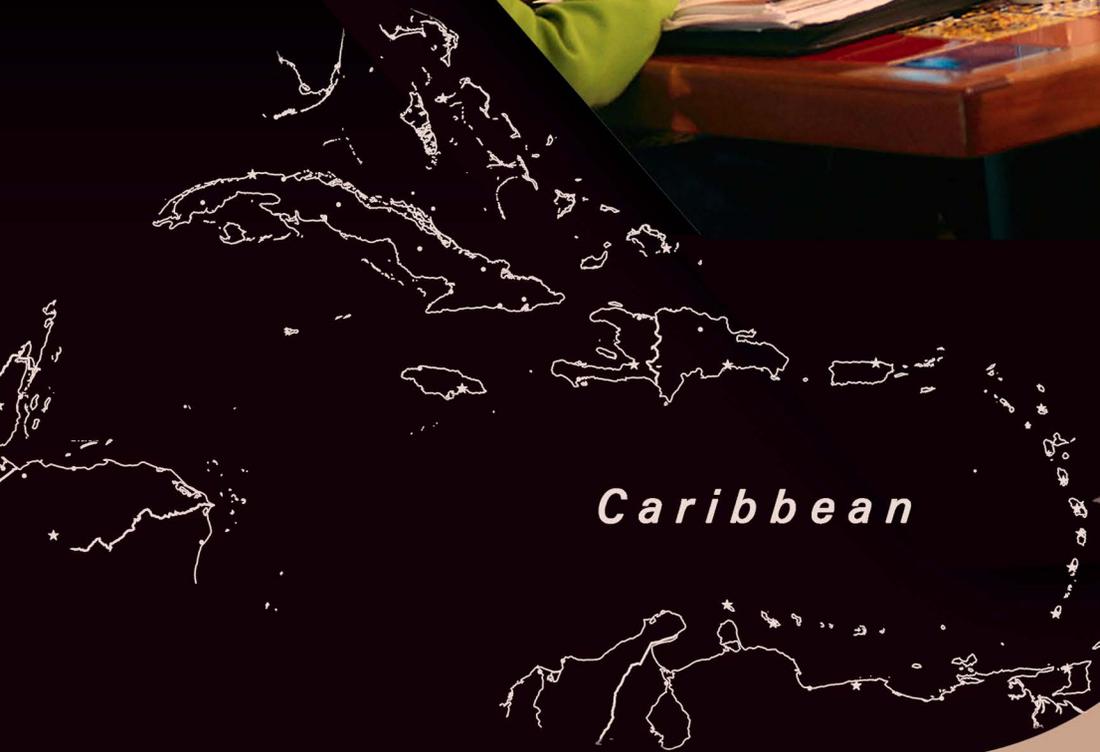




CARIBBEAN
CONFEDERATION
OF CREDIT UNIONS



**ANNUAL
REPORT
2018**

THEME:
**A CELEBRATION OF COLLABORATION:
EMBRACING THE FUTURE TOGETHER**



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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

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



St. Francis of Assisi



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 2.6 million members as part of the 260 million members of the Global Credit Union Sector.

OBJECTIVES OF THE CCCU

In pursuit of its mission, 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 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 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





2018 CONSOLIDATED STATISTICS

as at December 31, 2018 in U.S. \$

Affiliates	Number of Credit Unions	Membership	Total Savings (Shares & Deposits)	Loans Outstanding	Reserves	Total Assets
Antigua & Barbuda	6	40,234	105,796,108	100,344,860	5,492,376	125,547,898
The Bahamas	9	43,193	368,254,051	226,094,788	26,109,310	427,836,451
Barbados	31	205,550	1,056,392,174	834,657,687	132,623,225	1,210,167,603
Belize	9	166,421	435,511,169	336,594,115	66,739,292	522,520,848
Bermuda	1	5,331	16,059,439	11,156,876	1,139,819	17,622,471
Cayman Islands	1	13,924	321914378	261,818,710	29,774,880	357,563,164
Curacao (FEKOSKAN)	7	35,001	140,573,524	193,916,643	15,971,548	257,535,500
Dominica	6	76,130	290397387.8	194,108,495	26,499,232	328,685,134
Grenada	10	66,451	257,487,902	240,745,351	7,549,093	319,671,628
Guyana	25	24,172	17,433,048	16,572,666	4,427,422	28,109,101
Jamaica	26	1,020,582	699,262,269	623,670,064	51,278,204	900,674,028
Montserrat	1	5379	19,520,047	17,770,695	1,001,665	22,000,005
St. Kitts & Nevis	4	27,562	116,020,064	95,681,324	20,524,817	140,288,343
St. Lucia	16	102,544	286,846,006	254,098,576	23,910,959	361,482,905
St. Vincent & The Grenadines	4	70,730	151,225,718	119,669,398	18654100	148,395,264
Trinidad & Tobago	56	455,863.80	928,523,378	707,502,294	143,256,965	1,097,205,289
SUB-TOTAL	212	2,359,068	5,211,216,662	4,234,402,542	574,952,906	6,265,305,632

Non-Affiliated Credit Unions						
Barbados	2	263	672,049	526,684	149,157	878,633
Guyana	4	4944	2,362,864	1,626,310	286,486	3,105,020
Trinidad and Tobago	71	237,642	980,017,417	694,802,993	158,112,003	1,283,875,842
SUB-TOTAL	77	242,849	983,052,330	696,955,986	158,547,646	1,287,859,495
TOTAL	289	2,601,917	6,194,268,992	4,931,358,528	733,500,552	7,553,165,127



2017 Consolidated Statistics

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

Affiliates	Number of Credit Unions	Membership	Total Savings (Shares & Deposits)	Loans Outstanding	Reserves	Total 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
St. 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 & Tobago	56	434,156	884,307,979	673,811,708	136,435,205	1,044,957,418
SUB-TOTAL	212	2,270,664	4,782,507,242	3,891,960,771	568,034,938	5,735,466,690

Non-Affiliated Credit Unions	Number of Credit Unions	Membership	Total Savings (Shares & Deposits)	Loans Outstanding	Reserves	Total Assets
Barbados	2	247	646,766	486,860	145,567	809,481
Belize	1	25287	27,844,294	29,262,600	3,536,056	35,592,599
Guyana	5	5004	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	963,730,803	692,898,869	154,539,524	1,261,686,660
TOTAL	293	2,527,528	5,746,238,045	4,584,859,640	722,574,462	6,997,153,350



CARIBBEAN
CONFEDERATION
OF CREDIT UNIONS



Caribbean Confederation Of Credit Unions

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AFFILIATED TO THE WORLD COUNCIL OF CREDIT UNIONS

Notice of 48th Annual General Meeting

Notice is hereby given that the 48th Annual General Meeting of the Caribbean Confederation of Credit Unions will be held on Tuesday July 30, 2019 commencing at 1.45 pm at the Atlantis Resort Hotel, Nassau, The Bahamas.

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 47th Annual General Meeting of June 19, 2018
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, 2018
10. Report of the Internal Audit Committee
11. Appropriation of Surplus
12. Report of the By-Laws Committee
13. Report of the Nominations Committee
14. Elections
15. Resolutions
16. Appointment of External Auditors
17. Any Other Business
18. Adjournment

Leopoldo Romero
Secretary
May 08, 2019

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

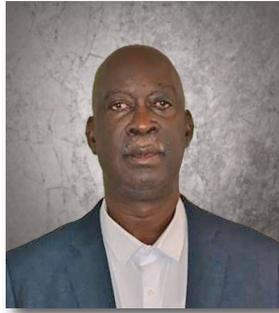
1. A member may sit, when addressing the Chair.
 - 1.1 Speeches shall be clear and relevant to the subject before the meeting.
2. A member shall address the meeting when called upon by the chairman to do so, after which he/she shall immediately take his/her seat.
3. No member shall address the meeting 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 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.



BOARD OF DIRECTORS



Winston Fletcher
President



Joseph Remy
Vice President



Leopoldo Romero
Secretary



Lennox Bowman
Treasurer



Hally Haynes
Director



Aaron Moses
Director



Carol Fraser
Director



Andre Goindoo
Ex Officio Director



BOARD OF DIRECTORS REPORT

REGIONAL ECONOMIC OVERVIEW

The Caribbean Development Bank (CDB) in its regional assessment and economic outlook report indicates that the Caribbean has grown at a moderate rate over the last year, averaging 1.9%, most of which was related to positive tourism growth and growth related to hurricane re-development efforts. Notwithstanding the overall growth rate was an average of approximately 2%, the growth rate was much more robust in some economies. The fastest growing economies were Grenada (5.2%), Antigua & Barbuda (3.5%) and Guyana (3.4%). For Antigua & Barbuda and some other CDB Borrowing Member Countries (BMC's) that were affected by the 2017 hurricane season, reconstruction efforts contributed to their upturn.

Regional fiscal conditions were mixed and varied across the different territories. However, there were some positive news as the report indicated that Jamaica received credit rating upgrades from the significant rating agencies. Barbados, conversely, received downgrades on its local currency rating, which was subsequently upgraded, following debt restructuring.

The median public debt burden region-wide declined marginally, from 67 percent of GDP in 2017 to 63 percent in 2018. Debt-to-GDP ratios fell in 13 borrowing member countries, however the debt ratio still remain over 60 percent in 11 countries region-wide.

The CDB also cautioned that while the majority of the countries region-wide are ranked highly in the human development category, issues of persistent poverty; inequality; vulnerability; and the inability of the poor to sustainably improve their well-being, remain consistent problems.

Unemployment improved in Jamaica, Cayman Islands and Grenada; however, the bank warned that the unemployment rate is still unacceptably high in several countries. The bank makes note that women have a higher unemployment rate than men region-wide and youth unemployment is over 20 percent.

Organization of Eastern Caribbean States (OECS) SUB REGION

Financial Stability

The Monetary Council received the preliminary Financial Stability Report for the Eastern Caribbean Currency Union (ECCU) for the period January to December 2018. The report reveals that the ECCU's financial sector remained broadly stable throughout 2018. The report also indicates the following:

- Developments in the ECCU's banking sector through 2018 were largely positive.
- The insurance sector was assessed as broadly stable and solvent with increase in premiums. Profitability was reported to have improved following the tumultuous events of 2017.
- Several ongoing initiatives would enhance financial stability. These initiatives include implementation of a risk based supervisory approach for the commercial banking sector; regulation of the Caribbean Credit Card Corporation (4Cs); and the establishment of a credit bureau in the ECCU.

Council considered the proposed framework for identifying systemically important commercial banks and credit unions in the ECCU. Twelve institutions were identified of which: three were banks and nine were credit unions. While commercial banks continued to dominate the financial sector, credit unions were expanding, becoming an increasingly important source of credit to the private sector through increases in



membership, assets, loans and deposits. The boom in credit union activity has implications for financial inclusion and the financial stability framework.

With respect to the ECCU Credit Bureau, Council was informed that enactment of the Harmonized Credit Reporting Bill remained outstanding in four (4) member countries. Council urged these countries to enact legislation by the end of March 2019. Two key responsibilities of the credit bureau are to provide credit-granting institutions with better means to access information and to facilitate the extension of credit to underserved segments of the population.

Fiscal and Debt Sustainability

Council was apprised that within Eastern Caribbean Central Bank (ECCB) member countries, fiscal balances improved in 2018, compared with the previous year. In respect of the Debt to GDP ratio target of 60 per cent, the most recent data indicate preliminary ratios of 70.3 per cent and 71.7 per cent for 2017 and 2018 respectively.

Growth and Competitiveness

Council noted that ECCU growth was estimated at 2.7 per cent in 2018 and is projected to accelerate to 3.1 per cent in 2019, as recovery from the 2017 hurricanes continue. Several factors contributed to that outturn, including improvements in the tourism and construction sectors.

Council was informed that several key reforms and investments were needed to expedite and raise the current growth trajectory to the 5.0 per cent growth target required to support socio-economic transformation. In this regard, Council recommended that countries implement the actionable items of the Annual Growth and Resilience Dialogue. These include: enactment of fiscal resilience frameworks; improving the business environment; improving regional transport infrastructure; increasing access to credit; enhancing skills training and

apprenticeship programmes and harmonizing building codes.

Report from the Technical Core Committee on Insurance British American Insurance Company (BAICO) and Colonial Life Insurance Company (CLICO)

Council noted that the Joinder Application of the CIL JM Montserrat was heard in the Barbados High Court on 26 October, 2018 and was dismissed. An application for Leave to Appeal by the CIL JM Montserrat, regarding the Judge's decision, was scheduled for hearing on 27 February 2019.

With reference to BAICO, Council noted that a second distribution of approximately EC\$30 million is planned for 2019.

Council noted that all efforts are being made to seek redress for the benefit of the ECCU on matters related to BAICO and CLICO.

REGIONAL CREDIT UNION SECTOR PERFORMANCE

The Regional Credit Union Sector continued to show growth notwithstanding the hostile and aggressive financial market in which it operates.

As at December 31, 2018, the regional CU Sector comprised an estimated 289 credit unions, a reduction of 3 from 2017, serving approximately 2.6 million members with estimates of US\$6.2B in savings, US\$4.9B in loans, US\$733M in reserves and US\$7.6B in assets. However, there were 212 credit unions directly affiliated to the national organizations and the CCCU with a membership of 2.4 million, and estimates of US\$5.2B savings, US\$4.2B in loans; US\$575M in reserves and US\$6.3B in assets. Approximately 5,120 persons were employed in the Credit Union Sector compared to 4,870 the previous year.

For the year 2018, most affiliates recorded increases in membership, ranging from a low of 0.3% in the Bahamas to a high of 24% in Belize.



In contrast, Curacao, Grenada, Guyana and Montserrat showed declines in membership by 1.3%, 4.4%, 2.4% and 0.24%, respectively.

Increases in Savings ranged from 1.8% in Montserrat to a high of 21.55% in Belize. Significant increases were recorded by Antigua and Barbuda of 16.9%; Bermuda 16%; St. Kitts and Nevis 12.9%, St. Lucia and St. Vincent & the Grenadines 11%; and Barbados, Cayman Islands and Grenada 10%. Two affiliates showed decreases in savings; Curacao (7%) and Guyana (6%).

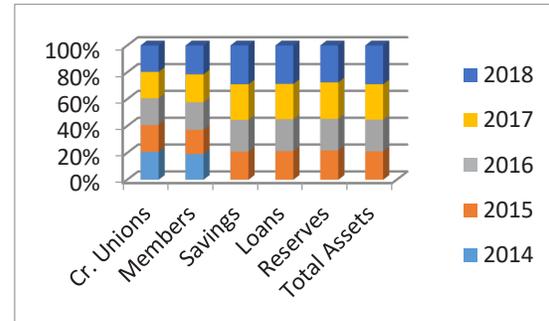
All affiliates recorded increases in loans outstanding with the sole exception of Guyana, which experienced a less than one percent (0.8%) decline. Increases ranged from 2.5% in the Bahamas to 26% in Antigua and Barbuda. Significant increases were also recorded by Bermuda 22%, Cayman Islands 21.7%, Belize 19%, Curacao 11% and St. Vincent & the Grenadines 10.7%.

Increases in Total Assets ranged from 2.7% in Montserrat to 19.8% in Belize. Antigua & Barbuda and Bermuda recorded increases of 17.4%, St. Vincent & the Grenadines 13%, Grenada 12.5% and St. Lucia 11%. Both Cayman Islands and St. Kitts & Nevis showed a 10% increase in Assets.

Table 1: Affiliated credit unions

	2018	2017	Change
# of Credit Unions	212	212	-
Membership	2.3M	2.2M	3.89%
Savings (US\$)	5.2B	4.7B	8.96%
Loans(US\$)	4.2B	3.8B	8.8%
Reserves (US\$)	574M	568M	1.24%
Total Assets (US\$)	6.2B	5.7B	9.22%

Chart 1 – 5-year growth in major indices



AFFILIATES PERFORMANCES

ANTIGUA AND BARBUDA

The Antigua & Barbuda Movement experienced significant growth in all the major indicators; achieving increases of 15% in membership, 16.9% in savings, a record high of 26.4% in loans, 5% in reserves and 17.4% in total assets. The growth in loans was the highest among affiliates and this was attributed to an aggressive loan marketing campaign by the individual credit unions.

There have been improvements in the loan recovery methods, resulting in 4 of the 6 credit unions with delinquency rate below 5% which was encouraging. An additional ten (10) staff have been hired in the sector resulting in a total of 95 credit union employees. The St. John's Credit Union opened a second branch in January 2018 and two credit unions offered ATM Service.

The League held a successful session on Financial Fitness with the St. Mary's Secondary School on ICU Day and also conducted a training on IFRS9. With the continuous increase of banking fees, the credit union sector was positively impacted by this, as this saw a migration of deposits to the sector. It is envisaged that the sale of Scotia Bank will cause the transfer and migration of funds resulting in increases in deposits to credit unions



in 2019. The League extended kind hospitality to the team below en route to Montserrat.



Pictured from L – R: Winston Fletcher, President CCCU, Chris Otey (Everard Dean Lecturer), Alicia Welcome, Julene Simpson and Peter Etienne.

BARBADOS

The credit union sector in Barbados also experienced positive growth in all major areas. Its highest increase of 10% was attained in savings, followed by 9.5% in assets, 5.8% in both membership and reserves and 3.9% in loans.

Growth was also recorded in the non-affiliated credit unions in Barbados.

There were challenges in the macro-economic environment in Barbados, which resulted in unsustainable debt to GDP ratio and fiscal deficit. General elections brought in a new government which entered into a 4-year IMF funded programme. Expenditure cuts and revenue raising measures were required. This necessitated a very painful Debt Restructuring Programme (DRP); Treasury Bills were also included which was highly unusual. Key features of the DRP were long maturities and drastic cuts in interest rates.

As part of the strategy to reduce the fiscal deficit, the Government of Barbados signaled its intent to reduce transfers to state owned enterprises (SOEs). This included a reduction in funding for

regulators that were heavily funded by the public purse. The Financial Services Commission (FSC), the regulator for non-bank financial institutions, including credit unions, was directed by the Ministry of Finance (MOF) to adopt a cost recovery approach to regulation of the sectors that it supervises. In December 2018, the FSC indicated that having reviewed several cost recovery strategies, it had settled on an approach where regulated entities would pay for the cost of regulation, based on their assets. A formula of 0.05% of assets was proposed to commence from the first quarter of 2019.

One of the consequences of the debt restructuring exercise which was effected on October 1, 2018, was a significant reduction in interest rates on investments, which impacted the sector. In keeping with its objective, CCCU assisted the League in addressing the matter by sponsoring one of the facilitators from Jamaica, whereby he used as a test case scenario the Jamaican experience on Debt restructuring. All classes of investments lowered their rates of return and this started to impact the net income of credit unions.

BELIZE

There were significant increases in most of the indicators with the exception of reserves, which declined by 11% in Belize. This affiliate attained the highest percentage increase of 24% in membership, followed by 21.6% in savings, 19.8% in assets and 19% in loans. The big increase in membership was due mainly to the two non-affiliated credit unions which joined the league, resulting in all the credit unions in Belize being affiliated to the Belize Credit Union League.

The Central Bank of Belize undertook a revision of the Credit Union Act in consultation with the League and credit unions. The leadership of the movement wanted to ensure that its voice was



heard and that the credit union philosophy was not lost during the revision.

The following challenges were encountered during the course of the year:

- The implementation of the IFRS9 continued to be problematic and costly.
- Aggressive competition from the banks and other financial institutions reflected the slow growth in loans reported by the credit unions. Competition was in the form of low interest rates, interest calculation using the reducing balance method and less stringent requirements for a loan. Therefore, credit unions were expected to aggressively sell the credit union difference
- Getting the support of the Movement for the Stabilization Fund since not all the credit unions were participating

A new credit union within the Mennonite community was established in August of 2018, and currently has a membership of 1,245 and assets of \$26M. La Immaculada Credit Union is now back in the fold and there is now 100% credit union representation on the League.

The League embarked on a project to connect all the credit unions to the automated payment system at the Central Bank of Belize. This should allow credit unions, through the league, to clear their own cheques and to do transactions from credit unions to credit unions and from credit unions to banks and vice versa. It's anticipated that this payment system should go live in January of 2020.

Pictured are members of the Board of Directors of CCCU, management and staff on a courtesy call to Ms. Jane in April 2018.



The CCCU Board of Directors met in Belize April 18-20, 2018. While in Belize, the CCCU delegation visited St. John's Credit Union. They also visited Ms. Jane Usher, one of the founders of the Belize Credit Union Movement and the Holy Redeemer Co-op Credit Union. Ms. Jane celebrated her 100th birthday in September 2017 and was still the General Manager of Holy Redeemer C.U. at the time. She passed away peacefully to the great beyond on December 12, 2018. Immediate Past President (IPP), Hally Haynes, delivered a message of condolence on behalf of the Caribbean Credit Union Movement.

BERMUDA

The Bermuda Members Industrial Credit Union also recorded positive increases in all the major areas. Its highest growth was in loans of 22%, followed by assets of 17% and savings of 16%. There was a 13% increase in membership, followed by 8% increase in reserves.

A major challenge facing this credit union is in the area of delinquency. The re-scheduled loans in 2017 became non-performing in 2018.

A team from WOCCU, comprising; Aaron Moses (CCCU representative), Brian McCrory (Ireland) and Bruce Foulke (American Heritage Federal CU) visited Bermuda to discuss possible solutions regarding some inhibiting regulatory stipulations and how the BIU Members CU could develop and serve as a Credit Union Service Organization



(CUSO). The idea of CUSO was first discussed at a previous visit by Dr. Brian Branch where they considered ways of utilizing the high liquidity at the time.

CAYMAN ISLANDS

The Cayman Islands Civil Service Association Credit Union also had a successful year achieving growth in all the major indicators. Its highest growth of 21.7% was attained in loans, followed by increases in savings, assets and reserves of 10.4%, 10.1%, and 3.5% respectively. There was a mere 2.5% increase in membership.

The Cayman Islands Government enacted legislation to introduce administrative fines for breaches of anti-money laundering/ Counter Terrorist Financing (AML/CFT) regulations. It was expected that the credit union would be subjected to these fines for any non-compliance. The Data Protection Law comes into effect in September 2019 and the Credit Union was preparing to be compliant, as breaches of this law could carry a fine of up to US\$300k.

CURACAO (FEKOSKAN)

FEKOSKAN has undergone some trying times during the year in review and was adversely affected by fluctuations in the exchange rate and the economic instability in the country. Despite recording increases in local currency when converted to US\$, it represents a decline. As a result, the Movement showed negative growth of 7% in savings and 1% in reserves.

There was also a 1% reduction in membership because Hocrest Credit Union stopped functioning and a great number of its members became members of Avishon Credit Union.

Some of the highlights during the year included:

- Establishment of Curacao Co-operative Academy

- Co-operative Policy Working Group established
- Established a broader co-operative concept in the community

The Oil Refinery was facing serious challenges towards the end of the year, causing them to look for a new operator. Based on the US trade embargo regarding Venezuela, which adversely affected the operations of the plant, many staff were engaged on a part-time basis. The contract the company had with Venezuela should end December 31, 2019. This has adversely affected the Credit Union sector and plans are in place to mitigate as best as possible, the fallout.

Additionally, despite efforts to lobby and present position papers in an attempt for the Credit Union Movement not to pay Income Tax, this was not successful.

COMMONWEALTH OF DOMINICA

There was positive growth in the major indicators with the exception of Total Reserves. The reduction in reserves was mainly attributed to the adverse impact, post hurricane Maria in 2017. There were increases in membership, Savings, Loans, and Assets of 7%, 9%, 5% and 6.9% respectively.

In 2018, a decision was taken to refocus the training resources on areas of strategic positioning, compliance and capacity building for management. A greater focus was also placed on Co-operative education for the induction of new volunteers and staff to the movement.

The introduction of the International Financial Reporting Standard (IFRS) 9 by the World Accounting Bodies as at January 1, 2018 obligated the League to continue to train the management and staff of its affiliates on the rigors of the new accounting standard. Three training sessions were conducted in 2018 and the movement progressed to a stage of adopting a common modelling approach for the



implementation of the new standard. A strategic empowerment seminar involving the World Council of Credit Unions was held in Dominica. This seminar focused on areas of strategic agricultural lending, share capital, credit union growth and other matters. The League will continue to increase awareness and practices regarding the Anti-Money Laundering and Countering Financing of Terrorism as well as increase sensitization regarding De-Risking and De-Banking. More than 500 volunteers and staff of the movement were trained in 2018.

The President of the Caribbean Confederation of Credit Unions (CCCU) Mr. Hally Haynes visited Dominica in May 2018 to follow up on the recovery progress of the Credit Union movement. The President was accompanied by the General Manager of the CCCU Ms. Denise Garfield. The visiting delegation engaged in courtesy calls with the Minister responsible for Co-operatives Hon. Catherine Daniel and other public officials and credit union leaders. The CCCU has been instrumental in providing support on a national level for the recommencement of schools, post-Maria, and to the rebuilding and rehabilitation of the Credit Unions and the League.

The President and Chief Executive Officer of the World Council of Credit Unions (WOCCU) Dr. Brian Branch led a team of eight (8) CEOs from the Indiana Credit Union system on a historic visit to Dominica. The first of its kind in thirty years. WOCCU has been instrumental in raising in excess of US\$100,000 to assist credit unions locally in improving damaged infrastructure, post Hurricane Maria. The National Co-operative Credit Union Ltd., Grandbay Co-operative Credit Unions Ltd., the St. Mary's Co-operative Credit Union Ltd and the League benefited directly from the WOCCU/CCCU financial support, aimed at rebuilding their physical infrastructure.

The Strategic Empowerment Workshop was held from September 26-28, 2018. The Workshop

focused on Strategic Agricultural Lending, Micro Finance-local and Adaptation Practices, Financial Positions and Risk Analysis, and Strategic Planning, among others. More than fifty (50) senior management staff and volunteers of the movement benefited from this strategic planning workshop. The General Manager of the Caribbean Confederation of Credit Unions, Ms. Denise Garfield, assisted the seminar and provided some perspective on the strategic vision of the CCCU for the region and Dominica.

The 2018 scholarship cohort received a boost in the number of awardees, post Hurricane Maria. To date, the League has a total of twenty-four (24) full scholarships on merit, thirty-two (32) full scholarships based on need and ten (10) partial scholarships, at secondary schools across Dominica

GRENADA

Grenada Credit Union sector maintained the positive growth pattern in all the major areas, with the exception of membership, where they recorded a decline by 4.4%. This reduction was due to the purging of members' accounts for those members who did not meet the criteria at the Communal Credit Union. Its highest growth rate of 15% was attained in Reserves, followed by a 12.5% increase in assets and 11.6% increase in loans.

Grenada Union of Teachers (GUT) Credit Union installed two ATM Machines in St. George's. River Sallee Credit Union re-opened their newly renovated headquarters.

The Grenada Credit Union Movement hosted their Conference in October 2018 under the theme: "Multiplying Prosperity Bettering Lives".

Over 100 Credit Union members, staff and volunteers attended. Participants were educated on the principles of the Credit Union, investment opportunities, marketing, branding,



social media, customer service and brand hygiene.



Pictured above are leaders of the Grenadian Credit Union Movement along with Aaron Moses and Denise Garfield of CCCU.

GUYANA

The performance of the Guyana Movement was less than satisfactory, a cause for concern. There was negative growth in virtually all areas, with the exception of Reserves. Membership declined by 2.45%, Savings dropped by 6%. Loans and Total Assets decreased by 0.8% and 3%, respectively.

JAMAICA

The Credit Union Movement in Jamaica ended the year with 26 credit unions, compared to 28 in the previous year, mainly due to mergers. Notwithstanding, there was growth in all the major performance indicators.

Membership continue to grow above the million-member mark by a mere 0.5% to 1,020,582. Increases were achieved in Savings, Loans, and Assets of 8.2%, 8.7% and 8.2% respectively. The financial conversion from Jamaican dollars to U.S dollars showed a decline in Reserves by 3.3%, but in local currency there was a positive growth. This occurred because the rate of exchange against the US dollar moved from 125.00 in 2017 to 127.72 in 2018.

By year end, there was still a level of uncertainty surrounding the Central Bank's regulation and supervision of credit unions. During the year, the government advised that the Bank of Jamaica Regulations pertaining to credit unions would be changed to a Credit Union Act.

The Jamaica League bid farewell to Mr. Glenworth Francis, former Chief Executive Officer (CEO), who gave 36 years of yeomen service to the Credit Union Movement. Mr. Francis made an invaluable and sterling contribution not only to the Jamaica League, but also to the Confederation and the Regional Movement in general. While at the helm of the Jamaica League, he strengthened the degree of collaboration between the CCCU and the League.



CCCU showed its appreciation, by way of a gift to Mr. Francis at his retirement ceremony.

MONTserrat

The St. Patrick's Co-operative Credit Union showed moderate growth in financial performance but recorded a marginal decline in membership of 0.24%. The reduction in membership was attributed to the purging of closed accounts. There was a 6.4% increase in Reserves while there were increases in Savings, Loans, and Assets of 1.8%, 3.5% and 2.7%, respectively.

The CCCU in collaboration with St. Patrick's Credit Union successfully hosted the Everard



Dean Memorial Lecture in Montserrat on Wednesday October 17, 2018.

ST. KITTS AND NEVIS

The Federation's Credit Union Sector continued its growth pattern in the major indicators. There were high growth rates in most areas, but Reserves increased marginally by 0.1%. The increases experienced in Membership, Savings, Loans and Assets were; 10.6%, 12.9%, 9.7% and 10.6%, respectively.

Some of the activities undertaken during the year included:

- Successful hosting of Governance workshop for volunteers
- Exclusive sponsorship of the department of Co-operative Primary School quiz
- Commissioned study of Credit Union Payment System

One of the challenges however, was the lengthy delay in the passing of amendments to the Co-operative Societies Act.

ST. LUCIA

The St. Lucian Movement can boast another successful year, having attained positive growth in all the major indicators. They achieved an 11.3% growth in both Savings and Total Assets, followed by 9.9% in loans. Membership increased by 6.8% and Reserves by 2.3%.

The St. Lucia Co-operative Credit Union League Limited (SLUCCULL) established a partnership with Micro Software Designs, whereby the two entities websites link to each other. Visitors to the entities website could gain access to the latest news as well as information on products and services of the other company. The majority of Credit Unions from St. Lucia had adopted Emortelle as their accounting software.

On March 15, 2018 the St. Lucia Co-operative Credit Union League Limited participated in a

meeting with the Department of Finance to discuss the draft policy on Secured Transaction Systems and Registry of Movable Assets.

The League spearheaded the initiative to undertake an AML Audit of the movement as mandated by the Regulators.

The (SLUCCULL) hosted a Workshop on Anti-Money Laundering. This important workshop equipped the Movement for the upcoming Caribbean Financial Action Task Force Assessment and Money Laundering prevention. The Workshop which was facilitated by Mr. Llewellyn Gill, was held at two convenient locations to facilitate persons in the north and south of the island, on May 14 and 17, 2018 respectively. A total of one hundred and four (104) participants, from thirteen (13) Credit Unions, including the League, attended the workshops.

The Department of Finance engaged the SLUCCULL on the restructuring of the legal framework for Insolvency, where a presentation on the final draft bill was presented to the Steering Committee. The SLUCCULL coopted a Focus Group to deliberate on the Bill and to provide recommendations. Those recommendations were discussed at a Technical Meeting which convened upon completion of the Focus Group's assignment. The SLUCCULL would submit its position on the said bill to the Department of Finance after consultation with the Sector.

ST. VINCENT & THE GRENADINES

There was positive growth in all the performance indicators in the Credit Union sector of St. Vincent and the Grenadines. Total Assets increased by 13.5%, Savings and Loans increased by 11% each, and there were minimal increases in membership and Reserves by 2% and 1.4%, respectively.



Some of the highlights and activities during the year included the following:

- The League aided Affiliates in the areas of administration of CUNA insurance services; office support services; co-ordination of national and regional events; promotion and publicity; representation and advocacy; policy development; training and technical support; and compilation, analysis and dissemination of sector data
- Training, technical assistance and advisory support were provided in the areas of financial management and reporting, compliance, risk management, and governance
- SVG Co-operative League hosted three International Financial Reporting Standards (IFRS) seminars to support credit unions' efforts to put IFRS9 into practice and enhance compliance with International Accounting Standards Board (IASB) rules.
- SVG Co-operative League sponsored a team of ten accounting and finance executives, drawn from all member credit unions on a 3-day attachment with the Trinidad and Tobago League (CCULTT) for practical, in-depth training on IFRS 9. Team leader for the exercise was Sis. Susan Clarke, Secretary of the League Board.
The CCULTT was a most gracious host. The League's General Manager, Sis. Dianne Joseph, and President, Bro. Joseph Remy went beyond the call of duty to ensure the trainees garnered the maximum benefits from the attachment. They took the Vincentian team on courtesy calls with several of their affiliate credit unions, providing valuable opportunities to build synergies and deepen alliances between the St. Vincent and the Grenadines and Trinidad and Tobago credit union movement

- Credit Risk Management: The League hosted a 2-day course on Effective Credit Risk and Recoveries Management during the reporting period. The course provided participants with a clear understanding of best practice credit risk management and a total of thirty-two credit managers and officers from all affiliate credit unions benefitted from the course.
- Consultation on De-Risking Issues: - Credit unions in St. Vincent and the Grenadines continued to face challenges with establishing and/or maintaining correspondent banking relationships. The national bank summarily discontinued processing international wire transfers and foreign cheques for all credit unions effective June 19, 2018.
- The SVG Co-operative League hosted a national consultation to review the main provisions of the ECCB Harmonized Credit Reporting Act.

TRINIDAD & TOBAGO

The Credit Union Sector in Trinidad & Tobago estimated growth in all the performance indicators increasing by 5% across the board. There appeared to be a recurring difficulty in collecting accurate data on the movement.

The CCULTT continued work on legislative matters and the leadership of the Movement was awaiting feedback from the Line Ministry on the National Co-operative Policy following inclusions from the International Labour Organization (ILO).

Also, the League's Shared Services Platform continued to expand and has included IFRS 9. The Trinidad and Tobago League has been the first in the region to develop a Practical Guide with complete tools to analyze ratios for the implementation of IFRS 9 and this has been serving local and regional credit unions with much success.



CCCU OPERATIONS

Governance

The 61st Annual International Convention was held June 16 – 19, at the Hyatt Regency Hotel, Port of Spain, Trinidad and Tobago, under the theme “Credit Unions: The Power to Change the Future”.

At the Opening Ceremony of the Convention, the Keynote Speaker was the Prime Minister of Trinidad and Tobago, Dr. Christopher Rowley. The Opening Ceremony was also attended by the Minister of Labour and Small Business Enterprises, Minister Jennifer Baptiste-Primus.

The Convention was preceded by a half day Youth Conference hosted by the Credit Union League of Trinidad and Tobago (CCULTT) and a one-day Roundtable for Credit Union Managers and Leaders.

The Credit Union Youth Conference was jointly hosted by CCCU and CCULTT. Minister Jennifer Baptiste-Primus, Minister of Labour and Small Business Enterprises, officially opened the Youth Conference. One hundred and eighteen (118) youth attended the conference and were split into two (2) youth groups aged 12 – 15 years and 16 – 19 years who were engaged in two sessions:

- 12 – 15 - Social media and the Impact of Youth
- 16 – 19 - 2030 Vision for youth in the Credit Union Movement

Pictured below: Youth attendees



Participants of the CEO Roundtable were exposed to presentations and discussions on the following topics:

- Succession Planning for Effective Governance
- Beyond Disruption
- Lessons Learned: Disaster Planning
- Co-operatives Creating Member Value through Finance
- The FATF 40 Recommendations & their impact on Caribbean CUs – The Jamaica Experience
- Crypto-currency
- Trends, Issues and Challenges impacting Credit Unions and Identifiable Solutions

The Credit Union League of Trinidad and Tobago hosted a number of events during the Convention:

- Boat Cruise
- Welcome Reception
- Caribbean Night
- Steel Pan & Soca Explosion

The 622 registered participants engaged in general sessions and workshops on topics such as:

- Credit Unions: The Power to Change the Future
- Unleashing World Class Customer Service through service consistency
- IFRS 9 – Implementation and Impact
- Beyond Disruption
- AML/CFT Information Sharing: Enabling Financial Inclusion
- The Human Face of Financial Services
- Credit Unions: Vehicles for Visioning and Transformation
- Holistic Succession Planning: Attracting Young Leaders
- Block Chain Technology: The Future of Payments



- Managing Risks for Sustained Resilience in the Small and Micro Business Sector
- Changing for Progress and longevity in your Credit Union
- Promoting Economic Justice in the Caribbean: Can Credit Unions Help?

At the 47th Annual General Meeting held on June 18, 2018, retiring Directors were Hally Haynes, Aaron Moses and Carol Harding. Director Haynes who held a guaranteed seat was re-elected. Directors Moses and Harding were re-elected for a three (3) year term.

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

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

Board meetings

The Board convened one electronic and four (4) face to face meetings during the year, in the following countries:

- St. Kitts and Nevis
- Belize
- Trinidad and Tobago
- The Bahamas

At the first meeting convened in St. Kitts and Nevis during the period January 19 – 20, 2018, the Board met with the new incumbent to fill the General Manager’s position.

At the second meeting convened in Belize during the period April 19 – 20, 2018, the Board met with the leadership of the Belize Credit Union Movement for discussions on:

- Interpretation of the Act with respect to granting of loans to volunteers and employees
- The Importance of the Stabilization Fund
- CCCU Initiatives

The Board also met with the central bank of Belize and the Financial Intelligence Unit (FIU) to discuss the areas of concern to the Belize Credit Union Movement. A courtesy call was extended to Ms. Jane Usher on the visit and the board visited St. John’s Credit Union. Pictured below: Members of the CCCU Board with the General Manager of the Belize Credit Union League.



His Lordship, Mayor Bernard Wagner, hosted the Board at a luncheon where he presented CCCU President, Hally Haynes, with the key to the City of Belize.





At the third meeting in Trinidad and Tobago during the period June 14 – 15, 2018, activities mainly constituted preparation for the 2018 International Convention and Annual General Meeting.

At the final meeting for 2018, which was the first for the new administration, held during the period September 5 – 6, 2018 in the Bahamas, the Board met with the Board of the Bahamas Co-operative League to discuss their intention of withdrawal from the Confederation and Convention 2019. Notwithstanding, the Bahamas Co-operative League reiterated their commitment towards providing continued assistance for Convention 2019. A meeting was held with the CEO, eCM Global to discuss the new features of the RiskCalm solution and electronically with Mr. Grady Clarke, Caribbean Credit Bureau, regarding a legal matter with Credit Info.



Pictured above the boards of CCCU and Bahamas Co-operative League.

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

By-Laws

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

Audit

Andrea Messam	-Jamaica	-Chairman
Aylmer Irish	-Dominica	-Member
Chanelle Myers	-St. Kitts & Nevis	-Member

Convention

Director Aaron Moses	-Chairman
Director Joseph Remy	-Member
Director Winston Fletcher	-Member

Building

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

Investment

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

Human Resources

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

Committees' Meetings

The Audit Committee held two (2) meetings during the year and provided reports to the Board and the Annual General Meeting. The Building Committee also convened one meeting in March 2018, while the Convention Committee convened two meetings.

The By-Laws Committee met several times since the last AGM of the Confederation in June. A review schedule was developed and shared with all affiliates. Affiliates were given the opportunity to submit their proposals which concluded by November. A report was prepared and will be submitted to the first Board meeting of the Confederation.



Financial Performance

The Confederation recorded a surplus of US\$223,662 compared to US\$182,846 recorded in 2017. In analyzing the performance of the Confederation for the period under review Convention Income totaled US\$802,187 compared to US\$1,120,561 in 2017. This was a result of not handling hotel accommodation on behalf of participants.

Convention Expenses totaled US\$529,101, representing a decline of US\$249,760 over 2017 which recorded US\$778,861. Increased expenses year over year were mainly facilitator’s fees and expenses as we reverted to our original schedule to include breakout sessions, in contrast to Cuba, where only general sessions were held. Additionally, the hotel facilities in Trinidad were not all-inclusive.

The 2018 Convention results showed a Net Income of US\$273,086.

Table 2 – Convention Net Surplus over the past five (5) years (in US\$).

Year	Venue	Net Surplus
2017	Cuba	\$341,700
2016	Orlando	(\$69,525)
2015	Cancun, Mexico	\$173, 827
2014	The Bahamas	\$160,301
2013	Panama	\$168,603

Headquarters Construction

The Confederation’s new headquarters building commenced in March 2018 after the Board met with the Contractor Mr. Brian Brookes. Three tenders were received for the role of Project Manager. After evaluation, the contract was awarded to Elmes Associates. A credit account was established with one of the largest hardware suppliers in St. Kitts & Nevis to monitor materials expenditure. Additionally, the Confederation was successful in being granted exemption from

Import Duty and Value Added Tax (VAT) for building materials.

The Confederation was granted a construction loan in the amount of Eight Hundred and Fifty Thousand United States Dollars (US\$850,000) at an interest rate of 4.5% for 15 years with a 6-month moratorium period by its bankers, St. Kitts Nevis Anguilla National Bank.

Total Contract Price	US\$ 1,233,920.08
Expenditure to Dec. 2018	US\$ 879,256.00



Pictured above: A render of the CCCU New Headquarters.

During 2018 donations to the Building Fund amounted to US\$46,237.33 bringing the total contribution from affiliates and friends to US\$121,448.23.

Technical Assistance and Training

IDB De-Risking Project

During 2018, the Inter-American Development Bank (IDB) Regional De-Risking Project – “Strengthening Financial Transparency: Rebuilding Trust in Correspondent Banking in the Caribbean” of which the Confederation is a participant, continued its agenda relating to Components 1 and 11. The Advisory Committee held two electronic meetings during the year.

The IDB’s publication “Assessing the Impact of the De-Risking on Remittances and Trade Finance in Belize” was shared with all affiliates.



CCCU participated in the first regional training – AML/CFT and Blockchain Training for Caribbean Financial institutions which was held in Miami March 14 – 16th.

The De-Risking Project subsequently had a number of changes to human resources which impacted the pace of implementation and resulted in changes to the project implementation logistics.

CCCU in collaboration with the Antigua & Barbuda Co-operative League held a Credit Risk Management Workshop April 16 – 17. This was facilitated by Ancin Cooley of Synergy Credit Union Consulting.

In collaboration with WOCCU, the Latin American and Caribbean Regional Workshop was hosted in San Antonio, Texas during the period November 12 – 13. Over 50 fifty persons attended including a 7-member delegation from St. Kitts and Nevis.



Picture above: 7-member delegation from St. Kitts and Nevis.

The Dominica Credit Union Movement received technical assistance through the collaborative efforts of WOCCU and the Indiana League in September. Chuy Chavez, a volunteer, WOCCU provided training for the managers and staff of the Credit Unions.

Pictured below: 8-member delegation from World Council of Credit Unions (WOCCU) and Indiana Credit Union League visit to His Excellency President Charles Savarin and Phoenix Belfield (Manager, DCSL)



IFRS 9 Working Group

In late 2018, CCCU established a Technical Working Group (TWG) for the implementation of IFRS 9. The Technical Working Group met once electronically in 2018, but have since had two additional electronic meetings. An IFRS9 Work Sheet in a simplified format was developed by WOCCU to assist Credit Unions. Representatives on the working group are from Antigua & Barbuda, Barbados, Belize, Dominica, Jamaica, St. Lucia and St. Vincent & The Grenadines.

Communication & Co-operative Social Responsibility

Constant communication was maintained with all affiliates through news releases, newsletters, Facebook, and bulletins.

CCCU partnered with St. Patrick’s Co-operative Credit Union in Montserrat, the successful bidders, to host the Everard Dean Memorial Lecture on October 16. Over 80 persons were in attendance as Chris Otey delivered the lecture.



Pictured above are the Premier of Montserrat, Chris Otey – Everard Dean Lecturer, President CCCU along with members of the Board of St. Patrick’s Credit Union.

Once again CCCU partnered with the St. Kitts and Nevis Department of Co-operatives in hosting the 2018 Primary School Co-operative Quiz and Co-operative week.

The Caribbean Credit Union Managers Association (CCUMA) hosted their 2nd strategic planning meeting at CCCU’s office in February. The board met with the credit union managers in St. Kitts and Nevis, developed their strategic plan for 2018, visited some Credit Unions and was hosted on an island tour by FNDECCU and the St. Kitts and Nevis National Co-operative League.



Pictured above: Members of the Board of CCUMA and CUNA representative being hosted by Dawn Heyliger, FNDECCU.

Regional Stabilization Fund

Notwithstanding a fairly inactive hurricane season in 2018, the region remains vulnerable to

natural disasters. Therefore, it is imperative that the Regional Stabilization Fund be revisited.

Financial Education

Both Credit Union week and the ECCB’s Financial Month are celebrated in October. CCCU partnered once again with the ECCB to promote financial literacy using CCCU mobile app - \$mart Finance App.

Business Development

Howden Cybersecurity Insurance

The partnership with Howden continues as we tailor the product as a group solution for the Caribbean.

eCM Global

Credit Unions continued to explore tools for IFRS 9 by utilizing the eCM Global product – RiskCalm solution.

Mastercard Licence

Dialogue continues with Mastercard to explore a solution for the region.

Credit Unions Connected – Kuelap

Kuelap continued their pilot with Credit Unions to tailor their product for the region.

ADVOCACY AND REPRESENTATION

WORLD COUNCIL OF CREDIT UNIONS

The Annual World Conference of Credit Unions was held in Singapore during the period 15 – 18 July 2018, and was attended by approximately 1,400 persons from the Global Credit Union Movement, with 115 persons representing the Caribbean. CCCU’s Delegates to the Conference were Director Hally Haynes, Vice President Joseph Remy, and Director Aaron Moses. Director Aaron Moses was re-elected to serve on the WOCCU Board as CCCU’s representative.



INTERNATIONAL CO-OPERATIVE ALLIANCE

CCCU maintained its membership status as an Associate Member in the International Co-operative Alliance (ICA) in 2018. President Winston Fletcher, whilst representing our affiliate – Jamaica Co-operative Credit Union League attended the Conference held in Buenos Aires, Argentina.

CUNA CARIBBEAN INSURANCE

CCCU extended its helping hand by assisting CUNA Caribbean in setting up operations in St. Kitts and Nevis in 2018. Ms. Phillipa Beckford was seconded from Jamaica to complete this task. CUNA Caribbean St. Kitts and Nevis office is housed in the CCCU office.

CARIFORUM-EU Consultative Committee

The CARIFORUM-EU Economic Partnership Agreement which provides for participation by civil society in the Consultative Committee hosted its final meeting for 2018 in November in St. Lucia. CCCU as one of the twenty-five members participated in the final meeting which surrounded discussions on the Committee's position of the post-Cotonou and the impact of Brexit. CCCU's membership for the two-year period 2016-2018 ended in 2018.



Pictured above: Members of regional bodies/entities of the Consultative Committee in St. Lucia.

Regional Institutions Invitation Programme – 29th Annual Conference with Commercial Banks

At the invitation of the Governor, ECCB, the Credit Union Movement participated in the Annual Conference with Commercial Banks for the first time. Two representatives from the OECS, Mrs. Lucia Livingston-Andall (CEO, Ariza Credit Union) and Mr. Phoenix Belfield (Manager, DSCL) were panelists while the General Manager, CCCU participated in the closed forum. The forum discussed issues of concern to the entire financial sector in the Eastern Caribbean Currency Union (ECCU) which included the Credit Bureau, Change in Currency Notes, and Partial Credit Guarantee Scheme.

FUTURE INITIATIVES

Headquarters Building

The Confederation's Headquarters building is on track for completion in mid-2019, with an official opening expected in October 2019, the week prior to the start of Credit Union Week.

Advocacy

The Confederation will continue its advocacy work to ensure the success and sustainability of the Credit Union Movement by establishing a Regional Advocacy Committee incorporating members from the affiliates to establish an Advocacy Programme to examine areas of common interest.

Additionally, in 2019 the Confederation will hold its strategic planning session with all member affiliates during the convention. It is expected that in 2019 Issues of regional concern e.g. portability of membership and enabling legislation will be taken to the level of CARICOM.

To this end, CCCU will continue to champion the credit union difference and ensure that notwithstanding the ever-changing regulatory environment within the region, the credit unions



and co-operatives have certain distinctive features, and that any regulatory framework should take those factors into consideration.

Income Streams for the Confederation and Leagues

The Confederation continues to identify opportunities for additional revenue streams to diversify the Confederation's income sources.

Sustainability of the Sector

Notwithstanding an inactive hurricane season, the region still remains vulnerable and exposed to economic shocks. The instability in Venezuela has had significant repercussions for the region and the fallout in the energy sector has led to greater uncertainties in energy security.

The Petro Caribe fund which has proven beneficial to many countries in the Caribbean has had to be curtailed. This has had a negative impact on countries' cashflows. The less than favourable response to climate change has exposed the vulnerability of Caribbean economies. There remains the need to continue dialogue on the disaster fund for the sector.

In the final analysis, sustainability of the credit union movement on how prepared we are, the regulatory environment, the additional cost for compliance and the ability to generate surplus and value to our members remains of utmost importance.

SOCIO-ECONOMIC OUTLOOK

Moving forward for 2019 the CDB forecasts economic growth for nearly all its member countries, with an average rate of 2 percent, but cautions that growth depends on international growth trends, and places further caution on the International Monetary Fund's projected decline in global growth for 2019, from 3.7 percent to 3.5 percent.

Out of this, the CDB projects that the Grenadian economy is expected to grow the fastest, thanks to increased activity in construction, tourism, agriculture and private education.

Increasing growth rates are projected for Guyana; Suriname; and Trinidad and Tobago, driven by developments in the energy sectors.

Growth will return in Anguilla and will continue in the British Virgin Islands and Dominica, as recovery from the 2017 hurricanes continues; and tourism development, construction, agriculture and business services will drive growth in most other borrowing member countries.

CONCLUSION

Against the background of a positive economic forecast for the region, credit unions are expected to have another successful year in 2019. Notwithstanding, it is nonetheless important that credit unions continue to manage with foresight and prudence.

The Credit Union Movement in the OECS has the opportunity to capitalize on the departure of Scotiabank. As the Movement continues to plan for the future thought must be given to emerging disruptive technologies that can change the way that business is done. Therefore, strategies have to be formulated with these emerging technologies in mind.

The Movement continues to excel by working together. Cooperation must be at the forefront of what is to be done as this has served the Movement in the past and will likely continue to do so.

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 continued 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, World Council, CUNA Caribbean Insurance Society, Consultants, Convention and Event Planners, Facilitators and Presenters and friends of the Co-operative Sector for their contribution and support during the year,

For and on behalf of the Board of Directors

Winston Fletcher, President



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

(All figures are expressed in US\$)

INTRODUCTION

This report provides an overview of the key financial performance indicators for the year 2018, with comparisons to the accounts of 2017. The Confederation maintained a surplus position and continued to record profit. The Convention profit of \$273,086 was achieved mainly due to controlled expenses and increased number of participants.

STATEMENT OF FINANCIAL POSITION

ASSETS

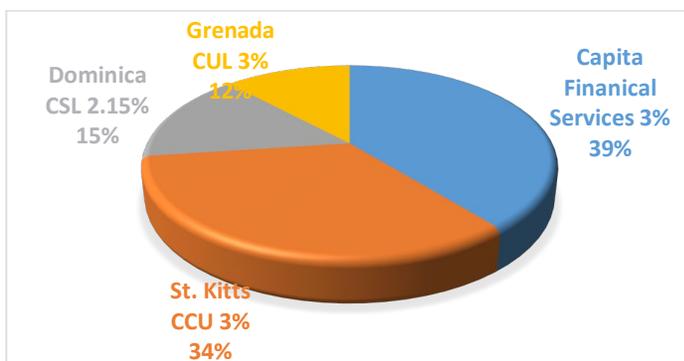
Cash and Bank Balances

Cash and bank balances decreased to \$72,871 from \$174,032 representing a decline of \$101,161 or 58.13% when compared to 2017. This was attributed to the delay in the receipt of loan funds to assist with the construction of the new headquarters building. This position has since been reversed upon receipt of the said funds on January 4, 2019.

Fixed Deposits

Investments in fixed deposits decreased to \$318,906 from \$440,959 representing a decrease of \$122,053 or 27.68% over 2017. Earnings on investments remained steady and continued to be impacted by the prevailing low interest rate environment. In an effort to honour building purchase obligations, the Board of Directors approved the transfer of the least productive investment to assist with this activity. The Confederation however, was able to negotiate with its bankers the waiver associated with this transfer and maintain the said interest rate and maturity period until the loan funds were disbursed. Additionally, the investment held with Nevis Co-operative Credit Union was transferred to St. Kitts Co-operative Credit Union to minimize the Confederation's concentration risk. Chart I depicts the investment holdings of the Confederation as at the 31st December, 2018.

Chart I – Investments Portfolio





Receivables and Prepayments

Receivables and prepayments remained relatively steady recording a minimal increase to \$88,764 from \$88,327. This represented an increase of \$437 or 0.49% over 2017.

Deferred Costs

Deferred costs decreased to \$4,016 from \$144,545 which was a decrease of \$140,529 or 97.22% from the previous year's balance. This amount related primarily to expenses for Convention 2018.

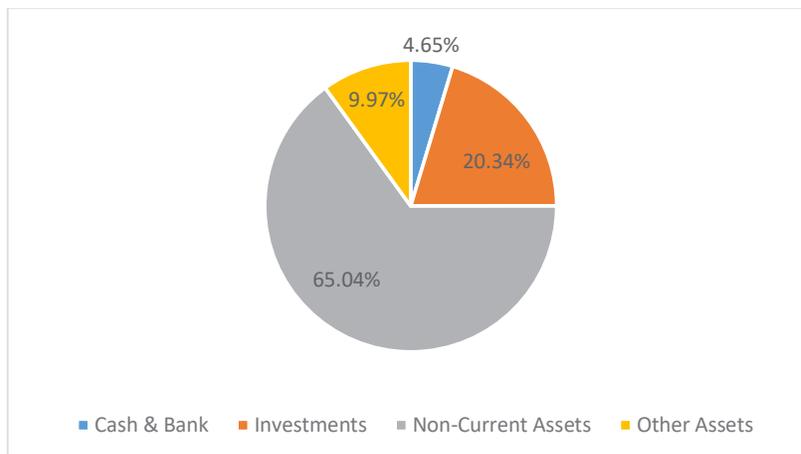
Fixed Assets

Non-current assets represented by fixed assets increased to \$1,019,933, an increase of \$638,022 or 167.06% over the December 2017 figure of \$381,911.

The composition of total assets of the Confederation at the end of the 2018 period was as follows (See Chart II):

- Non-Current Assets - \$1,019,933 representing 65%
- Investments/Fixed Deposits - \$318,906 representing 20%
- Other Assets - \$156,421 representing 10%
- Cash and bank balances - \$72,871 representing 5%

Chart II – Assets Composition





LIABILITIES

Accounts Payable and Accruals

The liabilities of the Confederation increased to \$88,896 from \$75,455, a \$13,531 or 17.93% increase over 2017 and consisted of trading accounts payable and accruals, and residual project funds. Majority of the outstanding amounts due are related to the construction of the new headquarters.

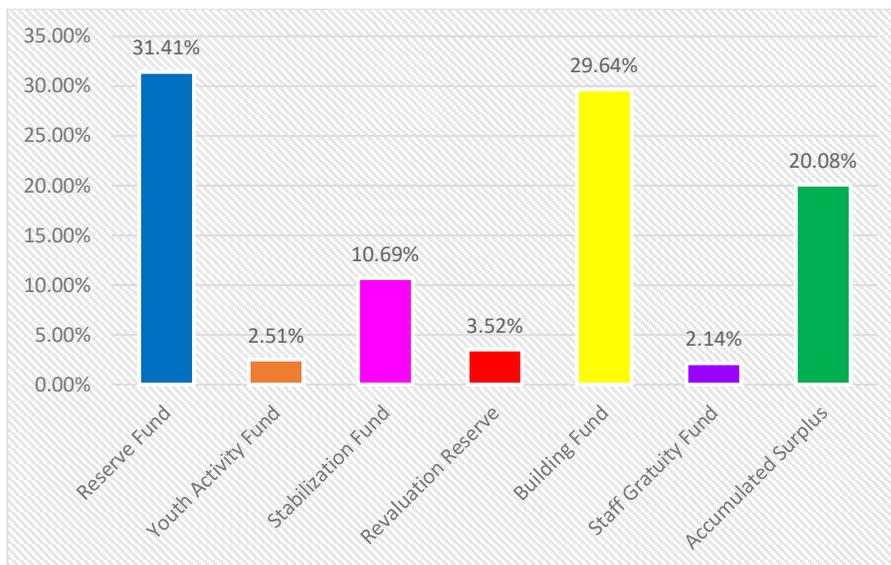
Equity

Total equity increased to \$1,459,850 from \$1,190,951, representing an increase of \$268,899 or 22.58% from the 2017 figure primarily due to the 55.78% increase in the Building Fund and 25.22% increase in Accumulated Surplus.

Total equity was comprised of the following (See Chart III):

• Reserve Fund	- 458,494	- 31%
• Building Fund	- 432,745	- 29%
• Accumulated Surplus	- 293,163	- 20%
• Stabilization Fund	- 155,997	- 11%
• Revaluation Surplus	- 51,454	- 4%
• Youth Activity Fund	- 36,684	- 3%
• Staff Gratuity Fund	- 31,313	- 2%

Chart III – Equity Composition





STATEMENT OF COMPREHENSIVE INCOME

Income

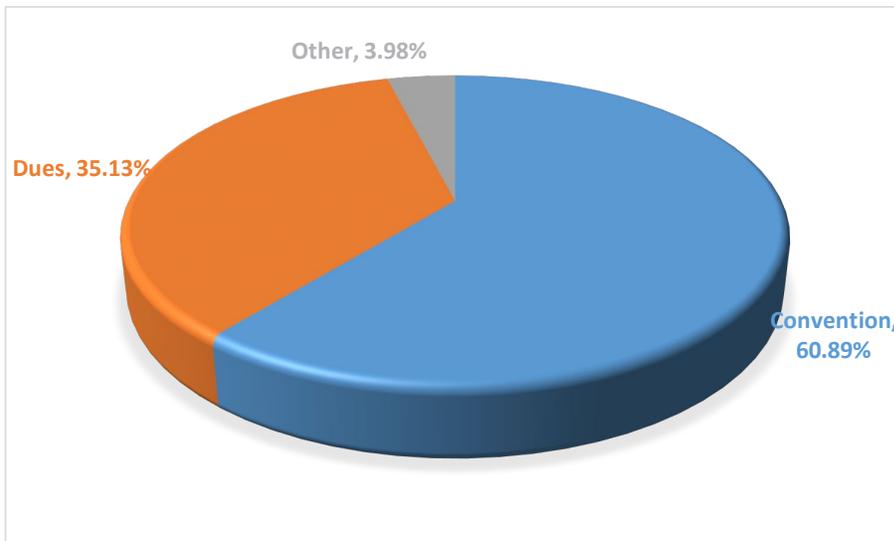
The Confederation's total income of \$1,317,411 for the financial year 2018, represented a decrease of \$337,261 or 20.38% over the 2017 figure of \$1,654,672.

The Convention income of \$802,187 was a decrease of \$318,374 or 28.41%. This was primarily due to the difference in arrangements for the Convention compared to 2017.

Membership Dues decreased to \$462,827 from \$481,406 in 2017 which represented \$18,579 or 3.86%. This was mainly attributed to the 50% Dues Relief extended to Dominica Co-operative Societies League.

Grants and other income decreased to \$52,397 from \$52,705 which represented a minimal decline of \$308 or 0.58% from the 2017 figure (See Chart IV – Income Composition).

Chart IV – Income Composition



Expenses

Both administrative expenses and convention expenses recorded decreases. Administrative expenses decreased to \$537,722 from \$675,308 and Convention expenses decreased to \$529,101 from \$778,861. These combined expenses amounted to \$1,066,823 which accounted for 97% of total expenditure of \$1,099,221. In comparison with 2017, total expenses decreased to \$1,099,221 from \$1,478,014, a total of \$378,793 or 35%. This was attributable to a reduction in Administrative and Convention expenses.

Administrative expenses of \$537,722 represented a decline of \$137,586 or 20.37% over the 2017 figure of \$675,308. This was attributable to the Business Development Officer position not being filled.



Surplus

The total comprehensive surplus for the year 2018 was \$223,662 compared with \$182,846 in 2017. An increase of \$40,816 or 22.32%.

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. It will continue to provide 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 is expected to be completed by August 2019 and our member affiliates and their members are again implored to assist this effort through donations.

Appreciation

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

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.

Lennox Bowman
Treasurer

PROPOSED APPROPRIATION OF SURPLUS 2018

Stabilization Fund	20%	\$44,732
Youth Activity Fund	20%	\$44,732
Reserve Fund	20%	\$44,732
Staff Gratuity Fund	20%	\$44,732
Balance Retained	20%	\$44,734



Caribbean Confederation of Credit Unions 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 is formally launching its Supporter Network, and 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 2018
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. Cayman Islands <ul style="list-style-type: none"> The Cayman Islands Civil Service, Association Co-operative Credit Union Ltd.
Silver - \$1,001 - \$5,000 Belize <ul style="list-style-type: none"> La Inmaculada Co-operative Credit Union Dominica <ul style="list-style-type: none"> National Co-operative Credit Union Ltd. Guyana <ul style="list-style-type: none"> Guyana Co-operative Credit Union League Ltd. Jamaica <ul style="list-style-type: none"> COK Sodality Co-operative Credit Union Ltd. Community & Workers of Jamaica Co-operative Credit Union Ltd. First Heritage Co-operative Credit Union Ltd. Gateway Co-operative Credit Union Ltd. St. Kitts & Nevis <ul style="list-style-type: none"> Nevis Co-operative Credit Union Ltd. St. Kitts Co-operative Credit Union Ltd. St. Kitts & Nevis National Co-operative League Ltd. St Vincent and the Grenadines <ul style="list-style-type: none"> St. Vincent Co-operative Credit Union League Ltd Trinidad & Tobago <ul style="list-style-type: none"> Teachers Credit Union Ltd.
Bronze - \$1 - \$1,000 Barbados <ul style="list-style-type: none"> Barbados Co-operative & Credit Union League Ltd.



Bermuda

- Bermuda Credit Union Co-operative Society

Dominica

- Dominica Co-operative Societies League Ltd.

Guyana

- Guyana Police Credit Union Ltd.

Jamaica

- First Regional Co-operative Credit Union Ltd.
- Grace Co-operative Credit Union Ltd.
- Jamaica Co-operative Credit Union League Ltd.
- Manchester Co-operative Credit Union Ltd.
- Trelawny Co-operative Credit Union Ltd.

St. Vincent & The Grenadines

- General Employees Co-operative Credit Union Ltd.

Trinidad & Tobago

- Jennifer Cox-Williams
- Tranquility Credit Union
- Trintoc Penal Credit Union Co-operative Society Ltd.



AUDITORS' REPORT & FINANCIAL STATEMENTS

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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, 2018, 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, 2018, 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
June 27, 2019

Antigua and Barbuda



CARIBBEAN CONFEDERATION OF CREDIT UNIONS

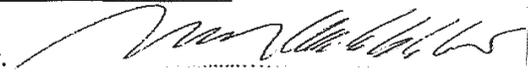
Statement of Financial Position

December 31, 2018

(Expressed in United States Dollars)

	Notes	2018	2017
Assets			
Current assets			
Cash at bank and on hand	3	\$ 72,871	174,032
Fixed deposits	4	318,906	440,959
Other receivables and prepayments	5	88,764	88,327
Deferred costs	6	4,016	144,545
Due from related party	11	45,380	37,666
Total current assets		529,937	885,529
Non-current asset			
Property and equipment	7	1,019,933	381,911
Intangible Asset	8	18,261	36,522
Total Non-Current Assets		\$ 1,038,194	418,433
Total Assets		1,568,131	1,303,962
Liabilities and Equity			
Current liabilities			
Project funds	9	\$ 1,034	1,034
Accounts payable and accruals	10	88,986	75,455
Total current liabilities		90,020	76,489
Non-Current Liabilities			
Deferred Income Grant		18,261	36,522
Total Liabilities		108,281	113,011
Equity			
Reserve fund	12	458,494	436,552
Youth activity fund	13	36,684	22,000
Stabilization fund	14	155,997	155,997
Revaluation surplus	15	51,454	51,454
Building fund	16	432,745	277,799
Staff gratuity fund		31,313	13,028
Accumulated surplus		293,163	234,121
Total Equity		1,459,850	1,190,951
Total Liabilities and Equity		\$ 1,568,131	1,303,962

Approved by the Board of Directors on June 24, 2019

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, 2018

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
Income			
Convention income	18	\$ 802,187	1,120,561
Membership dues		462,827	481,406
Cuna Caribbean Insurance Society Grant (CMG)		20,000	20,000
Grant Income - Deferred		18,261	18,261
Other income		7,119	2,454
Training income		7,017	-
European Union contribution		-	11,990
Total Income		1,317,411	1,654,672
Expenses			
Administrative expenses	17	537,722	675,308
Convention expenses	18	529,101	778,861
Amortization	8	18,261	18,261
Training expense		6,687	-
Depreciation	7	4,051	5,584
Financial literacy app expense		3,399	-
Total Expenses		1,099,221	1,478,014
Operating profit for the year before finance income		218,190	176,658
Finance income		10,782	11,974
Finance cost		(5,310)	(5,786)
Finance income, net		5,472	6,188
Surplus for the year		223,662	182,846
Total Comprehensive Income for the Year		\$ 223,662	182,846

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, 2018

(Expressed in United States Dollars)

	Notes	Reserve Fund	Youth Activity Fund	Stabilization Fund	Revaluation Surplus	Building Fund	Staff Gratuity Fund	Accumulated Surplus	Total
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	15	-	-	-	(74,302)	-	-	-	(74,302)
Donations to building fund		-	-	-	-	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
Surplus for the year		-	-	-	-	-	-	223,662	223,662
Transfer from retained earnings		21,942	21,942	-	-	109,709	18,285	(171,878)	-
Youth forum convention		-	(7,258)	-	-	-	-	7,258	-
Donations to building fund	16	-	-	-	-	45,237	-	-	45,237
Balance at December 31, 2018		\$ 458,494	36,684	155,997	51,454	432,745	31,313	293,163	1,459,850

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, 2018

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities			
Surplus for the year		\$ 223,662	182,846
Adjustments for:			
Interest expense		5,310	5,786
Depreciation	7	4,051	5,584
Amortization	8	18,261	18,261
Loss on disposal of property and equipment		-	78,587
Deferred Grant Income		(18,261)	(18,261)
Interest income		(10,782)	(11,838)
Operating profit before changes in working capital		222,241	260,965
Change in other receivables and prepayments		(437)	(61,205)
Change in deferred costs		140,528	(115,475)
Change in accounts payable and accruals		13,531	15,579
Change in due from related party		(7,714)	(37,666)
Change in deferred income - grant		-	16,866
Change in due to related party		-	(29,351)
Net cash provided by operating activities		368,149	49,713
Cash flows from investing activities			
Purchase of property and equipment	7	(642,073)	(153,542)
Purchase of intangibles	8	-	(16,866)
Interest received		12,507	11,838
Increase/(decrease) in fixed deposits		120,329	(11,838)
Net cash used in investing activities		(509,237)	(170,408)
Cash flows from financing activities			
Donations received		45,237	7,739
Interest paid		(5,310)	(5,786)
Net cash provided by financing activities		39,927	1,953
Decrease in cash during the year		(101,161)	(118,742)
Cash at beginning of year		174,032	292,774
Cash at end of year	3	\$ 72,871	174,032

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, 2018

(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, 2018, the Confederation had 5 (2017: 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 June 24, 2019.

(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, 2018

(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 $\frac{1}{3}$ %
Project equipment	20% to 33 $\frac{1}{3}$ %
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, 2018

(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, 2018

(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:

	2018	2017
St. Kitts-Nevis-Anguilla National Bank	\$ 66,032	167,610
Nevis Co-operative Credit Union Ltd.	5,450	5,384
St. Kitts Co-operative Credit Union Ltd.	935	980
Cash on hand	454	58
	<u>\$ 72,871</u>	<u>174,032</u>



CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2018

(Expressed in United States Dollars)

4. Fixed Deposits:

	2018	2017
One (1) year fixed deposit at Capita Financial Services Inc. maturing on November 19, 2019 bearing interest at a rate of 3%.	\$ 123,930	120,008
One (1) year fixed deposit at St. Kitts Co-operative Credit Union Limited maturing on May 26, 2019 bearing interest at a rate of 3%.	106,677	15,158
One (1) year fixed deposit at Dominica Co-operative Societies League Limited maturing on November 20, 2019 bearing interest at a rate of 2.4%.	48,101	46,974
One (1) year fixed deposit at Grenada Co-operative League Limited maturing on November 22, 2019 bearing interest at a rate of 3%.	37,787	36,331
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
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
	316,495	436,824
Interest receivable	2,411	4,135
	\$ 318,906	440,959

5. Other Receivables and Prepayments:

	2018	2017
Accounts receivable	\$ 56,134	73,208
Prepayments	18,977	1,503
Other receivables	13,653	13,616
	\$ 88,764	88,327



CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements *(cont'd)*

December 31, 2018

(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 co-hosting the 2019 World Credit Union Conference to be held July 28 to July 31, 2019 in the Bahamas.



CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2018

(Expressed in United States Dollars)

7. Property and Equipment - net:

Cost/Valuation:	Land	Building	Non-project Furniture and Equipment	Project Equipment	Electronic Equipment	Building-in - Progress	Total
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
Additions	-	-	1,943	-	216	639,914	642,073
Disposals	-	-	-	-	-	-	-
December 31, 2018	\$ 131,545	-	29,839	1,163	28,993	879,256	1,070,796
Depreciation:							
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
Charge for the year	-	-	1,742	-	2,309	-	4,051
Disposals	-	-	-	-	-	-	-
December 31, 2018	\$ -	-	26,800	1,163	22,900	-	50,863
Carrying value:							
December 31, 2018	\$ 131,545	-	3,039	-	6,093	879,256	1,019,933
December 31, 2017	\$ 131,545	-	2,838	-	8,186	239,342	381,911



CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (*cont'd*)

December 31, 2018

(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:

	Land	Buildings	Total
At December 31, 2018			
Cost	\$ 89,482	-	89,482
Accumulated depreciation	-	-	-
Disposal	-	-	-
Closing net book amount	\$ 89,482	-	89,482
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

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 \$879,256 (2017: \$239,342).



CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2018

(Expressed in United States Dollars)

8. Intangible Assets:

Cost:	<u>Total</u>
At December 31, 2016	\$ 37,917
Additions	16,866
Disposals	<u>-</u>
At December 31, 2017	54,783
Additions	-
Disposals	<u>-</u>
At December 31, 2018	<u>\$ 54,783</u>
 Accumulated Amortization	
At December 31, 2016	\$ -
Charge for the year	<u>18,261</u>
At December 31, 2017	18,261
Charge for the year	<u>18,261</u>
At December 31, 2018	<u>\$ 36,522</u>
 Closing Value	
At December 31, 2018	<u>\$ 18,261</u>
At December 31, 2017	<u>\$ 36,522</u>

9. Project Funds:

	<u>2018</u>	<u>2017</u>
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, 2018

(Expressed in United States Dollars)

10. Accounts Payable and Accruals:

	<u>2018</u>	<u>2017</u>
Trade payables	\$ 46,023	8,580
Accruals	38,070	63,275
Other payables	4,893	3,600
	<u>\$ 88,986</u>	<u>75,455</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:

	<u>2018</u>	<u>2017</u>
Caribbean Confederation of Credit Unions Development Foundation	\$ 45,380	37,666

Key Management Compensation

	<u>2018</u>	<u>2017</u>
Due to key members of management	\$ -	13,200

During the year, key management compensation amounted to \$95,000 (2017: \$82,900) which include amounts for allowances, gratuity and bonus.



CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (*cont'd*)

December 31, 2018

(Expressed in United States Dollars)

12. Reserve Fund:

	2018	2017
Balance, beginning of year	\$ 436,552	436,552
Transfer from retained earnings	21,942	-
Balance, end of year	\$ 458,494	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).

	2018	2017
Balance, beginning of year	\$ 51,454	125,756
Transfer from revaluation surplus - building disposal	-	(74,302)
Balance, end of year	\$ 51,454	51,454



CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2018

(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, 2018, several credit union leagues and associated members made donations totalling \$45,237 to the fund. The Board also supplements the fund by transferring additional amounts from the accumulated surplus annually. The building is expected to be completed in 2019.

17. **Administrative Expenses:**

	<u>Note</u>	<u>2018</u>	<u>2017</u>
Payroll and related costs	19	\$ 196,621	235,631
Board and committee's expenses		107,160	90,379
Rental expense		54,120	54,175
Professional fees and expenses		28,858	13,513
World Council of Credit Unions dues		28,575	28,575
AGM related expenses		23,802	35,818
Official Travel		23,023	24,078
World Council of Credit Unions meeting		21,248	32,150
Telephone and utility expenses		18,775	19,122
Audit fees		11,497	10,151
Repairs and maintenance		5,345	12,522
Stationery, printing and supplies		4,480	3,893
Subscription and donations		4,323	4,182
Affiliates		3,047	-
Advertising and promotion		2,064	15,387
Insurance		1,149	1,632
Loss on disposal of fixed assets		-	78,587
Bad debt expense		-	8,500
Miscellaneous expenses		3,635	7,013
Total expenses		\$ 537,722	675,308



CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (cont'd)

December 31, 2018

(Expressed in United States Dollars)

18. Convention Income and Expenses:

The Confederation hosted the 2018 convention in Trinidad & Tobago where arrangements were different to those held in Cuba the previous year. As a result, hotel fees in 2018 is reflective of commission earned whereas in 2017 hotel fees is reflective of revenue received from participants and hotel charges represent payments made to the hotel on behalf of participants. In 2017, the Confederation handled all hotel accommodation for participants unlike 2018 where participants made their own arrangements.

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

	2018	2017
Convention income		
Registration fees	\$ 683,309	571,776
Sponsorship and booth rental	96,103	30,900
Hotel fees	20,992	476,879
Other income	1,783	41,006
	\$ 802,187	1,120,561
Convention expenses		
Facilitators' fees and expenses	\$ 126,585	55,025
Opening and closing ceremony	125,505	34,977
Convention coordinator's service	61,410	49,591
Equipment rental	55,000	24,000
Convention kits & folders	49,278	34,970
Hotel charges	25,854	430,399
Convention secretariat service	22,903	30,448
Board accommodation and expenses	18,681	21,840
Advertising & promotion expenses	11,971	1,400
Bank charges	9,813	17,277
Cocktails and other meetings	7,286	-
Pre-convention planning expenses	5,641	13,464
CEO's round table	3,774	2,037
Postage and shipping expenses	2,487	7,009
Telephone & communications expenses	702	761
Transportation	313	33,682
Stationery, printing & supplies	267	-
Tours	-	11,275
Health insurance	-	9,930
Miscellaneous expense	1,631	776
	\$ 529,101	778,861
Total convention expenses		
Total net convention income	\$ 273,086	341,700



CARIBBEAN CONFEDERATION OF CREDIT UNIONS

Notes to Financial Statements (*cont'd*)

December 31, 2018

(Expressed in United States Dollars)

19. Payroll and Related Costs:

	2018	2017
Salaries and wages	\$ 155,665	198,263
Housing allowance	11,000	-
Statutory deductions	10,789	13,218
Gratuity	7,400	11,400
Employee travel	4,872	7,622
Staff welfare	4,495	2,728
Entertainment allowance	2,400	2,400
	\$ 196,621	235,631
Number of Employees	5	6

20. Taxation:

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



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