennox Bowman	- Member
Director Hally Haynes	- Member

Investment

Director Lennox Bowman	- Chairman
Director Andre Goindoo	- Member
Director Leopoldo Romero	- Member

Human Resources

Director Winston Fletcher	- Chairman
Director Joseph Remy	- Member
Director Carol Harding-Fraser	- Member

Committees' Meetings

The Internal Audit Committee held two (2) meetings during the year and provided reports to the Board and the Annual General Meeting. The Executive Committee also convened two (2) meetings, while the Convention Committee convened one (1) meeting.

Headquarters Construction

At its October 2017 meeting, the Board of Directors agreed that based on the financial resources immediately available, following discussions with the contractor, construction of the new headquarters building would be undertaken in two (2) phases.

Phase 1 – Would consist of the main shell with block work, concrete deck with second floor and roof and plastering of walls.

Construction commenced in 2017 and it is anticipated that Phase 1 would be completed by October 2018.





Phase 2 – The completed structure with all the necessary finishes and it is hoped that once the Confederation secures the remaining funds the new Headquarters will be completed by June 2019.

The Confederation will enhance its efforts to mobilize financial resources through donations to assist in the construction of its Headquarters as it seeks to provide a modern facility for its staff but more importantly a facility outfitted with state of the art information, communication and technologies. This will enable the Confederation to improve and enhance its communication with affiliates and other stakeholders.

Financial Performance

The Confederation reversed its loss position of 2016 by achieving a surplus of \$182,846. In analyzing the performance of the Confederation for the period under review it is instructive to note that the Convention Income was \$1,120,561 a marginal increase of \$9,930 as compared to the 2016 figure which was \$1,110,633.

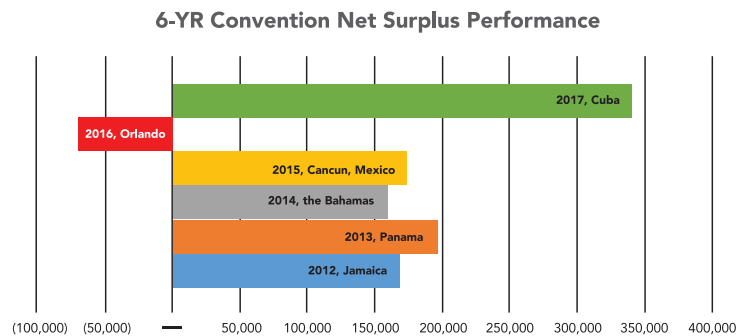
However, there was a reduction in Convention Expenses for 2017 by over \$401,295 or 34% as compared to 2016 which recorded Convention Expenses of \$1,180,156.

The 2017 Convention results showed a Net Income of \$341,700 which can be classified as the best convention financial performance in the past five years.

Table VI - Convention Net Surplus over the past five (5) years.

Year	Venue	Net Surplus
2016	Orlando	(\$69,525)
2015	Cancun, Mexico	\$ 173,827
2014	The Bahamas	\$ 160,301
2013	Panama	\$ 196,544
2012	Jamaica	\$ 168,603

Chart V – 6-yr Convention Net Surplus Performance



Technical Assistance and Training

The CCCU was elected as a member of the Steering Committee of the Inter-American Development Bank (IDB) Regional De-risking Project, and participated in a number of online meetings with the Project Team. Details of the Project are as follows:

Project Name: **Strengthening Financial Transparency: Rebuilding Trust in Correspondent Banking in the Caribbean**

Project Objective: **To help mitigate the risk of loss of correspondent banking relationships in the Caribbean**

Project Budget: **USD 1,351,158**

Project Beneficiaries: **Financial sector regulators and financial institutions in English speaking CARICOM countries, OECS, Suriname and Belize.**

Component I: To help financial sector regulators in beneficiary countries to strengthen compliance with international financial integrity standards, in particular Financial Action Task Force (FATF) recommendations (ICS-IDB).

Component II: To strengthen the technical capacity of financial institutions to comply with international financial integrity best practices – compliance training to regional financial institutions (ASBA, Mexico)

Component III: To improve coordination between the public and private sector to more efficiently address de-risking.

A project consultant was recruited and based in The Bahamas. Full implementation of the Project was scheduled for November 2017.

Communications & Co-operative Social Responsibility

The Confederation maintained its quarterly newsletter publication and also revamped its website to enhance users' experiences. Additionally, the Confederation remained in contact with affiliates via Facebook, email blasts, periodic bulletins and circulars. A new Convention website was also created.

CCCU partnered with the Barbados Co-operative & Credit Union League in October 2017 to host the Everard Dean Memorial Lecture Series which was live streamed throughout the Caribbean.

We maintained our partnership with Caribbean Media Corporation (CMC) to air generic advertising on Credit Unions during the cricket season, CPL and one-day series.

CCCU partnered with the St. Kitts & Nevis Department of Co-operatives in hosting the 2017 Primary School Co-operative quiz and Co-operative week. CCCU was one of the main contributors to the Fahies Agricultural Women Co-operative Society installation of a Solar Electrical Panel.

The Confederation participated in the second series of the radio programme "Co-operatives in Focus" aired in St. Kitts & Nevis. This programme seeks to:

- Increase awareness on Co-operatives
- Provide youths with basic principles of co-operatives
- Promote co-operatives as a viable business option for citizens of St. Kitts & Nevis.

Regional Stabilization Fund

Once again, given the Region's experience with natural disasters and the impact on Credit Unions and members, it is considered imperative that the Regional Stabilization Fund be revisited. The Fund should be especially designed to assist Credit Unions that are impacted by loss of earnings and capital depletion, resulting from the inability of members to meet their loan obligations through the loss of their economic livelihood or other negative impact.

Financial Education

The CCCU partnered with the Eastern Caribbean Central Bank (ECCB) during the month of October to promote financial literacy, using CCCU's Mobile App. A competition was held among secondary school students, who were required to develop programmes using the budgetary tools within the app. Further consideration is being given to expanding the ability of the App and to enhance the interactive experience.



Featured top and middle: Winners of the competition. Featured bottom: Winner of the "on the spot- knowledge of the App" competition.

BUSINESS DEVELOPMENT

eCM Global

CCCU sought to assist Credit Unions in the implementation of IFRS 9, by identifying automated solutions, which would reduce the workload associated with manual or other means of calculating the expected credit losses, as the standard requires.

In July 2017, initial discussions were held with eCM Global, a company based in Phoenix, Arizona, which had developed an application that automated the process of loan origination, data collection and analysis, required to calculate expected credit losses to assist Credit Unions with preparation for, and implementation of, the requirements of IFRS 9 – Recognition of loan and investment losses.

Subsequently, an alliance was developed with eCM Global, through which a number of webinars were facilitated. The eCM's solution was certified by the International Accounting Standards Board (IASB) as being IFRS compliant.

Subsequent discussions were held with eCM Global and a pricing modality that was agreeable to Credit Unions was determined. Between September and December 2017, over 20 webinars were held with Leagues and Credit Unions in; Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and The Grenadines and Trinidad and Tobago.

A number of Credit Unions in Jamaica, including; COK Sodality, Educom, First Regional and Manchester Credit Union, signed with eCM Global. Other Credit Unions in Barbados, Cayman Islands, Dominica and Trinidad and Tobago, also expressed strong interest in accessing the solution.

Master Card Licence.

The initiative with Master Card International (MCI) as initially conceptualized, was not pursued because of a number of developments that impacted the potential success of this venture.

Credit Unions Connected.

Following the initial discussions with MIFOS as it then was in 2016 during the WOCCU Conference, the Kuelap Connectivity Project officially started in January 2017, with a presentation to the four [4]

Credit Unions in St. Kitts and Nevis, who had agreed to be participants in a pilot project. These Credit Unions had all expressed an interest in changing their existing core systems on a cost effective basis.

Subsequently, Credit Unions in Jamaica were presented with this option and a number of Credit Unions signed on to the pilot project, and commenced implementation.

ADVOCACY AND REPRESENTATION

World Council of Credit Unions



The Annual World Conference of Credit Unions was held in Vienna, Austria July 2017, and was attended by approximately 1,400 persons from the Global Credit Union Movement, with 134 persons representing the Caribbean. Two young credit union professionals from Barbados and Trinidad & Tobago were awarded with scholarships to attend the conference in Singapore. CCCU's Delegates to the Conference were President Hally Haynes, Vice President Joseph Remy, and Director Aaron Moses, also a WOCCU Director.

International Co-operative Alliance

In 2016, CCCU became an Associate Member in the International Co-operative Alliance (ICA). Our membership was maintained in 2017. However, CCCU did not participate in the 2017 Summit held in Malaysia in November 2017.

AFFILIATES' PERFORMANCES

ANTIGUA AND BARBUDA

Antigua and Barbuda had an encouraging year despite the impact from Hurricane Irma which decimated Barbuda's housing stock.

Growth was achieved in all the major indicators except membership where it recorded a decline. The Sector partnered with the Ministry of Agriculture to educate farmers on co-operatives and good financial practices.

The League was expected to design an educational programme, to inform members as to the impact of the Credit Bureau legislation enacted by the Government of Antigua and Barbuda.



CCCU's donation to assist over 400 primary and secondary school children from Barbuda with school supplies.

BARBADOS

The Barbados Movement had an exceedingly good year with growth in all areas and a significant jump of over \$81.5 million in Total Savings. This huge increase in savings was due to the transferring of deposits from the banking system to the credit unions while searching for better rates of return. Other highlights include:

- The Financial Services Commission revised the Fit and Proper forms for credit unions.
- Preparatory work for IFRS 9 compliance was ongoing
- The League was working in collaboration with Capita Financial to work on an initiative to provide credit and debit card services for credit union members.

BELIZE

Belize had a very satisfactory performance in the last year achieving positive growth in all the major indicators.

Of significance for the Belize Credit Union Movement is the Central Bank of Belize interpretation of section 47(5) of the Credit union Act, which provides that directors, officers, employees or committee members shall not borrow in excess of the value of shares and deposits unless proper collateral is provided, to mean that for such persons, 100% collateral is provided for loans in excess of share and deposits. This has negatively impacted Credit Unions, as directors and others who cannot meet the collateral requirement, are migrating to other financial institutions. The League has advised that legal guidance was being sought.

With assistance from a project funded by the Inter-American Development Bank (IDB), the League developed two (2) new savings products – EduSave and Freedom Fund. EduSave is an educational savings account that encourages parents and guardians to establish an education fund for children from birth to age 18. Freedom Fund is a retirement savings account.

With assistance from the same project, Credit Unions whose members reside in rural communities, have established a network of agents who are authorised to collect and remit funds to the Credit Union.

Dr. Jane Usher, the longest serving CEO in Belize was honoured as she celebrated her 100th birthday.

BERMUDA

The performance of the Bermuda Industrial Union (BIU) Co-operative Credit Union Ltd was encouraging with growth in all areas except Loans. The decline in Loans was mainly due to the negative impact of the Lending restriction placed on the credit union by the Bermuda Monetary Authority.

CAYMAN ISLANDS

The Cayman Islands Civil Service Association Co-operative Credit Union (CICSA) had another satisfactory performance achieving growth in all areas except membership. However, CICSA reported that the reduction in membership was due to closed accounts which were erroneously included in Total membership in the previous year.

New AML/CFT Legislations were enacted and CICSA was inspected/reviewed by the Cayman Financial Action Task Force (CFATF).

The Confederation would like to place on record its appreciation of the invaluable contribution made by the former CEO of CICSA, Ms. Corine Glasgow not only to the Cayman Islands but also to the regional Movement where she served as a Director on CCCU.

CURACAO

This was another successful year for the Credit Union Sector in Curacao. There was growth in all the major indicators. The highest increase was recorded in Reserves-17%, followed by Savings with 13.5%. Growth was also achieved in membership, Loans and total assets of 11.6%, 5.5% and 9% respectively.

As part of its activities in its 2016-2020 Strategic plan, FEKOSKAN established the Curacao Co-operative Academy which was expected to be fully operational in 2018.

Firm action was taken to adopt the bylaws of FEKOSKAN which enabled FEKOSKAN to be the only representative organization for all co-operatives in Curacao. Much progress was made on the formation of non-credit union (Producer) co-operatives. FEKOSKAN continued receiving its yearly subsidy from government in order to execute its educational program and for the establishment of Producer co-operatives. There were efforts at forming a transport co-operative among the bus drivers.

FEKOSKAN relocated its operation to a new office building.

DOMINICA

Destruction and overall damages caused by hurricane Maria dominated the activities in the Commonwealth of Dominica. Thus the passage of hurricane Maria emboldened a renewed focus on developing resilience within the credit union movement in that country. The League then saw the need to confront their major challenges in a methodological manner cognizant of the fragile economic climate.

Some of the challenges listed were as follows:

- (i) The introduction of the change in financial reporting – IFRS 9
- (ii) De-risking and loss of Correspondent Banking relationships
- (iii) The depression of interest rates
- (iv) The recuperation post hurricane Maria

They opined that the road to building resilient credit unions in Dominica amidst those challenges, could only be achieved through co-operativism and collaboration.

The CCCU was quick to act soon after the passage of the hurricane by liaising with the World Council of Credit Unions (WOCCU) which raised over US\$100,000 through the Caribbean Disaster Relief Fund and the Confederation also launched a Hurricane Appeal Fund. CCCU gave direct assistance of various kinds: food, water and supplies, tents and chairs for schools as well as monetary contributions.



For the fourth year, the League hosted a Youth Summit for the young and upcoming co-operators under the theme “Volunteerism, a Stepping Stone to Success”. The summit was held on April 6-9, 2017 and there were forty-three (43) young people, between the ages of 15-35 years, in attendance. The focus during the sessions was on professional development, credit unionism and life skills expansion.

GRENADA

The Grenada Credit Union Sector performed exceptionally well achieving growth in all the major indicators. Its highest growth rate was achieved in loans with an increase of 19.8%, followed by 18% in Savings, 16.5% in total Assets and 13% increase in Reserves.

Communal Credit Union launched the installation of two additional ATM machines at its Halifax Street Office.

The Teachers Credit Union of Grenada was now a part of CONEX, which was a joint debit card initiative with other credit unions. This financial service was aggressively promoted, and gained much attention and publicity.

River Sallee credit Union celebrated 55 years in operation.

GUYANA



The Guyana League celebrated 60 years in 2017; however the year was a trying period for the movement where it experienced a decline in membership and Reserves. Membership dropped by 3,922 or 13.7% and Reserves decreased by 1.3%. The decrease in membership was mainly due to the drop suffered by Public Service Credit Union.

The Guyana League entered into a Memorandum of Understanding with the FTM Investment Incorporated to provide affordable housing for qualified home owners through the Central Housing and Planning Authority (CH&PA). The League would ensure that all home owners/members are registered with the CH&PA and facilitate the provision of financing for these members.

Capita, the Mortgage Financial Arm of the Barbados League was willing to partner with the League to assist with financing members for mortgage loans.

JAMAICA

The Jamaican Movement had a relatively satisfactory performance with growth recorded in Total Savings, Loans and Total assets. There was a very slight decline in membership by 0.01% and total reserves by 0.2%.

A copy of Draft Regulations on Credit Union Legislation had been received. It was to be reviewed by credit unions and comments /recommendations submitted to the Jamaica Co-operative Credit Union League (JCCUL).

IFRS 9 was being worked on but some credit unions were not transitioning as smoothly as expected.

The JCCUL entered into a co-operative alliance relationship with CCCU to promote and share their products and services throughout their neighbouring Caribbean co-operators.

The JCCUL Executive and new Group CEO would be engaging the Minister of Co-operatives in discussions regarding concerns with the proposed Regulations.

The Credit Union Fund Management Company (CUFMC) had been granted approval for trading on the Jamaica Stock Exchange.

An award ceremony was held for Mr. Glen Francis, Group CEO who was retiring after 32 years of yeomen service to the credit union movement.

MONTSERRAT

The performance of the credit union sector in Montserrat was creditable. There was growth in the major areas with the exception of membership where it experienced a decline of 3.7%. Growth in Savings, Loans, Total Reserves and Assets were 1.7%, 3.6%, 2.3% and 2% respectively.

ST. KITTS AND NEVIS

The Credit Union sector in St. Kitts & Nevis had a very good year achieving positive growth in the major areas of membership, Savings, Loans, Reserves and Assets with 5%, 9.7%, 11.6%, 30% and 10% growth respectively.

The new By-laws developed to assist the restructuring of the League was approved and the League held its Annual General Meeting in November.

ST. LUCIA

The St. Lucia League officially opened its office building in January 2017. At its quarterly Board meeting held in St. Lucia in March 2017 the CCCU Board met with the Minister of Finance and League delegates to discuss the Co-operative Societies Bill.

The League partnered with KPMG of Barbados to educate the Movement on the new standard-IFRS 9.

The Ministry of Finance met with the League to share a recommendation paper which emanated from a regulatory Committee formed by the ECCU to provide recommendations on the harmonized legislation for foreclosure.

The Co-operative Societies Bill was discussed throughout the year at various fora and training sessions and also with the Minister of Finance and other government agencies. It is hoped that in the New Year 2018, the League would continue to lobby on behalf of its members for the passage of an enabling co-operative legislation.

The League and Capita Financial were working with software providers on the technological logistics of an ATM Project. They favored the "Chip & Pin" (EMV) Standard which was considered to be the most secure and efficient on the market currently.

Two major benefits of this system were:

- i. Improved security associated with fraud reduction
- ii. More precise control with the "off line" transactions

ST. VINCENT & THE GRENADINES

The Credit Union Movement in St. Vincent & The Grenadines reported a very successful year with growth in all areas. Its highest growth was 11.5% in Loans followed by 8.8% in Savings.

SVG Co-operative Sector Response to Hurricane Irma Disaster in Dominica and other affected Islands

The SVG Co-operative League conducted a disaster recovery drive among the League and member credit unions/co-operatives, and also members of the general public to solicit contributions (cash or kind) in an effort to provide relief and restoration to credit union members and citizens in general. Those targeted were those who suffered significant losses caused by Hurricane Irma in Dominica, Barbuda, Anguilla, Tortola, St. Kitts and Nevis.

The efforts spearheaded by the League raised a financial contribution of fifty-five thousand Eastern Caribbean dollars (EC\$55,000.00) which was disbursed to the Caribbean Confederation of Credit Unions (CCCUC) on September 29, 2017 as a tangible support for the people who suffered severely especially in Barbuda and Dominica. Additionally, the League, credit unions and co-operatives mobilized essential supplies and other in-kind contributions, which were packaged and shipped to Dominica on November 3, 2017.

IFRS 9 Readiness Committee and Training

The SVG Co-operative League, in collaboration with BDO Eastern Caribbean, convened an IFRS 9 Update Seminar in May 2017 to assist the sector to understand the context and requirements of the new IFRS 9 reporting framework and its likely impact on credit unions. The League also established an IFRS 9 Readiness Committee to provide general assistance to credit unions to meet the requirements for IFRS 9 compliance. The committee provided technical knowledge and interpretation regarding IFRS 9 issues of relevance to credit unions; recommended possible IT solutions that could be accessed by credit unions to integrate with existing software to meet IFRS 9 demands; and provided general guidelines for implementation activities required

to accomplish an optimal introduction of the IFRS 9 in the credit union sector. The work of the committee was facilitated in partnership with BDO Eastern Caribbean.

Meeting Between the SVG Co-operative Sector and CUNA Caribbean Insurance Society

In August 2017, the CUNA Mutual Group embarked on an initiative to restructure its operations in the Caribbean with the creation of a regional presence under the CUNA Caribbean Insurance brand. As a result of this effort, a limited liability company, CUNA Caribbean Insurance OECS Limited ("CCI OECS"), was incorporated. The reorganization is expected to facilitate the provision of dedicated resources, greater flexibility and more efficient services to CUNA's policyholders in the OECS.

The SVG Co-operative League spearheaded an online meeting with its members and representatives from CUNA on Friday, December 1, 2017. The meeting provided an opportunity for the League and credit unions to interact with representatives of CUNA on issues of concern with respect to the new structure and benefits of the reorganization from CMFG Life and CCIS to the new CCI OECS.

The League was actively addressing the issue of IFRS9, particularly the conduct of a GAP Analysis. Workshops were planned to address the IFRS 9 issues and to place more emphasis on governance. The new Regulations had still not been released by year end.

TRINIDAD AND TOBAGO

The Trinidad & Tobago Movement had a relatively good year with positive growth in all the indicators, the highest of which was 25% in total assets. This was followed by growth of 24.9% in Loans, 24% in Savings and 23.5% in Total Reserves.

By year end the League was still awaiting the final approved Co-operatives Policy by the government. The International Labour Organization had made some recommendations after approval by Cabinet and these were being reviewed.

The League was on a recruitment drive to get more credit unions to return to the membership of the League.

The Shared Services Platform continued to grow from strength to strength and took the League's operations to a new dimension in terms of technical products and services. It supported

credit unions in the areas services. It supported credit unions in the areas of AML/CFT and continued to lessen the financial burden on them.

The 17th Annual Regional Leadership Conference held in Panama from 26 -29 May, 2017 attracted 123 participants from around the Caribbean region.

The League hosted its Annual Awards Ceremony and Dinner on the day after International Credit Union Day, Friday October 19, 2017 under the theme: "A Black Tie Affair". The highlight of the evening was the honoring of member units for excellent service.

CUNA CARIBBEAN INSURANCE SOCIETY LTD.

In its thrust at re-engineering its Caribbean operations, the CUNA Caribbean Insurance Ltd. opened its St. Lucia office which was located in the St. Lucia League's Office Building, next to Capita Financial. An experienced insurance practitioner had been recruited.

FUTURE INITIATIVES

Headquarters Building

The Board of Directors will continue its efforts to have the New Headquarters of the Confederation completed by October 2018 to allow staff to have suitable accommodation in order to advance the work of the Confederation.

In addition, having the new headquarters outfitted with state of the art information communications and technology systems will allow the Confederation to enhance its communication with affiliates and credit unions in the region. It is anticipated that the use of such technology will see more direct and frequent communication with affiliates. This will also allow the Board of Directors to have more meetings by electronic means thus reducing the cost of face to face meetings

Advocacy

The Confederation will continue its advocacy work to ensure the success and sustainability of the credit union movement in the region.

To this end, we will continue to champion the credit union difference and ensure that not-withstanding the ever-changing regulatory

environment within the region, the credit unions and co-operatives have certain distinct features and that any regulatory framework should take those factors into consideration.

Income Streams for the Confederation and Leagues

The Confederation recognises that there is a need to secure other revenue streams rather than depending solely on dues and the annual convention. To this end, the Confederation has embarked on a strategy to ensure that in developing strategic partnerships with service providers that revenue streams are not only developed for the Confederation but the affiliates who participate in services offered by these service providers.

Sustainability of the Sector

During the last year, the region has been severely challenged by the impact of two major hurricanes which vividly demonstrated the vulnerability of the region to hurricanes and natural disasters. The experiences from the impact of these two hurricanes on the impact of the credit union sector particularly in Dominica, fortifies the Confederation call to ensure that each credit union have not only disaster preparedness plans but a business continuity plan in the event of such disasters.

In addition, Leagues and Credit Unions in the region are encouraged to ensure that they have adequate security in respect of their physical plant and mortgages among other things. It may be prudent for the establishment of a disaster fund for the sector which was mooted some time ago and it may be opportune to have such discussions in the ensuing year.

SOCIO-ECONOMIC OUTLOOK

The International Monetary Fund (IMF) has reported that global economic activity continues to firm up global growth of 3.7% being achieved in 2017 or ½ percent higher than in 2016. Global growth forecasts for 2018 and 2019 have been revised upward by 0.2 percentage point to 3.9 percent. The revision reflects increased global growth momentum and the expected impact of the recently approved U.S. tax policy changes. However, the Fund warned against complacency, citing medium term downside risks, such as; a

correction in financial markets, inward looking policies, geopolitical tension, and political uncertainties in some countries.

Regionally, the CDB warned that exposure to global risks were high, in addition to the known risks associated with natural disasters and other weather related events. The increasing frequency and intensity of these events highlighted the need to improve resilience.

The CDB also contended that whereas the Region could not influence any of these events, mitigating actions could be taken to lessen their impact and build resilience so that vulnerabilities were reduced to sustain inclusive growth. Against this background, growth of 2% was projected for 2018, with Suriname and Trinidad and Tobago expected to return to positive growth.

It was also projected that reconstruction activities would drive growth in countries such as; Anguilla, Antigua and Barbuda, British Virgin Islands, Dominica and Turks and Caicos, which were affected by Hurricanes Irma and Maria.

The Co-operative Sector in general, must strategize to make a greater economic impact. Emphasis needs to be placed on the organization of co-operative activities in areas such as; agriculture, entrepreneurship and tourism related services. Credit Unions, of necessity, must play a part in this process.

Despite the setbacks that would have occurred in Dominica and Barbuda, Credit Unions across the Region are expected to continue their positive growth.

CONCLUSION

The year under review saw a return to profitability to the Confederation having recorded a loss in 2016. Remarkably, the 2017 Convention which was held in Cuba recorded a better financial performance than projected. As stated earlier this convention can be classified as the best convention financial performance in the recent past.

The region experienced multi-country devastation never before seen in the region as two category five Hurricanes, Irma and Maria, severely impacted the birth place of the Confederation, Dominica and Barbuda among others.

The Confederation and its affiliates responded to assist the Governments and people of the affected islands as well as our brothers and sisters in the region. In addition, the World Council of Credit Unions also readily came to the assistance of the credit union sector in the region by providing grant funding.

To this end, the Confederation expresses sincere thanks and appreciation to all who responded to assist our brothers and sisters with the generosity and spirit of co-cooperativeness which is our hallmark of the Co-operative Movement.

CONDOLENCES

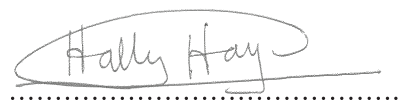
During the year, Credit Unions and Co-operatives in the Region lost a number of members. The Board extends sincerest condolences to the relatives and acquaintances of those who have departed this life.

ACKNOWLEDGEMENTS

The Board would like to express its sincere thanks and gratitude to the management and staff of the Secretariat for their commitment and support during the year.

Appreciation is also extended to all of our stakeholders for their loyalty and support, particularly our Affiliates, Committee Members, Regional Governments, Regulators of Credit Unions and Co-operatives, International and Regional Development Agencies, CUNA Caribbean Insurance Society, Consultants, Convention and Event Planners, Facilitators and Presenters, and all others, for their contribution and support during the year.

For and on behalf of the Board of Directors



Hally Haynes, President

TREASURERS REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017
(All figures are expressed in US\$)

INTRODUCTION

This report provides an overview of the key financial performance indicators for the year 2017, with comparisons to the restated accounts of 2016. The Financial Statements for 2016 were restated in order to properly report the investment in the "Financial Literacy App" as an intangible asset as required under International Financial Reporting Standards (IFRS). The investment in the "Financial Literacy App" was initially expensed rather than treated as an intangible asset, as it is classified as an economic resource to the Confederation.

The Confederation returned to a surplus position having incurred a loss in 2016. This supports the point that the Annual Convention contributes positively when facilitated in an all-inclusive location.

STATEMENT OF FINANCIAL POSITION ASSETS

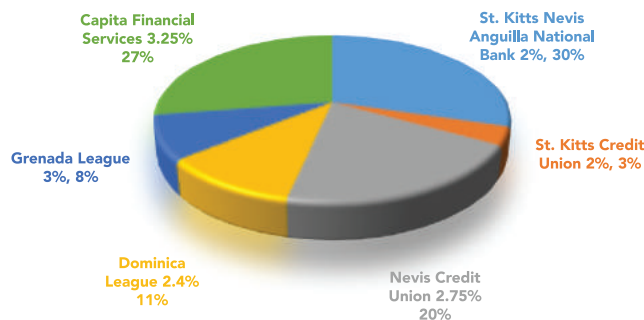
Cash and Bank Balances

Cash and bank balances of \$174,032 represented a decrease of \$118,742 or 40.56% when compared to \$292,774 in 2016.

Fixed Deposits

Investments in fixed deposits stood at \$440,959 increasing by \$11,838 or 2.76% over 2016. Earnings on investments remained steady and continued to be impacted by the prevailing low interest rate environment.

INVESTMENT PORTFOLIO



Receivables and Prepayments

Receivables and prepayments of \$88,327 represented an increase of \$61,205 or 225.67% over 2016. This was attributable to Convention related expenses.

Deferred Costs

Deferred costs of \$144,545 was an increase of \$115,475 or 397.23% from the previous year's balance of \$29,070. This amount related primarily to expenses for Convention 2018.

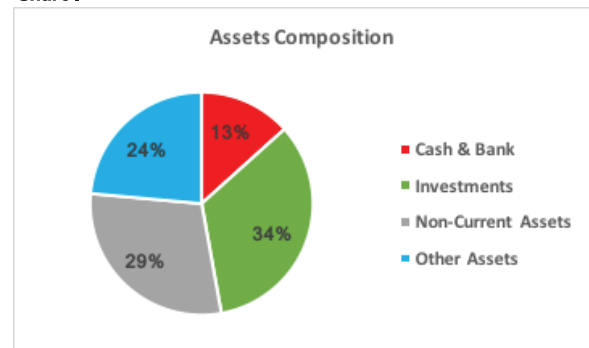
Fixed Assets

Non-current assets of \$381,911 represented by fixed assets, was a decrease of \$4,930 or 1.27% over the December 2016 figure of \$386,841.

The composition of total assets of the Confederation at the end of the 2017 period was as follows (See Chart I):

- Investments/Fixed Deposits \$440,959 representing 34%
- Non-Current Assets \$381,911 representing 29%
- Other Assets \$307,060 representing 24%
- Cash and bank balances \$174,032 representing 13%

Chart I



LIABILITIES

Accounts Payable and Accruals

The liabilities of the Confederation decreased by \$13,771 or 15.26% over 2016 and consisted of trading accounts payable and accruals, residual project funds and amounts received for the Development Foundation of \$29,351 which were yet to be transferred. Accounts payable and accruals of \$75,455 represented an increase of \$15,580 or 26.02% from the 2016 figure of \$59,875.

Equity

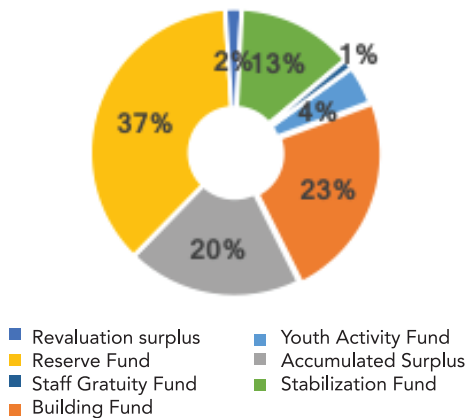
Total equity of \$1,190,951 increased by \$116,283 or 10.82% from the 2016 figure of \$1,074,668 primarily due to the 350% increase in Accumulated Surplus, 59% decrease in Revaluation surplus and an increase in the Building Fund.

Total equity was comprised of as follows (See Chart II):

- Reserve Fund - 436,552 - 37%
- Building Fund - 277,799 - 23%
- Accumulated Surplus - 234,121 - 20%
- Stabilization Fund - 155,997 - 13%
- Revaluation Surplus - 51,454 - 4%
- Youth Activity Fund - 22,000 - 2%
- Staff Gratuity Fund - 13,028 - 1%

Chart II

Equity Composition



STATEMENT OF COMPREHENSIVE INCOME

Income

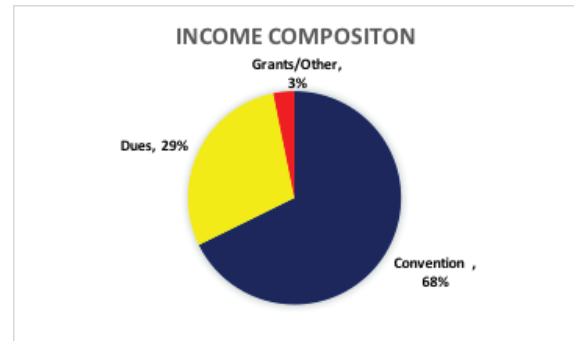
The Confederation’s total income of \$1,654,672 for the financial year 2017, represented an increase of \$44,260 or 2.75% over the 2016 figure of \$1,610,412.

The Convention income of \$1,120,561 was an increase of \$9,930.

Membership Dues increased from \$455,848 in 2016 by \$25,558 or 5.61% to \$481,406 due to increases in the Dues determinants of Affiliates’ membership and assets.

Grants and other income of \$52,705 represented an increase of \$8,772 or 19.97% from the 2016 figure of \$43,933 (See Chart III – Income Composition).

Chart III



Expenses

Administrative expenses of \$675,308 and Convention expenses of \$778,861 amounted to \$1,454,169 which accounted for 98.39% of total expenditure of \$1,478,014. In comparison with 2016, total expenses decreased by 264,153 or 15.16% from \$1,742,167 to \$1,478,014. This was attributable to a reduction in Convention expenses.

Administrative expenses of \$675,308 represented an increase of \$134,142 or 24.79% over the 2016 figure of \$541,166. This was attributable to bonus payments, disposal of the building, rental expense and annual general meeting related expenses.

Surplus

The total comprehensive surplus for the year 2017 was \$182,846 compared with a loss of \$123,753 in 2016.

The Future

The overall position of the Confederation remains positive. The Board will continue to strive for continued profitability as it seeks to identify additional revenue streams and continue providing access to services for Affiliates and their members, while utilizing increased technology and identifying areas for cost containment.

Construction of the new headquarters remains top priority and our member affiliates and its members are again implored to assist this effort through donations.

Appreciation

On behalf of the Board, sincerest appreciation is extended to the Management and staff of the Confederation, our member affiliates, Committees, CUNA Caribbean Insurance Society for its continued support, and other stakeholders.

I also wish to extend my thanks and appreciation to my fellow Directors for their support and the opportunity to serve as your Treasurer for the period under review.

A handwritten signature in black ink, appearing to read 'Lennox Bowman', with a horizontal line underneath.

Lennox Bowman
Treasurer



Caribbean Confederation of Credit Unions CCCU DEVELOPMENT FOUNDATION

JOIN OUR SUPPORTERS NETWORK

The Development Foundation of the Caribbean Confederation of Credit Unions was initially founded in 1983, but was officially registered on May 17, 2006, under the Laws of St. Christopher and Nevis pursuant to the Foundation Act.

The objectives of the Development Foundation are to operate and administer a fund or funds for the following purposes:

- a) To stimulate activities benefitting Caribbean Co-operatives nationally and regionally;
- b) To stimulate services, through co-operative projects for the relief of special disasters or emergencies;
- c) To promote and advance education and the development of co-operative principles within the Caribbean;
- d) To promote youth development in the Caribbean through educational opportunities and leadership training towards self-reliance;
- e) To provide and in-kind assistance to organizations working to empower Caribbean people and communities with special focus on minority groups, rural communities, small businesses and small farmers; and
- f) To co-operate with governmental and non-government organizations which have objectives similar to those of the Foundation.

Whereas the main activities for which the Foundation has given financial support has been related to disaster relief and small grants for education, it is intended that the Foundation play a more pivotal role in mobilizing financial resources for the development of Caribbean Co-operatives, in keeping with its objectives.

Towards this end, the Foundation having launched its Supporter Network, is inviting individuals, co-operative and other institutions to invest in the future of our Caribbean communities and the sustainable development of the Co-operative Sector.

Individual and Organizational supporters can make their investments in any of the following categories denominated in US dollars:

All Supporters will be suitably acknowledged.

DEVELOPMENT FOUNDATION DONORS 2017

Your Donation Makes A Difference

SUPPORTERS LEVELS	
Diamond – > \$50,001	
Sapphire	- \$25,001 - \$50,000
Platinum	- \$10,001 - \$25,000
Gold	- \$5,001 - \$10,000
Silver	- \$1,001 - \$5,000
Bronze	- \$1 - \$1,000
Gold - \$5,001 - \$10,000	
Belize	
	<ul style="list-style-type: none"> Holy Redeemer Credit Union Ltd.
Silver - \$1,001 - \$5,000	
Barbados	
	<ul style="list-style-type: none"> Barbados Public Workers Co-operative Credit Union Ltd. City of Bridgetown Co-operative Credit Union Ltd.
Dominica	
	<ul style="list-style-type: none"> National Co-operative Credit Union Ltd.
Trinidad & Tobago	
	<ul style="list-style-type: none"> Teachers Credit Union Co-operative Society Ltd.
Bronze - \$1 - \$1,000	
Dominica	
	<ul style="list-style-type: none"> Dominica Co-operative Societies League Ltd.
Guyana	
	<ul style="list-style-type: none"> Guyana Public Services Credit Union Ltd. Guyana Police Credit Union Ltd.
Jamaica	
	<ul style="list-style-type: none"> EduCom Co-operative Credit Union Ltd. Manchester Co-operative Credit Union Ltd.
St. Kitts & Nevis	
	<ul style="list-style-type: none"> St. Kitts & Nevis National Co-operative League Ltd.
St. Vincent & The Grenadines	
	<ul style="list-style-type: none"> St. Vincent & The Grenadines Co-operative Credit Union League Ltd.
Trinidad & Tobago	
	<ul style="list-style-type: none"> Co-operative Credit Union League of Trinidad & Tobago

CARIBBEAN CONFEDERATION OF CREDIT UNIONS
Financial Statements
December 31, 2017
(Expressed in United States Dollars)

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

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 St. John's
 Antigua

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Opinion

We have audited the financial statements of the Caribbean Confederation of Credit Unions ("the Confederation"), which comprise the statement of financial position as at December 31, 2017, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Confederation as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

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' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Confederation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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 opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, 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 Confederation'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 Confederation or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT (cont'd)

To the Board of Directors of
CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Confederation'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 Confederation'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 Confederation 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.



Chartered Accountants
May 30, 2018

Antigua and Barbuda

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Statement of Financial Position

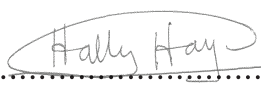
December 31, 2017

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2017</u>	<u>As Restated 2016</u>
Assets			
Current assets			
Cash at bank and on hand	3	\$ 174,032	292,774
Fixed deposits	4	440,959	429,121
Other receivables and prepayments	5	88,327	27,122
Deferred costs	6	144,545	29,070
Due from related party	11	37,666	-
Total current assets		885,529	778,087
Non-current asset			
Property and equipment	7	381,911	386,841
Intangible Asset	8	36,522	37,917
Total Non Current Assets		\$ 418,433	424,758
Total Assets		1,303,962	1,202,845
Liabilities and Equity			
Current liabilities			
Project funds	9	\$ 1,034	1,034
Accounts payable and accruals	10	75,455	59,875
Due to related party	11	-	29,351
Total current liabilities		76,489	90,260
Non-Current Liabilities			
Deferred Income Grant		36,522	37,917
Total Liabilities		113,011	128,177
Equity			
Reserve fund	12	436,552	436,552
Youth activity fund	13	22,000	22,000
Stabilization fund	14	155,997	155,997
Revaluation surplus	15	51,454	125,756
Building fund	16	277,799	269,295
Staff gratuity fund		13,028	13,028
Accumulated surplus		234,121	52,040
Total equity		1,190,951	1,074,668
Total Liabilities and Equity		\$ 1,303,962	1,202,845

May 24, 2018

Approved by the Board of Directors on _____

Director.....Director.....*The notes on pages 7 to 20 are an integral part of these financial statements.*

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Statement of Comprehensive Income

Year ended December 31, 2017

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2017</u>	<u>As Restated 2016</u>
Income			
Convention income	18	\$ 1,120,561	1,110,631
Membership dues		481,406	455,848
Cuna Caribbean Insurance Society Grant (CMG)		20,000	20,000
Grant Income - Deferred		18,261	-
European Union contribution		11,990	-
Other income		2,454	3,704
Training income		-	19,739
OECS project phase II		-	490
Total Income		1,654,672	1,610,412
Expenses			
Administrative expenses	17	675,308	541,166
Convention expenses	18	778,861	1,180,156
Amortization	8	18,261	-
Depreciation	7	5,584	7,104
Training expense		-	13,251
OECS Project phase II		-	490
Total Expenses		1,478,014	1,742,167
Operating profit/(loss) for the year before finance income		176,658	(131,755)
Finance income		11,974	11,389
Finance cost		(5,786)	(3,387)
Finance income, net		6,188	8,002
Surplus/(Deficit) for the year		182,846	(123,753)
Total Comprehensive Income/(Loss) for the Year		\$ 182,846	(123,753)

The notes on pages 7 to 20 are an integral part of these financial statements.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Statement of Changes in Equity

Year ended December 31, 2017

(Expressed in United States Dollars)

	<u>Notes</u>	<u>Reserve Fund</u>	<u>Youth Activity Fund</u>	<u>Stabilization Fund</u>	<u>Revaluation Surplus</u>	<u>Building Fund</u>	<u>Staff Gratuity Fund</u>	<u>Accumulated Surplus</u>	<u>Total</u>
Balance at December 31, 2015		\$ 436,552	22,000	155,997	126,928	171,580	-	285,364	1,198,421
Deficit for the year		-	-	-	-	-	-	(123,753)	(123,753)
Transfer from revaluation surplus	15	-	-	-	(1,172)	-	-	1,172	-
Transfer to staff gratuity fund		-	-	-	-	-	13,028	(13,028)	-
Transfer to building fund		-	-	-	-	97,715	-	(97,715)	-
Balance at December 31, 2016		\$ 436,552	22,000	155,997	125,756	269,295	13,028	52,040	1,074,668
Surplus for the year		-	-	-	-	-	-	182,846	182,846
Transfer from revaluation surplus - Building disposal	15	-	-	-	(74,302)	-	-	-	(74,302)
Transfer to building fund	16	-	-	-	-	8,504	-	(765)	7,739
Balance at December 31, 2017		\$ 436,552	22,000	155,997	51,454	277,799	13,028	234,121	1,190,951

The notes on pages 7 to 20 are an integral part of these financial statements.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Statement of Cash Flows

Year ended December 31, 2017

(Expressed in United States Dollars)

	<u>Notes</u>	2017	As Restated 2016
Cash flows from operating activities			
Surplus/(Deficit) for the year		\$ 182,846	(123,753)
Adjustments for:			
Interest expense		5,786	3,387
Depreciation	7	5,584	7,104
Amortization	8	18,261	-
Loss on disposal of property and equipment		78,587	350
Deferred Grant Income		(18,261)	-
Interest income		(11,838)	(11,389)
Operating profit/(loss) before changes in working capital		260,965	(124,301)
Change in other receivables and prepayments		(61,205)	(22,959)
Change in deferred costs		(115,475)	75,750
Change in project funds		-	(491)
Change in accounts payable and accruals		15,579	30,631
Change in due from related party		(37,666)	2,687
Change in deferred income - grant		16,866	37,917
Change in due to related party		(29,351)	29,351
Net cash provided by operating activities		49,713	28,585
Cash flows from investing activities			
Purchase of property and equipment	7	(153,542)	(14,134)
Purchase of intangibles	8	(16,866)	(37,917)
Interest received		11,838	11,389
Increase in fixed deposits		(11,838)	(11,389)
Net cash (used in) investing activities		(170,408)	(52,051)
Cash flows from financing activities			
Donation received		7,739	-
Interest paid		(5,786)	(3,387)
Net cash provided by/(used in) financing activities		1,953	(3,387)
(Decrease) in cash during the year		(118,742)	(26,853)
Cash at beginning of year		292,774	319,627
Cash at end of year	3	\$ 174,032	292,774

The notes on pages 7 to 20 are an integral part of these financial statements.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements

December 31, 2017

(Expressed in United States Dollars)

1. Incorporation and Principal Activity:

The Caribbean Confederation of Credit Unions (the “Confederation”) was incorporated under the Laws of St. Christopher and Nevis pursuant to the Companies Act 335 on February 13, 2005 as a limited liability Company.

The registered office of the Confederation is located at the corner of Wilkin Street & St. Johnston Avenue, Fortlands, Basseterre, St. Kitts. At December 31, 2017, the Confederation had 6 (2016: 6) employees.

The Caribbean Confederation of Credit Unions was established at the Sixth Caribbean Conference of Credit Unions held in Dominica on August 18, 1972. The objectives generally are to promote the development of the Credit Union Movement in the Caribbean and adjacent territories.

The constitution provides that the Caribbean Confederation of Credit Unions shall be operated on a non-profit basis and net income shall be utilised for the carrying out of its aims and objectives and for any other activity incidental thereto.

2. Basis of Preparation:

(a) *Statement of Compliance:*

These financial statements of the Caribbean Confederation of Credit Unions have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME’s) adopted by the International Accounting Standard Board (IASB).

These financial statements were approved by the Board of Directors on May 30, 2018.

(b) *Basis of measurement:*

The financial statements have been prepared under the historical cost convention except for land and buildings which are measured at fair value.

(c) *Cash at bank and on hand:*

Cash is comprised of cash at bank held in deposit accounts and cash on hand.

(d) *Impairment of Assets:*

At each reporting date the assets of the Confederation are reviewed to determine whether there is objective evidence of impairment. If any such indication exists, the asset recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized immediately to profit or loss.

A previously recognized impairment loss is reversed if there has been a change in the estimation used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately to profit or loss.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (*cont'd*)

December 31, 2017

(Expressed in United States Dollars)

2. **Basis of Preparation:** (*cont'd*)*(e) Accounts Receivable:*

Accounts receivable are amounts due from debtors for dues, other contributions or services performed in the ordinary course of the Confederation's operations. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Accounts receivable are stated at cost less impairment losses.

(f) Property and Equipment:

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from 'revaluation surplus' to 'accumulated fund'.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, at the following annual rates:

Building	2%
Non-project furniture and equipment	10% to 33 1/3%
Project equipment	20% to 33 1/3%
Electronic equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2017

*(Expressed in United States Dollars)***2. Basis of Preparation and Accounting Policies: (cont'd)****(f) Property and Equipment: (cont'd)**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

When revalued assets are sold, the amounts included in revaluation reserves are transferred to accumulated fund.

(g) Intangible Assets:

Intangible assets are identifiable non-monetary assets without physical substance. These are measured at cost less accumulated amortization and any impairment losses. The acquired Financial Literacy Software Application is capitalized on the basis of the cost incurred to develop and bring the application to use.

Capitalized costs are amortized on a straight line basis over the estimated useful life. Residual values and useful lives are reviewed at each reported date.

The estimated useful life of the Financial Literacy Software Application is three (3) years.

(h) Provisions:

Provisions are recognised when the Confederation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(i) Accounts Payable and accruals:

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of the Confederation's operations. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable and accruals are carried at cost, which is the fair values of the consideration to be paid in the future for goods and services received whether or not billed to the Confederation.

(j) Borrowings:

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transactions costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2017

*(Expressed in United States Dollars)*2. **Basis of Preparation:** (cont'd)*(k) Revenue Recognition:*

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Confederation's activities and is recognised on the accrual basis. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(l) Grants:

The Confederation records grants from donor agencies in the period when the funds are received, and the relevant amounts are transferred to income in the period when the expenditure occurs.

(m) Functional and Presentation Currency:

The financial statements are presented in United States dollars which is the Confederation's functional and presentation currency.

(n) Foreign Currency Transactions:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(o) Use of Estimate and Judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3. **Cash at bank and on hand:**

	2017	2016
St. Kitts-Nevis-Anguilla National Bank	\$ 167,610	285,499
Nevis Co-operative Credit Union Ltd.	5,384	5,264
St. Kitts Co-operative Credit Union Ltd.	980	1,030
Cash on hand	58	981
	<u>\$ 174,032</u>	<u>292,774</u>

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2017

(Expressed in United States Dollars)

4. Fixed Deposits:

	2017	2016
One (1) year fixed deposit at St. Kitts-Nevis- Anguilla National Bank maturing on June 24, 2018 bearing interest at a rate of 2%.	\$ 129,575	127,034
One (1) year fixed deposit at Nevis Co-operative Credit Union Limited maturing on May 23, 2018 bearing interest at a rate of 2.75%.	88,778	86,403
One (1) year fixed deposit at St. Kitts Co-operative Credit Union Limited maturing on March 25, 2018 bearing interest at a rate of 2%.	15,158	14,864
One (1) year fixed deposit at Capita Financial Services Inc. maturing on November 19, 2018 bearing interest at a rate of 3.25%.	120,008	115,950
One (1) year fixed deposit at Dominica Co-operative Societies League Limited maturing on November 20, 2018 bearing interest at a rate of 2.4%.	46,974	45,873
One (1) year fixed deposit at Grenada Co-operative League Limited maturing on November 22, 2018 bearing interest at a rate of 3%.	36,331	35,275
	436,824	425,399
Interest receivable	4,135	3,722
	\$ 440,959	429,121

5. Other Receivables and Prepayments:

	2017	2016
Accounts receivables	73,208	9,495
Other receivables	13,616	15,046
Prepayments	1,503	2,581
	\$ 88,327	27,122

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (*cont'd*)

December 31, 2017

*(Expressed in United States Dollars)***6. Deferred Costs:**

Deferred costs relate to expenses incurred during the current financial year for which benefits are expected in the subsequent periods. The costs recognised in the financial statements are those directly attributable to pre-convention expenses for hosting the 2018 Annual Convention to be held June 15 to June 20 in Port of Spain, Trinidad.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2017

(Expressed in United States Dollars)

7. Property and Equipment - net:

	Land	Building	Non-project Furniture and Equipment	Project Equipment	Electronic Equipment	Work - in - Progress	Total
Cost/Valuation:							
December 31, 2015	\$ 131,545	157,400	24,266	1,163	37,335	84,237	435,946
Additions	-	-	-	-	1,134	13,000	14,134
Disposals	-	-	-	-	(1,702)	-	(1,702)
December 31, 2016	131,545	157,400	24,266	1,163	36,767	97,237	448,378
Additions	-	-	3,630	-	7,807	142,105	153,542
Disposals	-	(157,400)	-	-	(15,797)	-	(173,197)
December 31, 2017	\$ 131,545	-	27,896	1,163	28,777	239,342	428,723
Depreciation:							
December 31, 2015	\$ -	15,740	23,281	1,163	15,601	-	55,785
Charge for the year	-	3,148	516	-	3,440	-	7,104
Disposals	-	-	-	-	(1,352)	-	(1,352)
December 31, 2016	-	18,888	23,797	1,163	17,689	-	61,537
Charge for the year	-	1,312	1,261	-	3,011	-	5,584
Disposals	-	(20,200)	-	-	(109)	-	(20,309)
December 31, 2017	\$ -	-	25,058	1,163	20,591	-	46,812
Carrying value:							
December 31, 2017	131,545	-	2,838	-	8,186	239,342	381,911
December 31, 2016	\$ 131,545	138,512	469	-	19,078	97,237	386,841

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2017

(Expressed in United States Dollars)

7. Property and Equipment: (cont'd)

The land and buildings were re-valued by an independent property appraiser on February 11, 2010. Valuations were made on the basis of recent comparable market transactions. The revaluation surplus of \$113,777 was recognised in the statement of changes in equity.

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
At December 31, 2017			
Cost	\$ 89,482	98,822	188,304
Accumulated depreciation	-	(25,816)	(25,816)
Disposal	-	(73,006)	(73,006)
Closing net book amount	\$ 89,482	-	89,482
At December 31, 2016			
Cost	\$ 89,482	98,822	188,304
Accumulated depreciation	-	(24,992)	(24,992)
Closing net book amount	\$ 89,482	73,830	163,312

The buildings were demolished in June 2017 and construction of a new building has since begun. At year end, work-in-progress was valued at \$239,342 (2016: \$97,237).

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2017

(Expressed in United States Dollars)

8. Intangible Assets:

Cost:	As Restated Total
At December 2015	-
Additions	37,917
Disposals	-
At December 2016	37,917
Additions	16,866
Disposals	-
At December 2017	54,783
 Accumulated Amortization	
At December 2015	-
Charge for the year	-
At December 2016	-
Charge for the year	18,261
At December 2017	18,261
Closing Value	
At December 2017	36,522
At December 2016	37,917

9. Project Funds:

	2017	2016
OECS Project Phase II	\$ 1,034	1,034

The purpose of this project is to advance the upgrading of the regulatory framework of the OECS Credit Union System combined with increased self-regulation and compliance, enhanced internal safety procedures and practices and greater e-business connectivity. The establishment of the Regional Stabilization and Supervisory Unit (RSSU) is a major component of this project.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2017

(Expressed in United States Dollars)

10. Accounts Payable and Accruals:

	2017	2016
Accruals	\$ 63,275	29,504
Trade payables	8,580	27,569
Other payables	3,600	2,802
	<u>\$ 75,455</u>	<u>59,875</u>

11. Related Party Transactions:

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties can arise by way of common ownership, common directors and management.

The Caribbean Confederation of Credit Unions conducts various transactions with and on behalf of the Caribbean Confederation of Credit Unions Development Foundation. The nature of these transactions relate primarily to receipts of pledges, expenses, payments and donations.

The outstanding balances of related party transactions are as follows:

Due from related party:

	2017	2016
Caribbean Confederation of Credit Unions Development Foundation	\$ 37,666	-

Due to related party:

	2017	2016
Caribbean Confederation of Credit Unions Development Foundation	\$ -	29,351

Key Management Compensation

	2017	2016
Due to key members of management	\$ 13,200	6,600

During the year, key management compensation amounted to \$82,900 (2016: \$76,500) which include amounts for allowances, gratuity and bonus.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2017

*(Expressed in United States Dollars)***12. Reserve Fund:**

	2017	2016
Balance, beginning of year	\$ 436,552	436,552
Transfer from retained earnings	-	-
Balance, end of year	\$ 436,552	436,552

The Board of Directors approved the establishment of a reserve fund of fifty percent (50%) of net income or not less than \$20,000 to be held in the form of liquid investments commencing the financial year ended December 31, 2010. The reserve fund computation excludes income received to establish the Stabilization Fund.

13. Youth Activity Fund:

On December 31, 2013 the Board of Directors approved the transfer of \$22,000 to establish a Youth Activity Fund. The mandate for this fund would aid in the development and provision of youth development activities at the annual conventions.

14. Stabilization Fund:

In 2011, the Confederation established a Stabilization Fund (the "Fund") to assist Credit Unions of the Organization of Eastern Caribbean States whose investment portfolio have been significantly impaired as a result of the financial difficulties of Colonial Life Insurance Company and British American Insurance Company Limited. This fund was capitalized with an initial \$100,000 from The Caribbean Confederation of Credit Union Development Foundation.

15. Revaluation Surplus:

The revaluation surplus relates to the net appreciation of land and buildings based on revaluations performed by an independent property appraiser (note 7).

	2017	2016
Balance, beginning of year	\$ 125,756	126,928
Transfer to accumulated surplus	-	(1,172)
Transfer from revaluation surplus - building disposal	(74,302)	-
Balance, end of year	\$ 51,454	125,756

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2017

*(Expressed in United States Dollars)***16. Building Fund:**

During the year ended December 31, 2015, the board of directors approved the establishment of a building fund for the purpose of financing the construction of the new CCCU Headquarters. During the year ended December 31, 2017, donations totalling \$7,739 were made to the fund by several credit union leagues. The new building is currently under construction at the site of the Confederation's former office in Fortlands, Basseterre.

17. Administrative Expenses:

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Payroll and related costs	19	\$ 235,631	218,901
Board and committee's expenses		90,379	81,844
Loss on disposal of fixed assets		78,587	350
Rental expense		54,175	9,020
AGM related expenses		35,818	22,470
World Council of Credit Unions meeting		32,150	31,353
World Council of Credit Unions dues		28,575	28,575
Official Travel		24,078	51,845
Telephone and utility expenses		19,122	16,884
Advertising and promotion		15,387	9,791
Professional fees and expenses		13,513	12,065
Repairs and maintenance		12,522	11,475
Audit fees		10,151	11,381
Bad debt expense		8,500	-
Miscellaneous expenses		7,013	7,648
Subscription and donations		4,182	16,509
Stationery, printing and supplies		3,893	6,125
Insurance		1,632	3,097
CEO's round table		-	1,833
Total expenses		\$ 675,308	541,166

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2017

*(Expressed in United States Dollars)***18. Convention Income and Expenses:**

On October 14, 2011, the Confederation signed a Memorandum of Understanding with the Credit Union Executives Society (CUES). CUES is an international membership association for credit union executives, directors and future leaders. CUES have provided quality professional development to support the leaders of the credit union industry. The Confederation hosted the 2017 convention in Cuba.

The table below shows the Confederation's convention income and expenses:

	2017	2016
Convention income		
Registration fees	571,776	447,450
Hotel fees	\$ 476,879	613,909
Other income	41,006	772
Sponsorship and booth rental	30,900	48,500
	\$ 1,120,561	1,110,631
Convention expenses		
Hotel charges - Accommodation	\$ 430,399	404,211
Meals	-	258,979
Facilitators fees and expenses	55,025	47,421
Convention coordinator's service	49,591	44,468
Opening and closing ceremony	34,977	212,047
Convention kits & folders	34,970	32,835
Transportation	33,682	20,122
Convention secretariat service	30,448	32,292
Equipment rental	24,000	55,078
Board accommodation and expenses	21,840	22,799
Bank charges	17,277	15,609
Pre-convention planning expenses	13,464	15,114
Tours	11,275	-
Health insurance	9,930	-
Postage expenses	7,009	9,216
CEO's round table	2,037	-
Advertising & promotion expenses	1,400	6,395
Miscellaneous expense	776	513
Telephone & communications expenses	761	1,784
Stationery, printing & supplies	-	1,273
Total convention expenses	778,861	1,180,156
Total net convention income/(loss)	\$ 341,700	(69,525)

CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2017

(Expressed in United States Dollars)

19. Payroll and Related Costs:

	2017	2016
Salaries and wages	\$ 198,263	181,713
Statutory deductions	13,218	12,568
Gratuity	11,400	12,600
Employee travel	7,622	7,614
Staff welfare	2,728	1,932
Entertainment allowance	2,400	2,400
Relocation expense	-	74
	\$ 235,631	218,901
Number of Employees	6	6

20. Taxation:

The Confederation is exempt from corporation and other taxes under Section 5 (b) of the Income Tax Ordinance #17, 1966.

21. Prior Period Adjustment

By way of an error, the Confederation incorrectly recorded a grant received for the development of a Financial Literacy Software Application as income and expense during the financial year ended December 31, 2016.

Accordingly, the comparative figures have been restated to reflect the following:

- ☒ An increase in the Deferred Income Grant and Intangible asset amounting to \$37,917 for the year ended December 31, 2016
- ☒ A decrease in the European Community contributions and Financial Literacy Software Application expense of \$37,917 for the year ended December 31, 2016.



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