



JANNOU
CREDIT UNION
Together we can move mountains

20
23



JANNOU
CREDIT UNION
Together we can move mountains



ANNUAL REPORT

**WORKING TOGETHER TO ACHIEVE
OUR DEVELOPMENT GOALS**

Your Money

When you need it...

No hassle!

No long wait!



National Anthem

Sons and daughters of St. Lucia
Love the land that gave us birth
Land of beaches, hills and valleys,
Fairest isle of all the earth
Where so ever you may roam
Love, oh love our island home.

Gone the time when nations battled
For this "Helen of the West"!
Gone the days when strife and discord
dimmed her children's toil and rest
dawns at last a brighter day,
Stretches out a glad, new day.

May the Good Lord bless our island,
Guard her sons from woe and harm
May our people live united
Strong in soul and strong in arm
Justice, Truth and Charity
our ideal forever be.

Lyrics: Rev Charles Jesse FMI

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

Prayer of St. Francis of Assisi

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

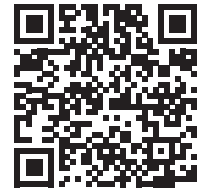
O divine Master grant that I may not
So much seek to be consoled as to
console;
To be understood as to understand;
To be loved as to love;
For it is in giving that we receive;
It is in pardoning that we are
pardoned;and it is in dying that we are
born to eternal Life.

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Standing Orders

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

CONTENTS

Working Together
to Achieve our
Development Goals

ATTORNEY AT LAW

Cyril Landers & Associates
Mongiraud Street
Castries

BANKERS

Bank of St. Lucia
Bridge Street,
Castries

1st National Bank
Bridge Street,
Castries.

AUDITOR

BDO
Choc

AFFILIATION

St. Lucia Cooperative League
Ltd.
Coral Street
Castries

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OUR BRANCHES

CASTRIES

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

VIEUX FORT

Chitolie Mall, Beanefield
8:30 am to 3:00 pm
Phone: (758) 454-9774
Fax: (758) - 454-9778

P.O.Box 1333, Castries, St. Lucia WI.
Email: info@cscreditunion.org
Website: www.cscreditunion.org

NOTICE OF MEETING

NOTICE is hereby given that the 43rd Annual General Meeting of the JANNOU Credit Union will be held at the Conference Room of the Union Orchid Garden on Monday November 25th, 2024 commencing at 5.00 p.m.

AGENDA

OPENING SESSION

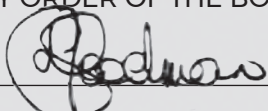
1. Call To Order
2. National Anthem
3. Prayers/Invocation
4. Welcome Address - President Kervyn Tobias
5. Greetings from Fraternal Organisations

CLOSED SESSION

1. Ascertainment of Quorum
2. Apologies for Absence
3. Reading and approval of the Minutes of the 42nd Annual General Meeting and any intervening Special General Meeting and discussion of matters arising there from.
4. Adoption/Confirmation of Reports:-
 - (i) Board of Directors
 - (ii) Treasurer
 - (iii) Auditor
 - (iv) Credit Committee
 - (v) Supervisory Committee
 - (vi) Any Sub - Committee
 - (a) Nominating
5. Unfinished Business
6. Elections to:
 - (i) Board of Directors
 - (ii) Credit Committee
 - (iii) Supervisory Committee
7. Appointment of Auditors for the ensuing year.
8. New Business
Resolutions i) Declaration of Dividends and Patronage Refund
9. Adjournment

REFRESHMENTS WILL BE PROVIDED

BY ORDER OF THE BOARD



LISA GOODMAN
SECRETARY

Presidents Message

Warm greetings to our esteemed members, stakeholders, and readers,

It is my honour to address you as we convene our 43rd Annual General Meeting. The year 2023 presented its challenges, yet Jannou Credit Union emerged resilient and successful. Anchored in the credit union philosophy of “people helping people,” we navigated an ever-evolving financial landscape with strategic foresight, ensuring our readiness to face adversities while remaining agile enough to seize opportunities that enhance our business, benefit our members, and solidify our future as a leading entity in Saint Lucia’s financial services sector.

Our commitment to excellence goes beyond mere survival or maintaining the status quo. The Board of Directors, supported by our dedicated management team, staff, and committee volunteers, continuously monitors the environment for technological advancements, shifts in member preferences, industry modernisation trends, and improvements in accounting practices. Additionally, we remain vigilant, recognising and swiftly responding to the persistent threats posed by other actors in the financial services arena. Our efforts are driven by a determination to ensure that:

- **Jannou remains a relevant and valuable partner to our members:**

In today’s fast-paced and digital-first world, the way financial transactions are conducted is rapidly evolving. At Jannou, we are committed to staying ahead of these changes by continuously exploring innovative business models and new technologies that have the potential to revolutionise the financial industry. This includes investing in digital banking platforms, mobile payment solutions, and other cutting-edge technologies that offer our members greater convenience, security, and flexibility in managing their finances. By embracing these

advancements, we ensure that our members have access to the tools they need to achieve their financial goals, no matter where they are or what device they use.

- **Service and member experience are unmatched in our sector:**

We believe that exceptional service is the cornerstone of our success and the key to building lasting relationships with our members. To this end, we have established a dedicated Member Experience Enhancement Committee, tasked with identifying opportunities to modernise our operations, streamline processes, and deliver a superior experience at every touchpoint. This committee is also responsible for overseeing initiatives that will expand the accessibility of our services, whether through physical branches, online platforms, or customer support channels. Our goal is to ensure that every interaction with Jannou is seamless, personalised, and memorable, leaving our members with the confidence that their needs are being met with the utmost care and professionalism.

- **Financial products and services remain accessible and impactful:**

Understanding the diverse needs and financial aspirations of our members is central to our mission at Jannou. We take a proactive approach to assessing these needs by regularly engaging with our members, analysing their feedback, and staying informed about broader economic trends and opportunities. This allows us to design loan products and financial services that are not only affordable but also aligned with our members’ long-term financial goals. Whether it is offering competitive mortgage rates, flexible personal loans, or new savings plan options, we are committed to providing solutions that empower our members to achieve financial stability and prosperity for themselves and their families.

- **Returns to members are competitive and attractive:**

In a competitive financial environment, ensuring that our members receive the best possible returns on their investments is a top priority. To this end, Jannou has taken bold steps to explore alternative investment avenues, including pioneering ventures into international markets. Our proactive approach has led us to be the first credit union in Saint Lucia to submit a proposal for international investments to the regulators, a move that underscores our commitment to diversifying our portfolio and maximising returns for our members. By carefully balancing risk and reward, we aim to grow our members' savings and provide them with financial security in both the short and long term.

We understand that you, our valued members, have choices in where you conduct your financial business. We are deeply grateful that you chose Jannou. The Board of Directors, our elected committees, volunteers, management, and staff are fully committed to meeting and exceeding the standards of service and support you expect. While the journey presents its challenges, we remain resolute and optimistic about the successful and rewarding years ahead. Thank you for placing your trust and confidence in Jannou as we continue to strive towards excellence, making us all proud to be members of Jannou Credit Union.



Kervyn Tobias
President



Kervyn Tobias

PRESIDENT

Profession: M&E/ ICT Specialist

Qualification: MSc. Information Systems, BSc. (Hons.) Computer and Management Studies, Development Educator – CaribDE 13

Substantive Position: Monitoring & Evaluation Manager, OECS Commission

Board Member Since: 2018

Served on: Finance & Investment Committee, Modernisation and Member Experience Enhancement Committee, - Negotiations Committee, Supervisory Committee



Augustin Gaspard

VICE PRESIDENT

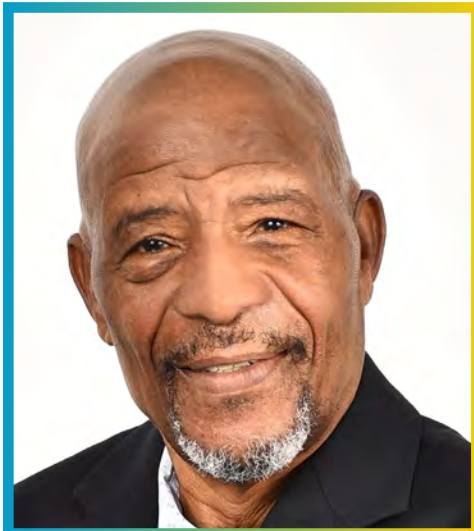
Profession: Retired Chief Fire Officer

Qualification: BSc (Hons) Management Science

Substantive Position: Retired

Board Member Since: 1996 to 2005, and 2019

Served on: Building Committee, Scholarship & Bursary Committee



Joshua Vernor

Profession: IT Professional

Qualification: Masters in Business Administration (Hons), Computer Information Systems, BSc (Hons) Development Educator - CaridDe 41

Substantive Position: Information Systems Manager

Board Member Since: 2020

Served on: Education Committee, Anniversary Committee, Scholarship & Bursary Committee



Meet our Board of Directors

Lisa Goodman

SECRETARY

Profession: Senior Tax Inspector

Qualification: Masters in Project Management, BSc (Hons) Management Studies, Development Educator CaribDE 15, CanadaDE, ICUDE

Substantive Position: Taxpayer Services Supervisor, Inland Revenue Department

Board Member Since: 2022

Served on: Credit Committee; Rebranding Committee, Anniversary Committee, Education Committee, Strategic Plan Committee, Modernisation and Member Enhancement Committee, Regulatory/Legislative Committee



Elsa Mathurin

TREASURER

Profession: Educator

Qualification: MSc Agricultural Economics; BSc Mathematics with Finance & Accounting; Dip Teacher Education; Development Educator - CaribDE 41

Substantive Position: Graduate Teacher

Board Member Since: 2021

Served on: Education Committee, Anniversary Committee, Finance & Investment Committee, Risk Committee

Linda Berthier

ASSISTANT SECRETARY

Profession: Registered Nurse / TV & Radio Host/ Recording Artiste

Qualification: MPH /BSPH/ ADN / CM /Cert. Media & Communications / CaribDE40

Substantive Position: Health Educator, PMTCT Coordinator/Cert. Master Trainer

Board Member Since: 2021

Served on: HR Committee, Finance Committee



Beverley-Ann Poyotte

Profession: Social Worker/ Counsellor

Qualification: BA - Psychology; MSc. Counselling Developmental Educator- CaribDE 22

Substantive Position: Retired Public Officer

Board Member Since: 2018

Served on: Education Committee, Anniversary Committee, Human Resource Committee

Shervon Pierre

Profession: Attorney-at- Law

Qualification: Legal Education Certificate (Merit) LLB (Hons)

Substantive Position: Senior Associate

Board Member Since: 2022

Served on: Regulatory/ Legislative Committee, Risk Committee, Anniversary Committee



Thalassa Cox

Profession: Consultant

Qualification: LLM ,LLB, Development Educator, CaribDE 30

Substantive Position: Principal Consultant

Board Member Since: 2023

Served on: Education Committee, Risk Committee.



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Working Together to Achieve our Development Goals

Working Together
to **Achieve** our
Development **Goals**

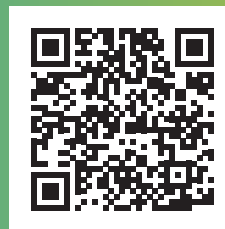


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to make your dreams a reality.**



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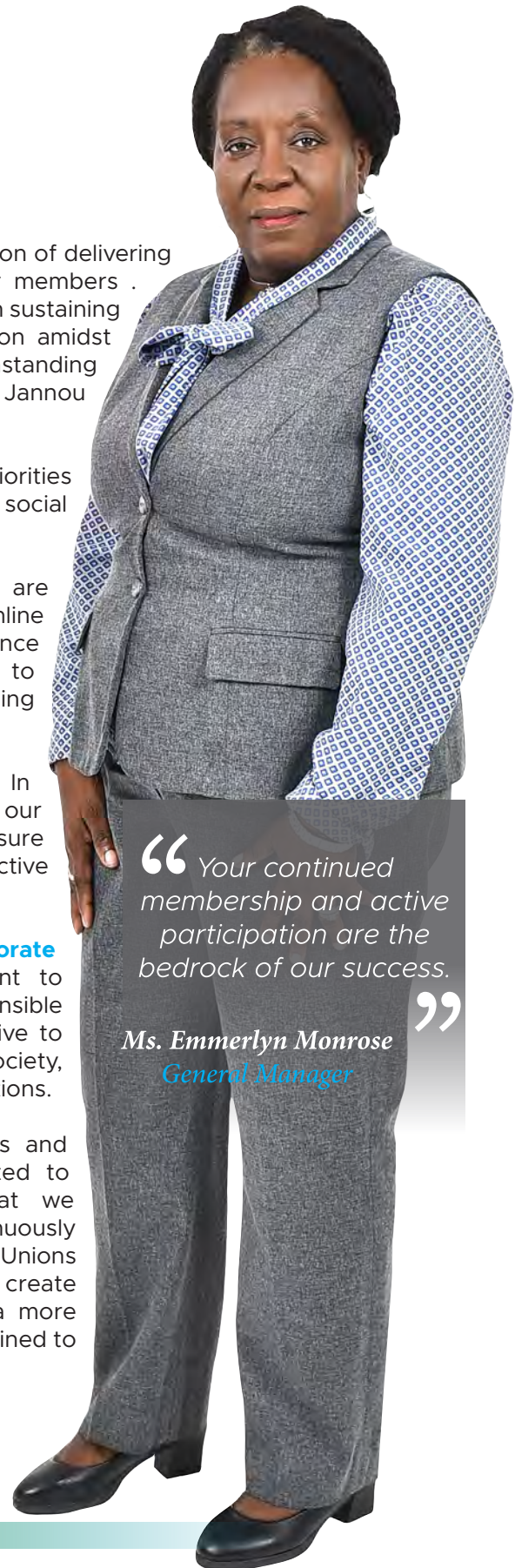


General Manager's Overview

At Jannou Credit Union, we are committed to our mission of delivering quality financial services that enrich the lives of our members. Guided by our strategic direction, we remain focused on sustaining our position as a strong and viable financial institution amidst the evolving challenges of the financial sector. Notwithstanding these challenges, 2023 was another successful year for Jannou Credit Union yielding a **7% growth in total assets**.

As we look forward to the coming financial year, our priorities reflect our dedication to innovation, resilience, and social responsibility. Key areas of focus include:

- 1. Embracing Technology and Innovations:** - We are prioritizing advancements in technology to streamline our operations, improve efficiencies, and enhance service delivery. These initiatives are foundational to our growth strategy and commitment to providing members with a seamless experience.
- 2. Strengthening Delinquency Management:** In maintaining high asset quality, we are refining our delinquency management processes to ensure continued financial stability and safeguard the collective interests of our members.
- 3. Incorporating Environmental, Social and Corporate Governance (ESG) Principles:** Our commitment to these principles aligns with our role as a responsible financial institution. Through these efforts, we strive to make a positive impact on our environment and society, embracing sustainability in all aspects of our operations.
- 4. Enhancing Member Engagement:-** Your insights and feedback are invaluable to us. We are dedicated to deepening member engagement, ensuring that we remain responsive to your needs and continuously improve our services. The World Council of Credit Unions (**WOCCU**) emphasizes the power of credit unions to create sustainable and inclusive economies, especially a more inclusive financial system. We at Jannou are determined to fulfill this mission.



“Your continued membership and active participation are the bedrock of our success.”

Ms. Emmerlyn Monrose
General Manager

Your continued membership and active participation are the bedrock of our success. Let's continue this journey of shared growth for you the members', your families and the community as a whole. Together, we will move mountains, as a family, caring for each other. ***Thank you for being an essential part of Jannou Credit Union.***

JANNOU KEY FOCUS AREAS FOR THE 2023 PERIOD

1.

Committed to our mission of delivering quality financial services that enrich the lives of our members.

2.

Focused on sustaining our position as a strong and viable financial institution.

3.

Prioritizing our dedication to innovation, resilience, and social responsibility.

4.

Prioritizing advancements in technology to streamline our operations, improve efficiencies, and enhance service delivery.

5.

Refining our delinquency management processes to ensure continued financial stability and safeguard the collective interests.

6.

Striving to make a positive impact on our environment and society, embracing sustainability.



Mr. Celestin Laurent
Deputy General Manager

Meeting Attendance Record & General Statistics

Table 1- Meeting Attendance Record 2023

BOARD	POLICY			LOANS			SPECIALS			QUARTERLY		
	POSS	ACT'L	ABS	POSS	ACT'L	ABS	POSS	ACT'L	ABS	POSS	ACT'L	ABS
DAYNE ALEXANDER	11	11	-	9	9	-	8	6	2	4	4	-
BEVERLEY-ANN POYOTTE	11	11	-	9	8	1	8	4	4	4	3	1
LISA GOODMAN	11	10	1	9	5	4	8	6	2	4	4	-
KERVYN TOBIAS	11	10	1	9	8	1	8	5	3	4	4	-
AUGUSTIN GASPARD	11	9	2	9	7	2	8	7	1	4	3	1
JOSHUA VERNOR	11	8	3	9	7	2	8	8	-	4	3	1
LINDA BERTHIER	11	7	4	9	7	2	8	6	2	4	2	2
ELSA MATHURIN	11	11	-	9	9	-	8	8	-	4	4	-
SHERVON PIERRE	11	7	4	9	5	4	8	7	1	4	1	3

Table 1.1- Meeting Attendance Record 2023

SUPERVISORY COMMITTEE	ORDINARY MEETINGS			SPECIAL/JOINT			QUARTERLY		
	POSS	ACT'L	ABS	POSS	ACT'L	ABS	POSS	ACT'L	ABS
ANNETTE DESIR-BUTCHER	22	22	-	7	5	2	4	3	1
VERNA KHADOO-MATHURIN	22	21	1	7	4	3	4	3	1
KEARL MARTHA DUVAL-GABRIEL	22	19	3	7	6	1	4	3	1
YANICE VITALIS	22	21	1	7	7	-	4	3	1
MARCELLIN ST EDWARD-PREVILLE	22	17	5	7	6	1	4	2	2

Table 1.2- Meeting Attendance Record 2023

CREDIT COMMITTEE	ORDINARY MEETINGS			SPECIAL/JOINT			QUARTERLY		
	POSS	ACT'L	ABS	POSS	ACT'L	ABS	POSS	ACT'L	ABS
SHORNA DENIS	92	73	19	4	3	1	4	3	1
ISA ALEXANDER	92	73	19	4	3	1	4	4	-
RICARDO CORSINIE	92	75	17	4	3	1	4	3	1
KEEGAN PREVILLE	92	66	26	4	3	1	4	2	2
JEANIQUE LOUIS	92	64	28	4	1	3	4	2	2
VENUS ALCINDOR	1	1	1						

General Statistics Table:

FINANCIAL FACTORS (\$'000)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets	187,553	198,723	223,521	245,855	266,752	286,166	306,543	320,172	345,524	369,466
Cash Resources	12,276	13,995	19,372	32,181	38,223	56,532	73,799	77,792	83,176	87,815
Investments	35,379	35,737	44,669	46,399	60,140	62,398	67,875	67,418	62,305	61,960
Loans to Members	134,918	142,735	152,023	160,525	162,734	161,362	159,277	168,839	193,730	213,766
Fixed Assets	4,504	4,452	4,580	4,614	5,122	5,252	5,348	5,632	5,524	5,478
Total Liabilities	146,989	161,963	178,901	193,646	208,654	227,522	245,217	260,897	270,319	301,368
Withdrawable Shares	132,359	145,135	157,502	169,645	181,616	196,100	207,775	218,693	229,634	245,466
Permanent Shares	10,293	11,354	12,737	13,877	15,187	16,480	16,470	16,437	16,329	16,636
Deposits	13,663	15,910	20,266	22,899	25,956	29,981	35,834	39,778	44,143	52,077
Reserves	22,695	22,867	25,929	29,229	31,712	33,708	35,601	35,601	37,756	42,214
Retained Earnings	3,054	2,539	5,953	9,103	11,202	8,455	9,644	7,237	14,120	9,248
Members Equity	40,563	36,760	44,620	52,209	58,098	58,643	61,326	59,274	68,205	68,098
Loans Approved	57,012	60,674	61,859	63,396	60,029	61,035	62,777	75,811	77,513	73,796
Net Income	6,615	6,353	11,388	11,826	9,966	5,746	5,283	1,782	10,673	6,832
Dividend – Ordinary Shares	982	1043	591	660	718	791	783	821	314*	399
Patronage Refund	1,385	1,416	2,347	2,344	2,406	3,281	2,428	2,013	1021*	2779
Membership	14,941	15,446	15,913	16,675	17,173	17,768	18,227	18,669	18,823	19,031
No. of Loans	11,223	11,182	10,514	10,995	11,037	10,407	7800	9,059	10,345	9,388

Revised Actual *



Management Team

1. Melania Bailey-Francois
Systems Administrator

2. Olive St. Ville
Member Services Manager

3. Antonius Dusauzay
Finance Manager

4. Rita Alexander- Francis
Credit Manager

5. Prisca Eristhee-Delice
*Human Resource and
Administration Manager*

6. Wilton Bleasdille
Internal Auditor

Meet our Management Team and Staff



Administration Department



Accounts Department



Loans Department



Member Services Department



Marketing Department



I.T. Department

Staff

Movement and Changes

3 NEW PERSONS joined our staff complement in 2023.

They have been assigned as follows:

Kiana Justin - Teller

Jessia Thomassin - General Manager's Secretary

Sasha Fontenelle Toussaint - Administrative Secretary

Line Staff

Andrea Remy	Emerlyn Auguste	Kirsten Savery	Priscilla Sidonie
Angel Jules	Gemille David	Laura Placide-Amedee	Renelle Simon
Bibiana Etienne	Gina John-Abdel Qader	Ludwin Destang	Ria Marius
Camille Lubrin	Heather James	Marciana Gabriel	Sarica St. Rose
Cassia Joseph	Helia Plante	Mark Mondesir	Shenel Lionel
Charlize Leonty	Icub Job	Marlan Biscette	Sheralye Alcindor
Cheyenne Quinlan	Jacinta Jn. Charles	Marylene Cherry-William	Sherkeira Williams
Chloe Daniel	Jessica Mc Vane	Menassia Nelson	Stancia Alexander
Christian Joseph	Sasha Fontenelle-Toussaint	Mercedes Fanis	Sylca Philip
Cindy James	Justina Samuel	Merna Emmanuel	Tony Abraham
Cleavert Jn. Baptiste	Joel Davidson	Miguel Moses	Vernella Jacob
Dayci Innocent	Jonathan Thompson	Natoya Arno	
Devaughw Charles	Kendal Anthony	Neighman Lascaris	
Donna Mathurin	Kernia Sérieux	Olivia Cornielle	
Edwin Charlery	Krystal Griffith	Priscilla Oscar	

2023

Staff Awards for Excellence



Ms. Kendal Anthony

General Manager's Award for Excellence



Ms. Sarica St. Rose

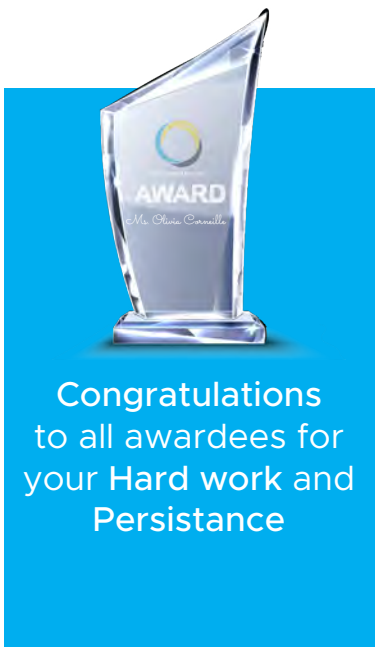
"Supervisor of the Year"



Ms. Olivia Corneille
"Employee of the Year"

Other awards captured by staff included:

Members of staff were again recognized for excellence in 2023. Ms. Olivia Corneille was the overall winner for the "Employee of the Year."



Congratulations to all awardees for your Hard work and Persistence

Categories	Awardees
Spirit of CSCCU	MENASSIA NELSON
Above and Beyond	NEIGHMAN LASCARIS
Congeniality	OLIVIA COREILLE
Team Player of the Year	DAYCI INNOCENT
Team Player of the Year	SHERALYE ALCINDOR
Corporate Image Award	MENASSIA NELSON
Corporate Image Award	TONY ABRAHAM
Teller of the Year	MERNA EMMANUEL
Officer of the Year (Loans Department)	ANDREA REMY
Officer of the Year (Accounts Department)	KENDAL ANTHONY
Officer of Year (Vieux Fort)	CASSIA JOSEPH
Officer of Year (Member Services Department)	NATOYA ARNO
Officer of Year (Administration Department)	HEATHER JAMES
Rising Star Award	CHLOE DANIEL
Pillar of Performance (Female)	JACINTA JN CHARLES
Pillar of Performance (Male)	EDWIN CHARLERY
Pillar of Quality (Female)	LATOYA ALPHONSE
Pillar of Quality (Male)	KENDAL ANTHONY
Pillar of Service (Female)	NATOYA ARNO
Pillar Of Service (Male)	CLEAVERT JN BAPTISTE
Leadership Award	OLIVIA COREILLE
Supervisor of the Year	SARICA ST ROSE
Cornelia Mc Donald Award (Productivity)	OLIVIA COREILLE
General Manager's Award (Excellence)	KENDAL ANTHONY
Employee of the Year 2023	OLIVIA COREILLE

Vieux Fort Branch Update



Mr. Marlon Biscette
Branch Administrator
Vieux Fort Branch



Team Jannou Vieux-Fort continues to make positive strides in our community on behalf of our shareholders and our organization. 2023 presented many opportunities for our team which were deferred in the prior years due to covid protocol restrictions. Most noteworthy of these opportunities was the return of our annual “Fun Walk” event. Held on May 28th, 2023, we hosted over 200 registered participants. This activity is one of the most anticipated Jannou productions in the south, open to both members and non-members. Participants were treated to the energetic motivation of a sound system and dj on the road, soca fit entertainment, health screenings and of course an abundance of prizes. Our heartfelt thanks to all who participated. You are all winners!

The effects of climate change were highly apparent in 2023. We experienced a series of heat waves throughout the year which impacted our environs quite adversely. Team Vieux-Fort reached out to our members at the Vieux-Fort Comprehensive Secondary School to offer our assistance to the students and teachers in coping with the intense heat. Our credit union donated over twenty wall fans to be distributed to various classrooms on the compound. This initiative was carried out in collaboration with our colleagues in the Marketing department.

The patronage of our valued members enabled us to realize a thirty percent increase in loan volume and a fifty-nine percent increase in our overall loan portfolio. Membership enrollment grew by forty percent. We sincerely can and truly do “Move Mountains Together” The loyal support and participation of our members and stakeholders, the commitment and guidance of our board and committees, the vision and steady hand of the management team, the passion and dedication of our team members and colleagues. These factors working in unity are the driving force that propels team Vieux-Fort to continue delivering the highest quality service to all our members.





SCHOLARSHIPS FOR 2023

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



CSCCU will continue to provide scholarships and bursaries to children and wards of our members. This year **ten (10)** scholarships were granted to students to attend secondary schools.

The 2023 Secondary Schools Scholarship Holders are:



	Student's Name	School Assigned	Parent's Name
1	Seth Pierre	SMC	Ketura Antoine-Pierre
2	Aiden C Mitchell	SMC	Tasha Mondesir
3	Mya Prospere	SJC	Vincent Prospere
4	Liam Stevens	LHCSS	Sean Stevens
5	Aiden Meda	SMC	Thomas Meda
6	Jean-Claude Emmanuel	SMC	Vera John-Emmanuel
7	Byrnelle Fanis	SJC	Bernnard Fanis
8	Sapphire Cornibert	SJC	Laura-Lee Richardson-Cornibert
9	Rylan Charlie	SMC	Shander Charlie
10	Teyana Naitram	CCSS	Keegan Preville

Scholarships (3)

Tertiary Level

Scholarship holders to the Sir Arthur Lewis Community College for 2023 are: ➔

	Child's Name	Parent's Name
1	Rhea Barrett	Liota Charlemagne
2	Nhij Myers	Nichalan Myers
3	Benasha Tuitt	Nyasha Tuitt



CCCUCU Annual Convention 2023

A delegation of thirteen (13) participants attended the 65th Annual International Convention under the theme *"Making the Member Connection Mission Possible"*. from 15 – 22 June, held in Puerto Rico. The delegation comprised Directors, Committees Members, Management and staff. The Convention Programme provided educational and social opportunities for participants. Some of topics included:

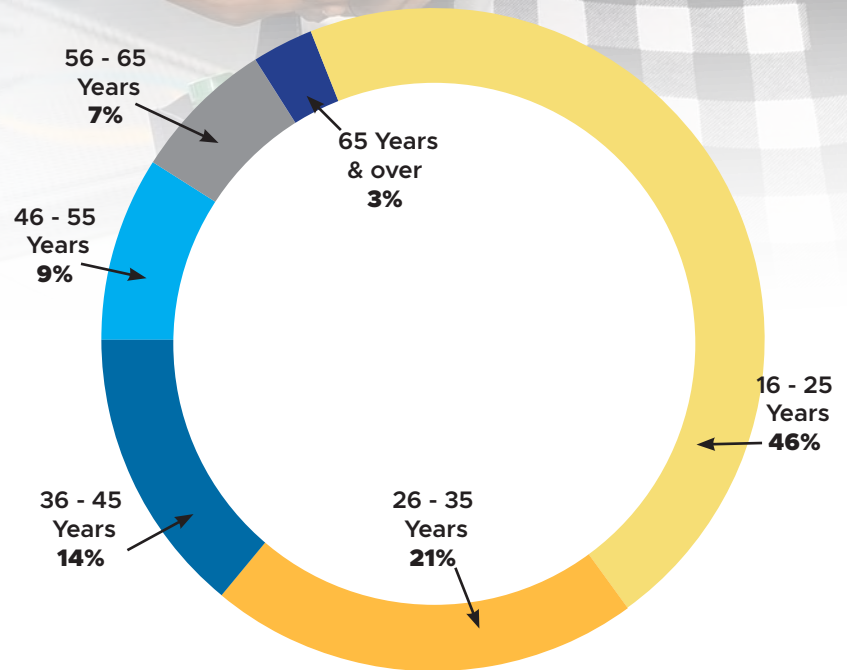


MEMBER SUPPORT SERVICES

The ability to join Jannou is still being perceived by our community as a prized opportunity and in 2023, we welcomed an additional 411 new members a 7% reduction from the prior year. As has been the trend recently, youth (below 35 yrs old) continue to account for almost 2/3 of all new additions.

The Board is especially proud of our members who opened SOCA (*Spirit of the Calabash*) junior accounts for their young relatives. These accounts have become central to the financial journey of many youth once they attain adulthood, enabling them to access our products and services. Again, *please be reminded that membership approvals have time limits and should be promptly used to open the new accounts.*

Age Group of New Accounts Opened in 2023

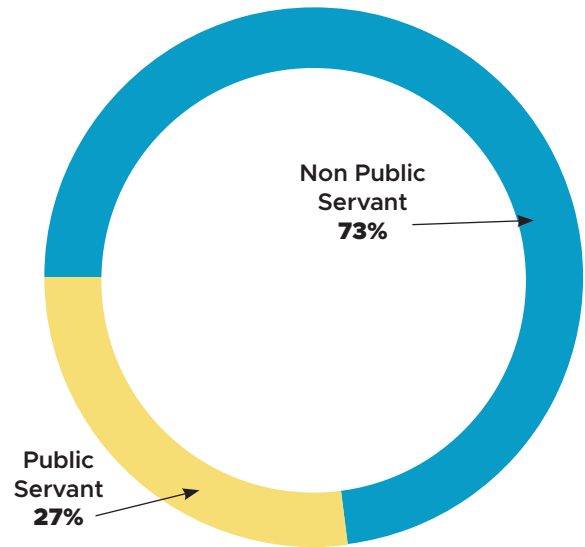
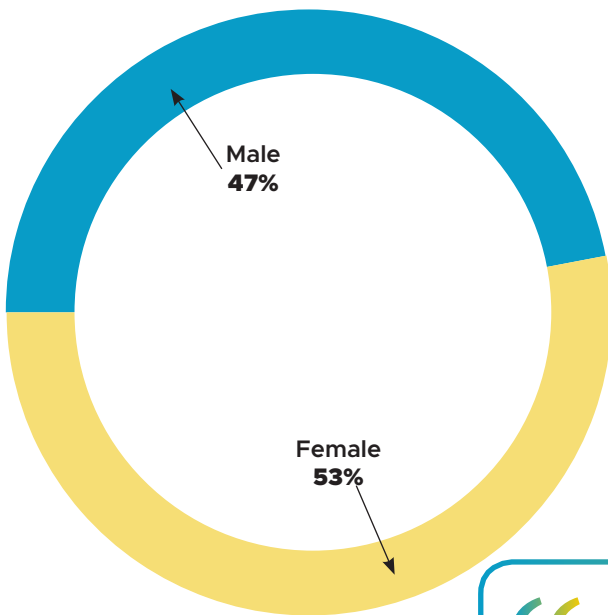


Source of applications for membership

Source	Percent
Beneficiaries of Deceased Members	2.6%
Family (Immediate Relatives of Members)	51.1%
School Thrift Co-operative Graduates	0.3%
SOCA (Junior Account Holders)	23.9%
Workplace / Employer (Public Servants & Statutory Bodies)	22.2%
TOTAL	100%

Employment of applicants

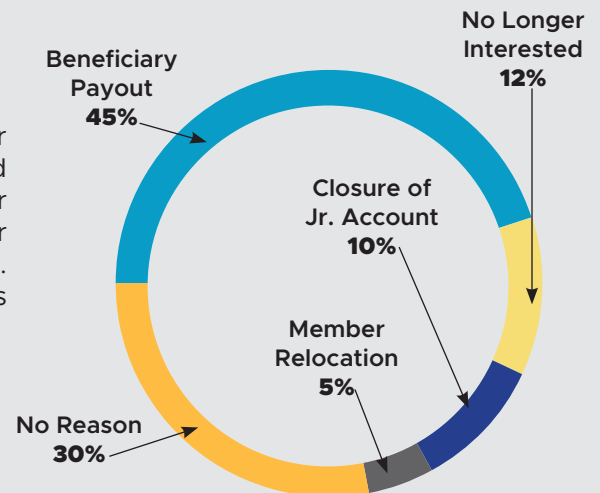
Gender of New Members



Please be reminded that membership approvals have time limits and should be promptly used to open the new accounts.

MEMBERSHIP TERMINATIONS

In 2023, 191 member accounts were closed. The reasons for this ranged from 45% - payouts to beneficiaries of deceased members; 12% - no longer interested/ consolidating their finances; 10% - closure of junior accounts, 5% - member relocating out of St Lucia, with other wide ranging reasons. For about 30% of the closures however, no reason was provided for the decision.





HOMEOWNERS, CONTENTS, VEHICLES AND ALL RISK GROUP PLAN

Significant payouts for damages by the insurers for adverse weather events led to the promised rate increase in 2023 on our homeowners plan. Notwithstanding this, our group plan still offers extremely attractive coverage at very competitive rates. We wish to remind members that our island is very vulnerable to disasters and that the costs of home repairs are only increasing. Further that the impact of damage to property can be disruptive. Members needing to explore financing options for their homeowners insurance should contact the Member Services Department for more information

GROUP MEDICAL INSURANCE PLAN UPDATES


More than 2000 years ago a Roman poet was credited for noting that “*the greatest wealth is health*” and this is ever more true today. We know how important it is for members and their families to access and finance medical care when needed, and we are very proud of our medical plan and the benefits provided. As of December 2023, our plan included 523 members made up of 61% individual plans, approximately 24% member plus 1 cover, 14% family plans and the balance senior / retiree plans.

We encourage plan members to be diligent and timely in making their payments to not lose access to this much needed resource. This year more than 54 plans were terminated.

In 2023, the Member Services Department received and processed over 1800 medical claims from members and distributed about 1200 benefit refund checks.



JANNOU Member Services Department

 (758) 452-4807 ext 238/240

 info@cscreditunion.org

Registered Homeowners Savings Plan (RHOSP)

Jannou offers members the chance to use the IRD approved Registered Homeowners Savings Plan (RHOSP) as a strategy towards their first home ownership. In 2023, plan holders had saved over **\$351,000** towards their home ownership dreams. These funds reduce member tax liability to the government while being available to finance expenses associated with the home ownership process. Interested persons should contact the Member Services Department.

DEATH BENEFITS

In 2023, the CUNA (OECS) Family Indemnity Plan (FIP) continued to offer much needed financial support to grieving families who experienced the loss of loved ones. At December 31, 2830 members held FIP plans at Jannou. The plan welcomed an additional 145 members for the year but also parted from over 40 members who stopped meeting their monthly premium obligations. One hundred and twenty (120) members upgraded their plans to take advantage of the higher payout plans (E, F & G) offering benefits from \$20,000 up to \$30,000 per person. In 2023, on behalf of CUNA (OECS), Jannou made payments totalling about XCD\$1.5 million for 94 claims to our members.

145
New FIP
Members

Up to
\$30,000
in benefits
per person

DECEASED MEMBERS

The Board of Directors wishes to acknowledge the passing of several valued members of Jannou in 2023. Their contributions and loyalty to our organization will be greatly missed. *Deepest condolences are extended to their families, friends and loved ones during this time of loss.*

1	ALLAN GRIFFITH	23	HELARD ALEXANDER	45	PAUL MARIUS
2	ANGELLA EDWIN	24	IRENE SYMPHORIEN	46	PEARL HAYNES
3	BERNADETTE GEORGE-MARTIAL	25	JACINTA MONTOUTE	47	PETER GEORGE
4	CECIL GIBSON	26	JAMIE CASIMIE	48	PETER JOSEPH
5	CECILIA JOSEPH	27	JEFFERSON AUGUSTIN	49	RANDY JOHN
6	CECILIA VICTORIA EUDOVIQUE	28	JEMIMA PAUL	50	RAYMOND GOODMAN
7	CINDY WEHNER	29	JOHN AUGUSTE	51	ROSEMARY CHARLES
8	CLETON ALTENOR	30	JOSEPH MOISE	52	SHEM SEVERIN
9	CLETUS GEORGE	31	JOYCELYNE STEPHEN	53	SHERMAN SYLVESTER
10	CONSTANCE AUGUSTIN	32	CARSON LAWRENCE MILLAR	54	THERESA CRAFTON
11	CRUSELDA FERGUS	33	LINDA ROSA GEORGE	55	THERESA GIRAUDY
12	CYPRIAN FELIX ST HILL	34	LIVINUS GEORGE	56	THERESA MOMBELLY
13	DEBORAH GORDON	35	LUCY PAMPHILE	57	TITUS WELLS
14	DENISH MONLOUIS	36	MAGILTA WILLIE	58	VALENS YARDE
15	DORIS GUSTAVE	37	MARGUERITE KING	59	VALERIE DOLOR
16	ERICA FRANKLIN	38	MARIA MARIUS	60	VERONICA WILLIAM-GLASGOW
17	FELIX ALEXANDER	39	MARY BARTHELMY	61	VICTOR DIDIER
18	FINBAR LUBRIN	40	MARY WILLIAM	62	VIRGINIA EUDOVIC-EMMANUEL
19	FRANCIS MONTOUTE	41	MATTHEW SMITH	63	WALTER SOOKWA
20	GERTRUDE JN CHARLES	42	MICHAEL BAPTISTE	64	WAYNE WILLIAMS
21	HEDLEY JOSEPH	43	MILTON FLAVIEN	65	WINSTON TAYLOR
22	HEIDI ALCINDOR	44	PAUL LAURENCY		

MEMBER ENGAGEMENTS

JANNOU ONLINE SERVICES



Jannou Credit Union remains committed to providing members with convenient, extended and secure access to their accounts and funds. Our online platform and mobile application allow a range of services including account balance, transfers, and communications options for additional services. For members needing to transfer funds into their bank accounts, we offer the **ACH (Automatic Clearing House)** service that can be completed in a fully virtual fashion including the submission of supporting documents.

Members may also securely communicate with us through our email (info@cscreditunion.org) and secured messaging options. The investment in the ATM installed at our Castries office is delivering

extended access to funds for members, and many are using this facility everyday.

We are especially proud of our VISA international debit card that offers you 24/7 access to funds from your card account for use locally and online, allowing you to do business on your own time. This card also allows members to use any First National Bank machines for cash based services. Interested members may contact the Member Services Department in person or via our distant/virtual options.

Downloading the app TODAY!





INTERNATIONAL CREDIT UNION MONTH

Jannou Credit Union joined the movement to celebrate International Credit Union Day 2023 under the theme “Empowering Financial Futures.” The event aimed to highlight the cooperative’s commitment to its members’ financial well-being and community development.

An open house and wellness fair was held, welcoming members and non-members alike. The day was filled with exciting activities, radio and social media shoutouts, and included prize giveaways and special recognition for our loyal members who visited our branches in Castries and Vieux Fort. It was a joyous occasion where members and staff came together to celebrate the cooperative spirit and the positive impact of credit unions with food and entertainment.



Happy INTERNATIONAL CREOLE MONTH

SAYING



Celebration of Our Creole Heritage



As part of the celebrations of our rich Creole heritage and to express gratitude to our valued members, Jannou offered a delightful Creole treat and a delicious breakfast in October 2023. The events were a vibrant celebration of our culture, featuring mouthwatering Creole cuisine, lively music, and engaging activities for all persons who visited. Members took full advantage of the opportunity to come together, socialize, dance and enjoy the company. As we shared the flavors of our heritage, Jannou reaffirmed our commitment to serving you our members and strengthening our community connections.





THANKS

Celebrating the Jannou Thrift School Co-operative Teachers

Jannou delivered tokens of gratitude to the dedicated teachers who manage the 6 school thrift cooperatives we are twinned with. This was done to acknowledge their tireless efforts in cultivating financial literacy among our nation's youth. As they provide young people with practical financial skills, they are empowering them to make informed decisions and build a brighter future including becoming members of Jannou upon graduation. We commend their commitment to shaping the next generation of financially responsible citizens and we are proud to support their efforts.

A Celebration of Seniors



Jannou Credit Union expressed our heartfelt gratitude to the valued senior members by hosting a special Senior Treat for 80 members over age 65 in December 2023. This heartwarming event was a testament to the credit union's commitment to its members' well-being and community engagement. The afternoon into evening was filled with delicious food, entertainment, lively music, dancing and engaging conversations. It was a delightful occasion for seniors to reconnect with friends, share stories, enjoy each other's company and create lasting memories.





JANNOU
CREDIT UNION
Together we can move mountains

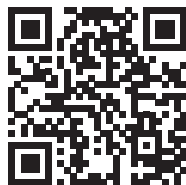
Move to the speed of your life.
avoid the **LONG LINES...**

Get convenience at your fingertips with a
JANNOU Visa Debit Card.



SCAN HERE to
Sign Up Today

Conditions apply





Treasurer's Report

The 2023 fiscal year marked yet another milestone in Jannou Credit Union's journey of financial stewardship. Despite market unpredictability and lingering market constraints from the COVID-19 pandemic, our institution has demonstrated remarkable resilience in an increasingly competitive financial services sector.

To remain competitive, we have emphasized cost containment efforts while also exploring new revenue streams, with a particular focus on growing our investment income and loan portfolio. This has involved closely monitoring market trends, adapting our loan products, and strategically assessing ways to expand our investment portfolio. At the same time, we have continued to invest in technology to further enhance member convenience and accessibility to our services like online banking, secure messaging, and our Visa card program, which saw 1909 Jannou branded Visa debit cards in circulation by the end of 2023.

Throughout these efforts, our top priority has been ensuring an exceptional member experience. We are committed to being nimble and responsive to the evolving needs of our membership, innovating our solutions while delivering the exceptional quality we are recognized for. The hard work and dedication of our staff, Board and other volunteers together with the Finance Committee have been crucial to this endeavor.

Our enduring market strength is reflected in our 2023 Net Income of \$6.83 million. While this figure shows a 36% reduction from 2022's results, this comparison requires context as our 2022 performance was notably enhanced by a provisioning write-back of \$5.025 million. Our 2023 earnings demonstrate impressive post-pandemic recovery and affirm our optimistic outlook for continued growth. These results validate our strategic direction and signal promising developments ahead.

A. STATEMENT OF FINANCIAL POSITION

ASSETS

"Cash" and "Loans and Advances to Members"

As of December 31, 2023, the Statement of Financial Position reported "Total Assets" of \$369.47 million, a 6.93% increase over the prior year. Year over year increases in cash inflows from members' Deposits and Shares of \$23.76 million continues to keep Jannou very liquid. "Loans and Advances to Members" increased to \$213.77 million in 2023, a 10.34% growth over the 2022 figure of \$193.73 million. Mortgage loans led this growth, accounting for 49% of the \$20.04 million increase, with consumer loans providing the balance.

"Financial Investments"

To augment our income stream, Jannou actively explored additional investment opportunities. Total investments were at \$61.96 million, with

\$2.04 million realized in investment income at the end of 2023. The Finance Committee remains focused on its efforts in planning, building our technical capacity and working with the Regulator to access new and potentially more lucrative investment opportunities. We look forward to making further and significant strides towards this end in 2024.

LIABILITIES

"Deposits from Members" and "Withdrawable Shares."

Shares and deposits reached \$52.08 million and \$245.47 million, respectively, reflecting marginal increases of \$7.94 million and \$15.84 million over the 2022 financial year end. In 2023, \$4.59 million was transferred to the "Statutory Reserve." "Share Capital" increased by \$306,960 while \$9.25 million was reported for "Retained Earnings" for the financial year.

B. STATEMENT OF COMPREHENSIVE INCOME, OPERATING INCOME AND GENERAL & ADMINISTRATIVE EXPENSES

"Operating Income"

Jannou recorded total income of \$20.36 million, a 3.09% increase over 2022:

- i. Interest Income on Loans and Advances to Members - \$17.87 million
- ii. Investment Income - \$2.04 million
- iii. Other Operating Income - \$451,061

“Operating and Administrative Expenses”

Operating and Administrative Expenses increased by \$382,276 over the previous year. Coupled with “Interest Expense” of \$5.49 million and “Impairment Recoveries” of \$1.11 million, the “Total Comprehensive Income for the Year” was \$6.76 million, a decrease of \$3.91 million compared to \$10.67 million reported for the prior year.

CONCLUSION:

The remarkable achievements of 2023 stand as a testament to the trust our members place in Jannou Credit Union. Your continued confidence has empowered us to navigate market complexities while upholding the highest ethical standards and regulatory compliance. Our unwavering commitment to integrity, adherence to international best practices, and robust governance frameworks have not only driven our financial success but strengthened our ability to protect our members' financial future. As a values-driven institution, we remain dedicated to responsible financial stewardship within the credit union movement.

I would be negligent in my duty if I did not extend my profound gratitude to our exceptional team, whose collective expertise has been instrumental in our Credit Union's success. Our Management team, Staff members, Board of Directors, and Volunteers have demonstrated unwavering

dedication to operational excellence. I particularly commend the Finance Committee, whose strategic acumen and prudent oversight of our financial portfolio have significantly enhanced our institutional performance. The combined technical proficiency of the contributors mentioned above, their innovative approach to financial solutions, and steadfast commitment to serving our membership have been the driving forces behind our continued growth and stability.

Looking ahead, we remain steadfast in our commitment to serving you, our valued members. Through prudent cost management, strategic growth initiatives, and a relentless focus on member experience, we are confident that Jannou Credit Union will continue to thrive and build upon our legacy of excellence.

We thank you for your continued partnership, and we look forward to another year of efficient operations, increased surpluses, and progressive development that solidifies our position as the premier Credit Union in our sweet Saint Lucia.

Elsa Mathurin


Treasurer



SAINT LUCIA CIVIL SERVICE CO-OPERATIVE CREDIT UNION LIMITED
P-E-A-R-L-S
CREDIT UNION PERFORMANCE RATINGS

		2023		2022		STANDARD	
		ACTUAL	RATING	ACTUAL	RATING		
PROTECTION							
1	1	Provision for Loan Losses/Loan Delinquent>12 Months			100%	1	100%
	2	Provision for Loan Losses/Loan Delinquent<12 Months			29%	2	35%
	3	Solvency (Net Value of Assets/Total Shares & Deposits	124%	1	119%	1	>111%
EFFECTIVE FINANCIAL STRUCTURE							
2	1	Net Loans/Total Assets	58%	3	56%	3	70-80%
	2	Savings Deposits/Total Assets	81%	1	84%	2	70-80%
	3	Member Shares Capital/Total Assets	4.5%	2	4.7%	2	Less than or equal to 20%
	4	Institutional Capital/Total Assets	14%	1	15%	1	Greater than 10%
ASSET QUALITY							
3		Total Delinquency/Gross Loan Portfolio	5%	1	6%	2	Less than or equal to 5%
		Non-Earning Assets/Total Assets	2%	1	2%	1	Less than or equal to 5%
RATE OF RETURN AND COST							
4	1	Operating Expenses/Average Assets	2.6%	1	2.7%	1	Maintain 5%
	2	Net Income/Average Assets	1.6%	1	1.6%	1	E4=10%
	3	Fin. Cost : Member Shares	2%	1	2%	1	Market Rate Market Rate > Inflation
LIQUIDITY							
5	1	Liquid Reserves/Total Savings Deposit	29.5%	1	28.7%	1	Minimum 15%
	2	Non-Earning Liquid Assets/Total Assets	0.28%	1	0.46%	1	Less than or equal to 1%
SIGNS OF GROWTH							
6	1	Asset	7%	1	7.9%	1	Greater than inflation rate
	2	Member Shares	2%	2	-6.6%	2	To achieve goal in E3
	3	Loans	10%	3	10.8%	3	To achieve goal in E1
	4	Membership	1.1%	3	0.8%	3	Minimum 5%
	5	Institutional Capital	-0.08%	1	21%	1	To achieve goal in E4

INTERPRETATION OF GRADES

- GRADE 1 CREDIT UNION IS DOING WELL.
- GRADE 2 CREDIT UNION IS DOING WELL BUT EXPERIENCING MINOR INTERNAL PROBLEMS
- GRADE 3 CREDIT UNION IS ON THE WATCH LIST
- GRADE 4 CREDIT UNION IS IN SERIOUS TROUBLE
- GRADE 5 CREDIT UNION IS ON THE WAY OUT WITH THE POSSIBILITY OF LIQUIDATING OR MERGING WITHIN SIX (6) MONTHS

Analysis of Financial Statements

INDICATORS	2023	2022	INCREASE/(DECREASE)	
	\$	\$	\$	%
Assets	369,466,465	345,523,595	23,942,870	7
Net Loans	213,766,470	193,729,579	20,036,891	10
Members' Withdrawable shares	245,465,570	229,634,133	15,831,437	7
Members' Deposits	52,076,607	44,143,167	7,933,440	18
Shares	16,639,937	16,328,997	310,940	2
Members' Equity	68,098,081	68,204,578	(106,497)	(0.2)
Interest Income	17,869,478	16,805,551	1,63,927	6
Operating and Administrative Expenses	9,232,795	8,850,027	382,768	4
Net Operating Surplus	5,633,891	5,372,571	261,320	5

Credit Committee Report



The Credit Committee is very pleased to present its report on the activities for the financial year ending December 31, 2023. The Credit Committee's duties and functions were conducted as per the Co-operative Societies Act No.12 of 2006 and the By-laws of the St. Lucia Civil Service Credit Union now trading as the Jannou Credit Union.

The Credit Committee was able to serve the varying needs of the members, providing every member a fair opportunity at securing a loan. The Committee met 92 times for the year to review, evaluate and approve loan applications.

This year the Credit Committee comprised of five (5) members who served during the period. They are as follows:

1. Ms. Shorna Denis **Chairperson**
2. Mrs. Isa Alexander – David **Secretary**
3. Mr. Keegan Preville **Member**
4. Mr. Ricardo Corsinie **Member**
5. Mr. Anwar Deterville **Member**

The Committee ensured that all loans granted were given due diligence by ensuring that all requests were legitimate. Additionally, due consideration was given to the member's credit history, the security presented, the purpose of loan and the ability to service their loan.

The Credit Committee is charged with the responsibility of protecting member's savings and the interest of our Credit Union and as such

we ensured compliance, and strictly adhered to and maintain the Loan and Lending policy standards when deliberating on all loans. We cannot stress enough the need for our valued members to familiarize themselves with the various requirements when applying for a loan as well as providing the loans department with as much information necessary in order to avoid their loans being denied or the process being delayed.

In addition to loan approvals, the Committee's engagement included:

1. Reviewing of deferred loans;
2. Ratifying over the counter loans;
3. Reviewing of Credit Union monthly delinquent summary reports;
4. Reviewing and Ratifying Management approved loans;
5. Providing recommendations to the Board and Joint Committee on loans;
6. Attending Extraordinary Credit Committee and Joint Committee meeting;
7. Providing recommendations on deficient areas in the Loan and Lending Policy.

At this juncture, we take this opportunity to thank you the members for entrusting in us with your affairs as we humbly executed our duties. Two members namely Mr. Keegan Preville and Mrs. Isa Alexander have come to the end of their term. However, the latter is eligible for re-



election. We thank them immensely for their contribution and wish them every success in their future endeavours.

ANALYSIS OF LOANS

During the period under review, the Credit Committee approved nine thousand, three hundred and sixty-eight (9,368) loans which represents a 9.3% decrease in the number of loans that were approved in the year 2022. This can be attributed to the short year that we

had. As seen in **Figure 1**, Consumer, Mortgage, Vehicle and Wishmaker loans remains the largest category of loans approved for 2022. These categories account for the bigger share as in previous years.

The total amount of all loans approved for the year 2023 was \$71.7 Million which represents a slight decrease of 5% when compared to the year 2022.

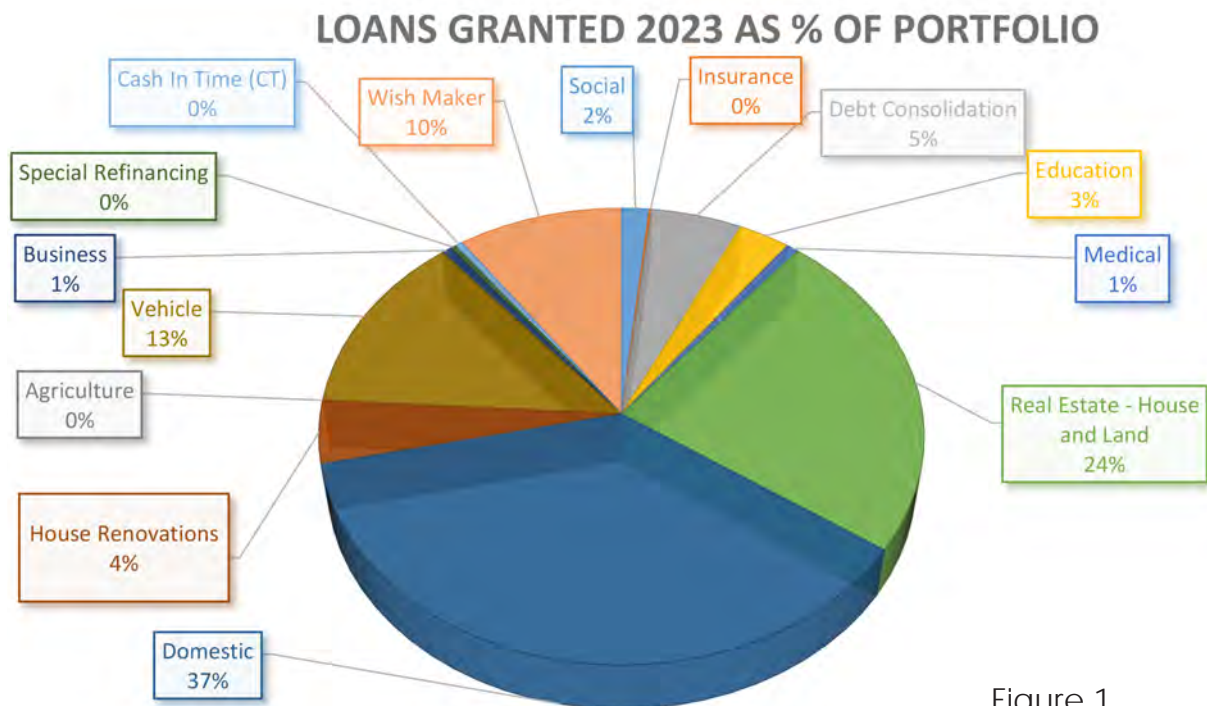


Figure 1

During the period, a total of twenty-one (21) loans amounting to \$2.1 Million were referred to the Board of Directors for approval. As per our Loan and Lending Policy, loans are referred to the Board for reasons such as:

1. *When a loan falls outside of the prescribed policy;*
2. *When a member requests an extension of his or her repayment period.*

Ninety-nine percent **(99.9%)** of all loans submitted to the Credit Committee were approved. One percent (.01%) of loans submitted were either deferred or denied for various reasons such as insufficient security, ability to repay, a delinquent history or insufficient information (see **Figure 2**).

extensions to members who applied and provided evidence that their income is still being affected as well as debt refinancing in an effort to find the necessary solutions that met both the needs of the members and by extension the Credit Union.

Growing our loan portfolio of the Credit Union is very important and as such Credit Committee ensures an in-depth assessment of all loan applications.

We urge members to continue financing their loans. Members are encouraged to make contact with their loans officer as soon as difficulties arise and continue to cooperate and communicate with the Credit Union during the process.

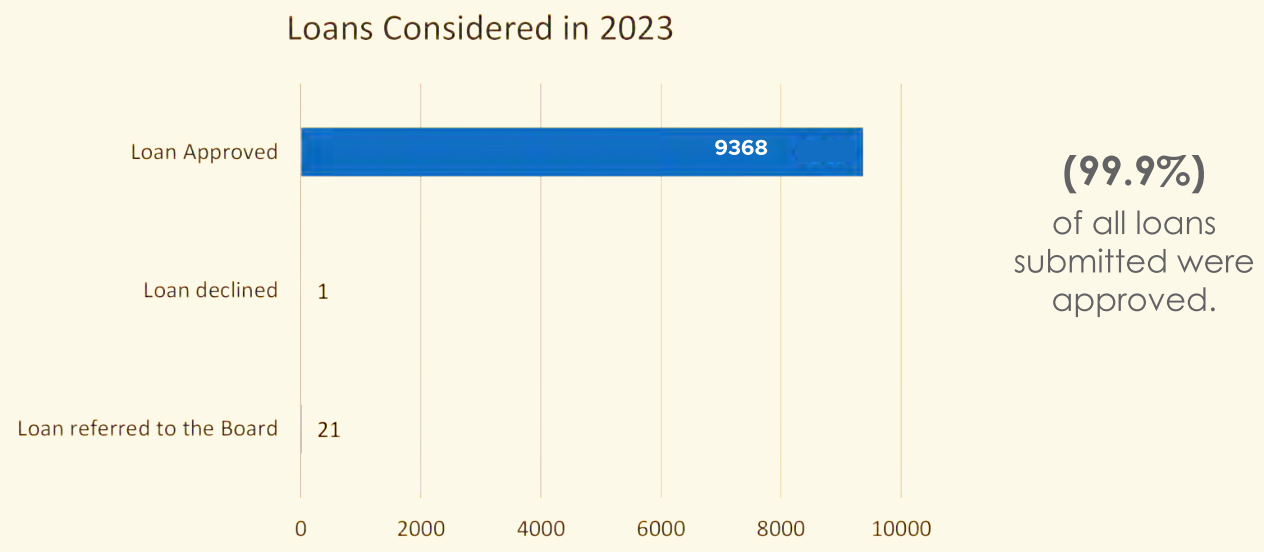


Figure 2

DELINQUENT LOANS

Delinquency management remains a priority for our Credit Union and as management continues to put measures in place to reduce the rate of delinquency. This year our delinquency rate increased by 2.1% from the preceding year which is below the industry standard of < 5%. (see table overleaf).

The economic challenges coupled with other factors continue to affect our members. The Credit department at Jannou has given

The Credit Committee wishes to acknowledge those members that continue to make their loan repayments regularly regardless of the hard economic times.

Table showing Distribution of Delinquent Loans for 2022 and 2023:

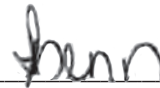
TIME PERIOD	TOTAL DELIQUENT LOAN PORTFOLIO 2022	TOTAL DELIQUENT LOAN PORTFOLIO 2023
1 - 30 days	28	0
31 - 60 days	14	10
61 - 90 days	0	13
91 - 179 days	23	36
180 - 269 days	15	17
270 - 364 days	26	15
365 days & over	272	295
Over 12 Months		
TOTAL	378	386

CONCLUSION

The Credit Committee acknowledges God for guidance and wisdom to carry out our duties efficiently and fairly during the period.

We would also like to acknowledge the assistance of the hardworking Management and staff of the Jannou Credit Union, the Board of Directors for their cooperation and support in executing our duties. A special thanks to the Loans Manager Mrs. Rita Francis and her team for their dedicated and diligent support provided during the year. To the administrative team led by Ms. Jn. Charles, thank you for always ensuring that the members of the Credit Committee performed their duties in conducive working environment.

To our valued membership, thank you for choosing Jannou as your financial partner. Your commitment, your trust means so much to us. We look forward to serving you in 2024 and beyond, as we continue to **Move Mountains for You!**



Ms. Shorna Denis



Mrs. Isa Alexander - David



Mr. Keegan Preville



Mr. Ricardo Corsinie



Mr. Anwar Deterville

Supervisory Committee Report



During the period, the Supervisory Committee comprised of the following members:

Ms. Annette Desir-Butcher – *Chairperson*

Ms. Yanice Vitalis – *Secretary*

Ms. Marcellina St. Edward-Preville

Ms. Verna Khadoo-Mathurin

Mrs. Martha Kears Duval-Gabriel

The Supervisory Committee was led by Ms. Annette Desir-Butcher until December 2023, at which point she completed her term. Ms. Leandra Felix was elected to fill the vacant post at the 42nd Annual General Meeting (AGM). Additionally, Mrs. Martha Kears Duval-Gabriel commenced her second term following her re-election at the AGM.

In accordance with the Co-operative Societies Act, the Committee operates independently from the Board and is charged with the crucial role of safeguarding the financial integrity and operational compliance of the credit union.

MANDATE AND KEY OVERSIGHT ACTIVITIES

The Supervisory Committee's mandate includes examining the credit union's records, verifying assets and member deposits, and investigating any misconduct. Meeting at least monthly, the Committee worked closely with the Internal Auditor to execute the 2023 Internal Audit Work Plan, which addressed prominent risks such as economic uncertainty, cybersecurity threats, and regulatory compliance.

Throughout the year, the Committee maintained bi-monthly meetings to oversee financial and operational stability. It also actively engaged

with Management and the Board to monitor financial report quality, audit recommendation implementation, and adherence to operational standards. Members were encouraged to submit questions, suggestions, and complaints, which the Committee addressed consistently to maintain a responsive and transparent environment. We continue to invite members to communicate with us through the Committee's suggestion boxes located at the Castries and Vieux-Fort branches or via email at supervisory@cscreditunion.org.

AUDIT REPORTS

During the reporting year, the Committee reviewed nine (9) audit reports. Six (6) reports, including those on Human Resources, Financial Controls, Compliance, Administration, IT, and a Digitization Project, were submitted to the Board on schedule. However, three (3) reports, addressing Business Continuity, Security, and Transaction Fraud, were submitted to the Board in early 2024. A persistent challenge within the audit process has been the delayed submission of management comments and timelines for implementing recommendations, which the Committee continues to discuss with the Board to ensure timely resolution.

INTERNAL AUDIT CHARTER

The Internal Audit Charter, a foundational document outlining the purpose, authority, and responsibilities of internal audit, was updated in collaboration with the Internal Auditor and submitted to the Board for approval. Final approval is anticipated in the next financial year. Periodic reviews of the charter are planned to adapt to evolving risks within the credit union.



MANAGEMENT ACCOUNTS

The Committee reviewed monthly Management Accounts, observing delays in submission that ranged from 6 to 77 days, contrary to the 14-day requirement. This matter has been communicated to the Board for corrective action, as timely submission is essential for maintaining effective oversight and accountability.

CORPORATE GOVERNANCE

Following governance weaknesses identified by the Financial Services Regulatory Authority (FSRA) in 2022, the credit union has been implementing additional measures to strengthen corporate governance. The Supervisory Committee will continue to monitor the progress in this area to ensure effective governance practices.

DELINQUENCY

Loan delinquency decreased by 14.87% during the reporting period, aligning with PEARLS standards, due in large part to the credit union's "Delinquency Management and Action Plan." As of December 31, 2023, delinquent loans totaled \$14.885 million out of a total loan portfolio of \$221.05 million, with \$6.918 million in mortgage loans and \$7.967 million in consumer loans. Despite this improvement, managing delinquent accounts continues to pose challenges. The Committee recommends developing a more comprehensive delinquency policy to further strengthen debt recovery efforts and reinforce the Credit Union's financial stability.

STRATEGIC PLAN

The Supervisory Committee has been monitoring the implementation of Jannou's 2023-2025

Strategic Plan, titled "**Strengthening JANNOU's Value Proposition through Financial Stability, Strong Membership and Robust Capacity.**" The plan, which includes updating policies and procedures to adapt to evolving regulatory requirements, is on track for completion by 2025. A comprehensive report on the plan's progress will be included in the next AGM report.

ROTATION OF EXTERNAL AUDITORS

In alignment with the best practice of rotating auditors, Jannou issued tenders for external auditors to ensure compliance and safeguard financial stewardship. BDO, which has audited Jannou's financial statements since 2010, was re-engaged for the 2023 audit due to the timing of the previous AGM in December 2023. New tenders for the 2024 audit are under review.

REVIEW OF POLICIES

The Committee is committed to ensuring that Jannou's policies remain current and effective in mitigating risks. Many of the policies, some of which were last reviewed as far back as 2004, have been targeted for updates as part of the 2023-2025 Strategic Plan. Regular policy reviews and updates are essential to sustaining operational integrity and member trust. This process commenced during the period.

OUTSTANDING VACATION LEAVE BALANCE

Accumulated vacation leave remains a concern due to its impact on productivity and cost. In 2023, Jannou paid \$30,986.83 in unused vacation leave to a departing employee, with an additional liability of \$100,232.00 for another employee if they choose to resign. To reduce costs and maintain service consistency, the Committee

recommends that Jannou enforce timely leave policies, ensuring that staff take leave regularly to prevent financial liabilities.

MANAGEMENT LETTERS

The Committee raised concerns over delays in issuing Management Letters, which are essential for internal control and financial accountability. Best practices call for these letters to be finalized immediately post-audit. Timely issuance allows the Board and Management to act on deficiencies and make strategic decisions based on current information. The Committee has urged that Management Letters accompany financial statements to improve response times.

SUCCESSION PLAN

A formal succession plan was underscored as a priority following staff resignations in 2023 that left critical positions temporarily vacant. Recognizing the importance of leadership continuity, Jannou's Strategic Plan now includes the development and implementation of a succession plan for completion by 2025. This plan will support long-term stability and foster internal talent development.

ANNUAL GENERAL MEETING (AGM)

Repeated delays in holding AGMs since 2008 remain a concern. The 2022 AGM, held in December 2023, continued this trend, with members expressing dissatisfaction. Timely AGMs are essential for transparency and effective member engagement, and the Committee encourages the Board to address this issue proactively.

ACKNOWLEDGEMENTS AND COMMITMENT TO FUTURE GOALS

The Committee extends sincere appreciation to members, volunteers, and the Internal Auditor for their support in 2023. With significant progress made in reducing delinquency, advancing strategic objectives, and enhancing governance, the Committee remains focused on improving audit recommendation implementation, updating policies, and ensuring strong succession planning. Members are encouraged to stay engaged and share feedback, as their involvement is crucial to Jannou's ongoing success. Together, we aim to build a safer, more resilient credit union that serves members' needs effectively.



Ms. Leandra Felix

Ms. Leandra Felix was elected to fill the vacant post at the 42nd Annual General Meeting (AGM) in December.

Mrs. Marcellina St. Edward-Preville

Mrs. Yanice Vidalis

Mrs. Verna Khadoo-Mathurin

Mrs. Martha Kears Duval-Gabriel

At **JANNOU** Credit Union

Your Opinion MATTERS

The **Supervisory Committee** encourages Members to submit **questions, suggestions, and complaints**, which the Committee addresses consistently to maintain a responsive and transparent environment.

Members can communicate with us through the Committee's suggestion boxes located at:
Castries Branch | Vieux-Fort Branch
or
email: supervisory@cscreditunion.org.



JANNOU
CREDIT UNION
Together we can move mountains



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2



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Education Committee Report

As outlined in Policy 4 of the Jannou Credit Union, "The Member Education Committee is responsible for membership education, promotion and advancement, supporting staff training and development programmes and general cooperative education of the community in which members reside. If there aren't enough members who know how the credit union works, its underlying philosophy and where it's going, then the members can't provide the appropriate leadership to run the credit union well."

For the year 2023 the members of the Education Committee were: *(Pictured from left to right above) Aaron Charles, Erica Louis, Menaissa Nelson, Elsa Mathurin, Karen Mathurin and Joshua Vernor, the chairman.* The Education Committee conducted the following activities in 2023:

1. VOLUNTEER ORIENTATION

Volunteer Orientation was held on the weekend of December 9th to 11th at the Bel Jou Hotel in La Panse. Volunteer Orientation seeks to educate and train the volunteers on their roles, as well as on the operations of the Credit Union, so they are better prepared to perform their duties.

The schedule of Topics is as follows:

Topic	Date	Start	End	Facilitator
Team Building Activity	Fri., 9th	8:00 PM	10:00 PM	Ms. Constance Paul-Akoffoo
The History of Credit Unions	Sat., 10th	8:30 AM	9:30 AM	Mr. Melvin Edward
Jannou's Products & Services	Sat., 10th	9:30 AM	10:30 AM	Ms. Olive St. Ville
Compliance	Sat., 10th	10:45 AM	12:15 PM	Mr. Shayne Felicien
Governance & Roles of the Committees	Sat., 10th	1:00 PM	3:00 PM	Mrs. Junia Belizaire
Evaluation of Loans	Sat., 10th	3:15 PM	5:00 PM	Mrs. Rita Francis
Emotional Intelligence	Sat., 10th	5:30 PM	7:30 PM	Mrs. Leah Goring
Understanding Financial Statements & Pearls	Sun., 11th	8:30 AM	12:15 PM	Mr. Antonius Duzausay
What's Next? Closing	Sun., 11th	1:00 PM	3:00 PM	Mr. Joshua Vernor



2. MEETING FOR CONTACT PERSONS

The Meeting for Contact persons was held on April 19th, 2023 at the financial Center, Sans Souci. The goal of this meeting was to establish a strong foundation for effective communication and engagement between the credit union and its designated contact persons. This meeting aimed to introduce the contact persons to their roles and responsibilities, provide them with comprehensive



information about the credit union's services, policies, and strategic goals, and equip them with the necessary tools to serve as effective intermediaries between the credit union and its members. Additionally, the meeting sought to build a collaborative network, encourage the exchange of ideas, and gather initial feedback to ensure that the needs and concerns of the wider membership could be effectively addressed through these contact persons.

3. NOMINEE ORIENTATION

On Saturday 10th June 2023, the Education Committee in conjunction with the Nominating Committee held Nominee Orientation at the Bay Gardens Inn. The event commenced at 9am and concluded at 2pm. The attendees were seeking to be elected into office in one of the various committees at the Annual General Meeting (AGM) which was slated for mid July 2023.



The purpose of Nominee Orientation is to provide prospective nominees insight into the roles and responsibilities of the elected committees namely, the Board of Directors, Credit Committee and Supervisory Committee. Additionally, this orientation aimed to address any misconceptions, uncertainties, or concerns that nominees may have had. Through open discussions regarding roles and responsibilities of the committees, the nominees obtained a realistic understanding of their future tasks. This approach facilitated the management of their expectations and ideally, minimized the likelihood of surprises or misunderstandings that could hinder their performance or overall experience. The program was as follows:



4. YOUR MONEY MAGAZINE

In July of 2023, we released the “Your Money” Magazine. This 20 page magazine focused on empowering members with insightful financial guidance and updates on credit union activities. This edition featured practical advice on summer budgeting and saving strategies to help members manage their finances during the vacation season. It highlighted new and enhanced financial products, such as competitive loan options and improved savings accounts, designed to meet the evolving needs of the members. The magazine also included inspiring member stories that showcase successful financial journeys, offering real-life examples of overcoming financial challenges with the support of Jannou Credit Union. Educational articles in this issue delve into topics like understanding the impact of inflation on personal finances and tips for first-time homebuyers. Additionally, the magazine emphasized the credit union’s commitment to community involvement, detailing recent charitable activities and upcoming community events. Expert insights are provided by financial advisors, addressing common financial questions and offering professional advice on investment strategies.

Overall, the July 2023 issue of “Your Money” serves as a valuable resource for members looking to enhance their financial well-being and stay connected with their credit union community.

Topic	Start Time	End Time	Facilitator
Opening Prayer	9:00 AM	9.05am	Dayne Emmanuel
Welcome Remarks	9.05am	9.10am	Karen Rene
Intro. to Credit Unions	9.10am	9.50am	Clara Nelson
Corporate Governance	9.50am	10.30am	Joshua Vernor
Compliance	10.40am	11.30am	Mr. Shayne Felicien
Testimonials	11.30am	12.45pm	Committee Chairpersons
Question & Answer	12.45pm	1.00pm	Elsa Mathurin
Close		2.00pm	

5. FINANCIAL LITERACY SERIES

This was a three part series focusing on financial literacy for members. The goal of the financial series sessions held by Jannou Credit Union was to enhance financial literacy and empower members with the knowledge and tools necessary to make informed financial decisions. These sessions aimed to educate participants on various aspects of personal finance, including budgeting, saving, investing, debt management, and planning for future financial goals. By providing expert advice and practical strategies, the credit union sought to improve members' financial well-being, helping them achieve greater financial stability and success. The first session was held on Saturday, 2nd September at 4pm at Bay Gardens Hotel. The Second was held on September 12th at



Donna Hinkson
facilitator -Financial Series

5pm at the Castres City Hall. The last session was dubbed planning for Retirement and was held on October 18th at 5pm at the Financial Center, Sans Souci.

CONCLUSION

In 2023, Jannou Credit Union demonstrated a strong commitment to enhancing the financial literacy and engagement of its members through a variety of educational initiatives. From volunteer orientations and contact person meetings to nominee orientations and financial literacy series, the credit union has made significant strides in ensuring its members are well-informed and prepared to take on leadership roles within the organization. The release of the “Your Money” magazine further underscores this commitment, providing members with valuable insights and updates to help them manage their finances effectively. These efforts not only empower individual members but also strengthen the overall cooperative spirit and operational success of Jannou Credit Union. As we move forward, we remain dedicated to fostering a knowledgeable and engaged membership, poised to lead the credit union towards continued growth and community impact.

Aaron Charles

Erica Louis

Menaisa Nelson

Elsa Mathurin

Karen Mathurin

Joshua Vernor

AUDITOR'S **REPORT**

Audited Financial Statements

**St. Lucia Civil Service
Co-operative Credit Union Ltd.
(Trading as Jannou Credit Union)**

FOR THE YEAR ENDED DECEMBER 31, 2023

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St. Lucia

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of St Lucia Civil Service Co-operative Credit Union Limited (the Credit Union), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in members' equity, comprehensive income and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

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 Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Other Information Included in the Credit Union's 2023 Annual Report

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Auditor's Responsibility for the Audit of the Financial Statements (Cont'd)

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

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



Chartered Accountants
Castries, St. Lucia

November 1, 2024

St. Lucia Civil Service Co-operative
Credit Union Ltd. (Trading as Jannou Credit Union)

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Statement of Financial Position

As at December 31, 2023

(Expressed in Eastern Caribbean Dollars)

	Notes	2023 \$	2022 \$
ASSETS			
Cash	7	87,815,439	83,175,953
Financial investments:			
- Amortised cost	8	61,075,447	61,349,575
- Fair value through other comprehensive income (FVTOCI)	8	885,004	955,240
Other receivables and other assets	9	446,203	789,329
Loans and advances to members	10	213,766,470	193,729,579
Property and equipment	11	5,477,902	5,523,919
TOTAL ASSETS		369,466,465	345,523,595
LIABILITIES AND MEMBERS' EQUITY			
Liabilities			
Other payables and accruals	12	3,826,207	3,541,717
Deposits from members	13	52,076,607	44,143,167
Withdrawable shares	14	245,465,570	229,634,133
		301,368,384	277,319,017
Members' Equity			
Share capital	16	16,635,937	16,328,997
Statutory reserve	17	39,941,114	35,377,403
Education reserve	18	500,000	500,000
Development fund	19	538,156	538,156
Disaster fund		230,112	230,112
Funeral and burial benefits scheme	20	802,465	837,465
Fair value reserve	21	202,202	272,438
Retained earnings		9,248,095	14,120,007
		68,098,081	68,204,578
TOTAL LIABILITIES AND MEMBERS' EQUITY		369,466,465	345,523,595

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

APPROVED ON BEHALF OF THE BOARD:-



Director



Director

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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Statement of Changes in Members' Equity
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

	Notes	Share Capital	Statutory Reserve	Education Reserve	Development Fund	Disaster Fund	Funeral and Burial Benefits Scheme	Fair Value Reserve	Retained Earnings	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at January 1, 2022		16,437,263	33,244,030	500,000	538,156	230,112	844,465	243,805	7,236,582	59,274,413
Shares issued		174,756	-	-	-	-	-	-	-	174,756
Shares withdrawn	16	(283,022)	-	-	-	-	-	-	-	(283,022)
Total comprehensive income for the year		-	-	-	-	-	-	-	-	-
Allocation for - Statutory reserve		-	2,128,783	-	-	-	-	28,633	10,643,913	10,672,546
- Increase allocation	18	-	-	295,569	-	-	-	-	(2,128,783)	-
Benefits paid		-	-	(295,569)	-	-	(7,000)	-	(295,569)	-
Entrance fees	17	-	4,590	-	-	-	-	-	-	(302,569)
Dividends	15	-	-	-	-	-	-	-	(314,824)	4,590
Patronage refund	15	-	-	-	-	-	-	-	(1,021,312)	(1,021,312)
Balance as at December 31, 2022		16,328,997	35,377,403	500,000	538,156	230,112	837,465	272,438	14,120,007	68,204,578
Balance at January 1, 2023		16,328,997	35,377,403	500,000	538,156	230,112	837,465	272,438	14,120,007	68,204,578
Shares issued	16	537,445	-	-	-	-	-	-	-	537,445
Shares withdrawn	16	(230,505)	-	-	-	-	-	-	-	(230,505)
Total comprehensive income for the year		-	-	-	-	-	-	(70,236)	6,832,062	6,761,826
Allocation for - Statutory reserve	17	-	4,559,586	-	-	-	-	-	(4,559,586)	-
Increase in allocation	18	-	-	370,270	-	-	-	-	(370,270)	-
Benefits paid	18,20	-	-	(370,270)	-	-	(35,000)	-	17	(405,253)
Entrance fees	17	-	4,125	-	-	-	-	-	-	4,125
Dividends	15	-	-	-	-	-	-	-	(3,994,640)	(3,994,640)
Patronage refund	15	-	-	-	-	-	-	-	(2,779,495)	(2,779,495)
Balance as at December 31, 2023		16,635,937	39,941,114	500,000	538,156	230,112	802,465	202,202	9,248,095	68,098,081

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

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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Statement of Comprehensive Income
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

	Notes	2023 \$	2022 \$
Income			
Interest income on loans and advances to members		17,869,478	16,805,551
Interest expense		(5,493,436)	(5,156,707)
Net Interest Income		12,376,042	11,648,844
Other Income			
Investment income	22	2,039,583	2,177,822
Other operating income	23	451,061	395,932
		2,490,644	2,573,754
Operating Income		14,866,686	14,222,598
General and Administrative Expenses			
Operating and administrative expenses	24	9,232,795	8,850,027
Impairment recoveries on loans and advances to members	10	(1,114,161)	(5,028,185)
Direct loan recoveries	10	(84,010)	(111,545)
Impairment recoveries on financial investments	8	-	(131,611)
		8,034,624	3,578,685
NET INCOME FOR THE YEAR		6,832,062	10,643,913
Other Comprehensive (Loss)/Income			
Fair value (decrease)/increase in investments at FVTOCI	21	(70,236)	28,633
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,761,826	10,672,546

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

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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Statement of Cash Flows
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

	Notes	2023 \$	2022 \$
Cash Flows from Operating Activities			
Net income for the year		6,832,062	10,643,913
Adjustments for:			
Depreciation	11,24	517,868	569,267
Provision for financial investment write-back	10	-	(131,611)
Provision for loan (write-back)/losses	10	(1,114,161)	(5,028,185)
Direct loan write-back	10	(84,010)	(111,545)
Interest income on loans and advances to members		(17,869,478)	(16,805,551)
Investment income		(2,039,583)	(2,177,822)
Interest expense		5,493,436	5,156,707
Operating loss before operating assets and liabilities		(8,263,866)	(7,884,828)
Decrease/(increase) in other receivables and other assets		343,126	(298,506)
Increase in loans and advances to members		(16,471,754)	(19,546,374)
Increase in other payables and accruals		284,490	1,115,284
Increase in deposits from members		7,933,440	4,364,810
Increase in withdrawable shares		15,831,437	10,941,561
Entrance fees		4,125	4,590
Cash used in operations		(339,002)	(11,303,458)
Interest received from members'		15,502,530	16,601,117
Interest expense paid		(5,493,436)	(5,156,707)
Net cash generated from operating activities		9,670,092	140,947
Cash Flows from Investing Activities			
Interest received		2,162,390	2,261,290
Purchase of investment securities		(945,451)	(995,993)
Proceeds from sale of investments securities		1,096,773	6,185,843
Purchase of property and equipment	11	(471,851)	(460,916)
Net cash generated from investing activities		1,841,861	6,990,220
Cash Flows from Financing Activities			
Increase/(decrease) in share capital		306,940	(108,266)
Training expenses - Education Reserve		(370,270)	(295,569)
Benefits paid	20	(35,000)	(7,000)
Dividends paid	15	(3,994,640)	(314,824)
Patronage refund	15	(2,779,495)	(1,021,312)
Net cash used in financing activities		(6,872,465)	(1,746,971)
Increase in Cash		4,639,488	5,384,196
Cash - Beginning of Year		83,175,953	77,791,753
Cash - End of Year		87,815,441	83,175,953
Represented by:			
Cash in hand		1,025,606	1,595,403
Cash at bank		86,789,833	81,580,550
	7	87,815,439	83,175,953

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

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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Notes to the Financial Statements
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

1. Introduction

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union) (“the Credit Union”) is a co-operative society registered in St. Lucia as a Credit Union under the Co-operative Societies Act Cap 12.06 of 2001 on September 28, 1972.

Its principal activity is that of providing financial services and other benefits to its members.

The Co-operative’s registered office is at Cnr. Jeremie Street, Chaussee and Trinity Church Road, Castries, Saint Lucia.

2. Date of Authorisation of Issue

These financial statements were authorised for issue by the Board of Directors on October 29, 2024.

3. Material Accounting Policy Information

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

(a) Statement of Compliance

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

These financial statements have been drawn up in accordance with IFRS Accounting Standards as at December 31, 2023 (the reporting date).

(b) Basis of Preparation

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Critical accounting estimates may be made in determining impairment of financial assets as set out in Note 4.

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

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

Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for fair value through other comprehensive income (FVTOCI) investments measured at fair value.

3. Material Accounting Policy Information (Cont'd)

(b) Basis of Preparation (Cont'd)

Amendments to International Financial Reporting Standards effective in the 2023 financial year

The Credit Union applied for the first-time, unless otherwise indicated, certain amendments to the standards, which are effective for annual periods beginning on or after January 1, 2023. The amendments had no significant impact on the Credit Union's financial statements.

- IAS 1, 'Presentation of Financial Statements' was amended to change the requirements with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policies". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments also clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. IFRS Practice Statement 2 illustrates the guidance and examples to explain and demonstrate the "four-step materiality process".

The application of this amendment did not have a material impact on amounts reported in the Credit Union's financial statements.

- IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' was amended to replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments also clarify the following:

that a change in accounting estimate that results from new information or new developments is not the correction of an error; and,

The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The application of these amendments did not have a material impact on amounts reported and disclosures in respect to the Credit Union's financial statements.

3. **Material Accounting Policy Information (Cont'd)**

(b) **Basis of Preparation (Cont'd)**

Amendments that are issued but not effective and have not been early adopted

The following amendments are effective for the period beginning 1 January 2024:

- IAS 1, 'Presentation of Financial Statements' was amended to help companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

This amendment is applicable for annual periods beginning on or after January 1, 2024. It is not anticipated that the application of this amendment will have a material impact on amounts reported in the Credit Union's financial statements.

Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). For classification purposes, IFRS 9 requires all financial assets, except equity instruments and derivatives to be assessed on the basis of the entity's business model for managing the assets and the contractual cash flow characteristics of the instruments. The standard eliminates the previous categories under IAS 39 of available-for-sale, held-to-maturity and loans and receivables. The Credit Union has classified its financial assets as follows:

- Debt instruments at amortised cost; and
- Equity instruments designed at fair value through other comprehensive income (FVOCI)

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities and therefore, there have been no significant changes to the accounting for the Credit Union's financial liabilities under IFRS 9.

3. Material Accounting Policy Information (Cont'd)

(b) Basis of Preparation (Cont'd)

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model for financial assets. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. These new requirements are forward-looking and eliminate the threshold that was in IAS 39 for the recognition of credit losses. Under the new approach it is no longer necessary for a credit event to have occurred before credit losses are recognized and therefore under IFRS 9, credit losses are recognized earlier than under IAS 39. The impairment allowance is based on a three-stage model that determines the expected credit loss based on the probability of default, the exposure at default and the loss given default for loans and loan commitments, debt securities not held for trading and financial guarantee contracts.

(c) Foreign Currencies

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

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

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

(d) Impairment of Non-Financial Assets

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

(e) Cash

Cash comprise balances with less than three months' maturity from the date of acquisition and includes cash on hand and cash at bank. Cash is measured at amortised cost.

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets

The Credit Union classifies financial assets to the following IFRS 9 measurement categories:

- Debt instruments at amortized cost
- Equity instruments designated as measured at FVOCI

IFRS 9 classification is based on the business model in which a financial asset is managed and its contractual cash flows. As at reporting date, no debt instruments were measured at FVOCI.

On initial recognition, financial assets are classified by the Credit Union as follows:

Debt Instruments

Debt instruments, including loans and debt securities, are classified and measured at amortized cost. Investments in debt instruments are measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL.

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the outstanding principal balance.

Business model assessment

Business model assessment involves determining how financial assets are managed in order to generate cash flow. The Credit Union's business model assessment is based on the following categories:

- *Hold to Collect* - The objective of the business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model.
- *Hold to collect and sell* - both collecting contractual cash flows and sales are integral to achieving the objectives of the business model.
- *Other Business model* - this business model is neither hold-to-collect nor hold-to-collect and sell. The Credit Union determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. The model is not assessed on an instrument-by instrument-basis, but rather at a portfolio level and based on factors such as:
 - How the performance of the financial assets held within that business model are evaluated and reported to the Credit Union's management personnel.
 - The risks that affect the performance of the assets held within a business model (and in particular, the way those risks are managed).
 - The expected frequency, value and timing of sales activity.
 - The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching duration of the financial assets to the duration of the financial liabilities that are funding those assets or realising cash flows through the sale of the asset.

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Debt instruments measured at amortised cost

Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost. Interest income on these investments is recognized in interest income using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated by taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate.

Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit loss (ACL) in the statement of financial position.

Equity instruments

All equity securities are measured at fair value. On initial recognition the Credit Union may make an irrevocable decision to present in OCI gains and losses from changes in fair value of certain equity instruments. When insufficient information is available to measure fair value, then the instrument is measured at cost when it represents the best estimate of fair value. When an equity instrument classified at FVOCI is sold the cumulative or loss recorded in OCI is not recycled to profit or loss. Dividends recorded from securities measured at FVOCI are recognised in profit or loss.

A financial instrument with a reliably measurable fair value can be designated at FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the selling or repurchasing. The Credit Union has not designated any financial instruments as FVTPL on initial recognition.

Impairment of financial assets

Scope

The adoption of IFRS 9 has fundamentally changed the Credit Union's impairment model by replacing IAS 39's incurred loss approach with a forward looking three-stage expected credit loss (ECL) approach. As of January 1, 2023, the Credit Union has recorded the allowance for expected credit losses for the following categories of financial assets:

- Debt instruments measured at amortised cost; and
- Off-balance sheet loan commitments.

No impairment loss is recognised on equity instruments.

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Impairment of financial assets (Cont'd)

Expected credit loss impairment model

The three stage ECL allowance model is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss (LTECL), unless there has been no significant increase or deterioration in credit risk since origination, in which case, the allowance is based on the 12 months expected credit loss (12m ECL). The 12m ECL is the portion of the LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both lifetimes expected credit losses and 12 month expected credit losses are calculated on an individual basis but for purposes of determining the probability of default and loss given default financial assets are grouped according to common characteristics.

The three-stage approach applied by the Credit Union is as follows:

Stage 1: 12-months ECL

The Credit Union assesses ECLs on exposures where there has not been significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Credit Union recognises a provision on the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. Stage 1 loans include those instruments that are in arrears for 30 days or less and those facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2: Lifetime ECL-not credit impaired

The Credit Union assesses ECLs on exposures where there has been significant increase in credit risk since initial recognition but are not credit impaired. This category includes loans which are over 30 days but less than 90 days in arrears. For these exposures, the Credit Union recognises as a provision a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

Stage 3: Lifetime ECL- credit impaired

The Credit Union identifies, individually, ECLs on those exposures that are assessed as credit impaired based on whether one or more events that a detrimental effect on the estimated future cash flows of that asset have occurred. Loans that are overdue for 90 days or more are considered credit impaired. For exposures that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

Measurement of ECL

ECL are a probability weighted estimate of credit losses. They are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date*: as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and cash flows that the Credit Union expects to receive);
- *Financial assets that are credit-impaired at the reporting date*: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *Undrawn loan commitment*: the present value of the difference between contractual cash flows that are due to the Credit Union if the commitment is drawn down and the cash flows that the Credit Union expects to receive.

3. Material Accounting Policy Information (Cont'd)

(f) Financial Assets (Cont'd)

Impairment of financial assets (Cont'd)

Measurement of ECL (Cont'd)

The inputs used to estimate the expected credit losses are as follows:

- *Probability of Default (PD)* - The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life if the facility has not been previously derecognized and is still in the portfolio.
- *Exposure at default (EAD)* - The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- *Loss Given Default (LGD)* - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of EAD.

Forward looking information

The standard requires the incorporation of forward-looking information in the estimation of expected credit losses for each stage and the assessment of significant increases in credit risk. It considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Macroeconomic factors

The standard also requires incorporation of macroeconomic factors in models for ECLs. In its models, the Credit Union conducted an assessment of a range of forward-looking economic information as possible inputs, such as GDP growth, unemployment rates and inflation. The Credit Union has incorporated GDP and unemployment rates for Saint Lucia in developing its forward-looking information.

The standard recognises that the inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be used as temporary adjustments using expert credit judgement.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Credit Union considers both quantitative and qualitative information and analysis based on the Credit Union's historical experience and credit risk assessment. The Credit Union considers as a backstop that significant increase in credit risk occurs when an asset is more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECLs to 12-months.

3. **Material Accounting Policy Information (Cont'd)**

(f) **Financial Assets (Cont'd)**

Impairment of financial assets (Cont'd)

Expected Life

For instruments in Stage 2 or 3, loss allowances reflect expected credit losses over the expected remaining life of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

Presentation of allowance for ECL

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Undrawn loan commitments and financial guarantees generally as a provision in other liabilities.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then the assessment is made of whether the financial asset should be derecognized in ECL and measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discontinued from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit Impaired Financial Assets

At each reporting date the Credit Union assesses whether financial assets carried at amortised cost are credit impaired (referred to as Stage 3 financial assets"). A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower;
- A breach of contract such as default or past due events;
- The restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

3. **Material Accounting Policy Information (Cont'd)**

(f) **Financial Assets (Cont'd)**

Impairment of financial assets (Cont'd)

Credit Impaired Financial Assets (Cont'd)

- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - Adverse changes in the payment status of borrowers in the group; or
 - National or economic conditions that correlate with defaults on the assets in the group.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, loans that are overdue for 90 days or more are considered credit impaired.

Definition of default

The Credit Union considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- Significant financial difficulty of the borrower;
- Default or delinquency of principal and interest by a borrower;
- Restructuring of a loan or advance by the Credit Union on terms that the Credit Union would not normally consider;
- Measurable decrease in the estimated cash flows from the loan or the underlying assets that secure the loan; or
- The disappearance of an active market for a security because of financial difficulties.

The Credit Union considers that default has occurred and classifies the financial asset as credit impaired when it is more than 90 days past due.

Write-offs

The write-off of a financial asset is a derecognition event. Loans and related impairment losses are either written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, they are generally written off after receipt of any proceeds from the realization of collateral. In circumstances where the new realizable value on any collateral has been determined and there is no reasonable expectation of recovery, write-off may be earlier.

3. Material Accounting Policy Information (Cont'd)

(g) Property and Equipment

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

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

Assets	Estimated Useful Lives
Freehold buildings	50 years
Leasehold improvements	5 years
Furniture and equipment	5 - 10 years
Computer hardware and software	3 - 7 years

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

(h) Financial Liabilities

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

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

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

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

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

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

3. Material Accounting Policy Information (Cont'd)

(i) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Pursuant to Section 109 of the 2001 Act the Credit Union has a legally enforceable right to offset members' deposits against any related loan balances that are over 90 days overdue.

(j) Members' Equity

Share Capital is determined using the nominal value of shares that have been issued.

Reserves are set aside by the Credit Union whereby allocations are transferred from Retained Earnings as necessary.

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

(k) Interest Income and Expenses

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

(l) Fees and Other Revenue

Fees and other revenue are recognised on an accrual basis when the related service has been provided.

(m) Expenses

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

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

3. Material Accounting Policy Information (Cont'd)

(n) Leases

The Credit Union as a lessee

Short-term Leases and Leases of Low-value Assets - The Credit Union has elected to account for low-value assets and short-term leases (defined as leases with a lease term of 12 months or less) using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(o) Income Tax

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

(p) Dividend Distributions

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

(q) Related Parties

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

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

4. Critical Accounting Judgments, Estimates and Assumptions

The Credit Union makes certain judgments, estimates and assumptions regarding the future. Judgments, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the succeeding pages.

4.1. Judgments

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

Classification of financial instruments

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

The key assumptions concerning the future and other key sources of estimation at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of financial instruments

The Credit Union carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Credit Union utilized different valuation methodologies and assumptions. Any changes in the fair value of these financial assets and liabilities would affect profit or loss and equity.

4. Critical Accounting Judgments, Estimates and Assumptions (Cont'd)

4.2. Estimates and assumptions

The fair values of financial assets and liabilities as at December 31, 2023 and 2022 are disclosed in Note 5(d).

Allowance for impairment on loans

Expected credit losses

Establishing the criteria for determining whether credit risk on the financial asset has increase significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of the method used to measure ECL.

Useful lives of property and equipment

The Credit Union estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of each asset are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of the assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase recorded cost of sales and operating expenses and decrease non-current assets.

There were no changes in the estimated useful lives of property and equipment in 2023 and 2022.

5. Financial Risk Management

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

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

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

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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Notes to the Financial Statements
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

5. Financial Risk Management (Cont'd)

(a) Credit Risk

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

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

The maximum exposure to credit risk before collateral held or other credit enhancements are as follows:

	2023 \$	2022 \$
Credit risk exposure relating to on-statement of financial position items: -		
Cash at bank	86,789,833	81,580,550
Financial investments	61,960,452	62,304,816
Other receivables and assets	446,203	789,329
Loans and advances to members	213,766,470	193,729,579
	<u>362,962,958</u>	<u>338,404,274</u>
Credit risk exposure relating to off-statement of financial position items: -		
Loans commitments	6,677,461	8,871,101
	<u>369,640,419</u>	<u>347,275,375</u>

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

	2023 \$	2022 \$
Social	3,758,548	3,792,781
Insurance	371,711	256,296
Debt Consolidation	6,374,359	5,734,836
Education	6,767,477	7,192,095
Medical	1,070,621	1,152,162
Mortgages and Real Estate	81,031,034	75,146,941
Renovations	8,257,059	7,066,564
Christmas Wish maker	13,887,771	12,889,370
Vehicles	17,607,677	14,691,557
Refinancing	824,763	742,433
Consumer loans/other	81,097,679	73,635,085
	<u>221,048,699</u>	<u>202,300,120</u>

Notes to the Financial Statements
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

5. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(i) Loans and advances to members

Loans and advances to members are summarized as follows:

	2023	2022
	\$	\$
Neither past due nor impaired	206,914,942	185,994,373
Past due but not impaired	3,290,142	4,792,845
Impaired but not deemed total loss	2,190,594	2,652,377
Impaired	9,837,274	10,040,805
Gross	222,232,952	203,480,399
Allowance for impairment losses	(8,466,482)	(9,750,820)
Net	213,766,470	193,729,579

Loans and advances for which the loss allowance is measured at:

	Stage 1		Stage 2		Stage 3		Total
	2023	2022	2023	2022	2023	2022	
	\$	\$	\$	\$	\$	\$	\$
Gross	210,872,838	191,469,256	1,829,603	3,195,062	9,530,512	8,816,082	222,232,952
Less allowance for impairment on loans and advances	(1,856,487)	(3,113,956)	(406,710)	(337,110)	(6,203,286)	(6,299,754)	(9,750,820)
	209,016,351	188,355,300	1,422,893	2,857,952	3,327,226	2,516,328	213,766,470
							193,729,579

Further information on the allowing for impairment on loans and advances to members is provided in Note 10.

5. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(ii) Loans and advances to members past due but not impaired

Loans up to 90 days past due are not considered impaired unless information is available to indicate otherwise. Therefore, the gross amount of loans and advances to members that were past due but not impaired were as follows:

	2023	2022
	\$	\$
Past due up to 30 days	100,274	242,383
Past due 31 - 60 days	2,278,697	3,494,854
Past due 61 - 90 days	836,235	1,055,607
	<u>3,215,206</u>	<u>4,792,844</u>

(iii) Loans and advances to members individually impaired

The table below shows gross amount of individually impaired loans and advances to members before taking into consideration the cash flows from collateral held.

	2023	2022
	\$	\$
Individually Impaired loans		
Stage 3	11,670,590	12,704,256
Total	<u>11,670,590</u>	<u>12,704,256</u>

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5. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(iii) Loans and advances to members individually impaired (Cont'd)

The table below shows the individually impaired loans and advances to members before taking into consideration the cash flows from collateral held.

The breakdown of the gross amount of individually impaired loans and advances by class are as follows:

	Manufacturing and business \$	Personal \$	Education \$	Mortgage \$	Total \$
As at December 31, 2023 Individually impaired loans	231,622	5,293,819	699,088	5,446,061	11,670,590
As at December 31, 2022 Individually impaired loans	246,164	4,939,367	649,493	6,896,232	12,704,256

Interest is not accrued on impaired financial assets.

Total fair value of collaterals pledged for the above individually impaired loans and advances to members amounted to \$6,677,461 (2022 : \$8,042,423).

(iv) Reposessed assets

The Credit Union may foreclose on overdue loans by reposessing the pledged asset. The pledged asset may consist of real estate, equipment or vehicles which the Credit Union will seek to dispose of by sale. In some instances, the Credit Union may provide re-financing. There are no reposessed assets for the year ended December 31, 2023.

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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5. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(v) Credit quality per class of financial assets (Cont'd)

The table below presents an analysis of debts securities like bond, deposits, treasury bills and other eligible bills by rating agency designation at December 31, 2023 and 2022:

	Receivables - Bonds \$	Receivables - Deposits \$	Receivables - Treasury bills \$	Total \$
As at December 31, 2023				
CariBBB to CariBBB+	22,343,299	-	17,592,263	39,935,562
Unrated	-	20,911,292	-	20,911,292
Total	22,343,299	20,911,292	17,592,263	60,846,854
As at December 31, 2022				
CariBBB to CariBBB+	22,924,038	-	17,463,580	40,387,619
Unrated	-	20,610,560	-	20,610,560
Total	22,924,038	20,610,560	17,463,580	60,998,179

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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5. Financial Risk Management (Cont'd)

(b) Liquidity Risk

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

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

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

Management undertakes continuous review of cash inflows and outflows and seeks to maintain a loans-to-savings ratio not exceeding 80%. For the purpose of this ratio savings include deposits from members and shareholder balances.

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

	Carrying amounts	Contractual Cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
As at December 31, 2023							
Other payables and accruals	3,826,207	3,656,030	3,656,030	-	-	-	-
Deposits from members	52,076,607	52,076,607	52,076,607	-	-	-	-
Withdrawable shares	245,465,569	245,465,569	245,465,569	-	-	-	-
	<u>301,368,383</u>	<u>301,198,206</u>	<u>301,198,206</u>	-	-	-	-
As at December 31, 2022							
Other payables and accruals	3,541,717	3,541,717	3,541,717	-	-	-	-
Deposits from members	44,143,167	44,143,167	44,143,167	-	-	-	-
Withdrawable shares	229,634,133	229,634,133	229,634,133	-	-	-	-
	<u>277,319,017</u>	<u>277,319,017</u>	<u>277,319,017</u>	-	-	-	-

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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Notes to the Financial Statements
For the Year Ended December 31, 2023
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5. Financial Risk Management (Cont'd)

(c) Interest Rate Risk

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

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

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

	Immediately rate sensitive \$	1 - 3 months \$	3 - 12 months \$	Greater than 12 months \$	Non-rate sensitive \$	Total \$
As at December 31, 2023						
Financial Assets						
Cash at bank	86,789,833	-	-	-	-	86,789,833
Financial investments	-	2,791,431	40,572,010	17,195,974	1,471,273	62,030,688
Other receivables and assets	-	-	-	-	446,204	446,204
Loans and advances to members	-	13,705,159	6,574,975	200,768,565	1,184,254	222,232,953
Financial Liabilities						
Other payables and accruals	-	-	-	-	(3,826,207)	(3,826,207)
Deposits from members	(52,076,607)	-	-	-	-	(52,076,607)
Withdrawable shares	(245,465,569)	-	-	-	-	(245,465,569)
Total interest sensitivity gap	(210,752,343)	16,496,590	47,146,985	217,964,539	(724,476)	70,131,295

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5. Financial Risk Management (Cont'd)
(c) Interest Rate Risk (Cont'd)

	Immediately rate sensitive \$	1 - 3 months \$	3 - 12 months \$	Greater than 12 months \$	Non-rate sensitive \$	Total \$
As at December 31, 2022						
Financial Assets						
Cash at bank	81,580,550	-	-	-	-	81,580,550
Financial investments	-	2,743,421	40,896,160	17,071,158	1,594,081	62,304,816
Other receivables and assets	-	-	-	-	789,329	789,329
Loans and advances to members	-	12,093,994	9,790,686	180,413,024	1,182,695	203,480,399
Financial Liabilities						
Other payables and accruals	-	-	-	-	(3,541,717)	(3,541,717)
Deposits from members	(44,143,167)	-	-	-	-	(44,143,167)
Withdrawable shares	(229,634,133)	-	-	-	-	(229,634,133)
Total interest sensitivity gap	(192,196,750)	14,837,415	50,686,846	197,484,182	24,388	70,836,081

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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5. Financial Risk Management (Cont'd)

(c) Interest Rate Risk (Cont'd)

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

	2023	2022
	\$	\$
Financial Assets		
Financial investments	61,075,447	61,349,577
Loans and advances to members	221,048,699	202,297,705
	<u>282,124,146</u>	<u>263,647,282</u>
Financial Liabilities		
Deposits from members	52,076,607	44,143,167
Withdrawable shares	245,465,569	229,634,133
	<u>297,542,176</u>	<u>273,777,300</u>

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

	2023	2022
	%	%
Financial Assets		
Cash	0.25	0.25
Financial investments	1.25 - 6.95	1.25 - 6.75
Loans and advances to members	5.0 - 14.00	5.0 - 14.00
Financial Liabilities		
Deposits from members	2.00	2.00
Withdrawable shares	2.00	2.00

The following table demonstrates the sensitivity to a reasonably possible change in the interest rate, with all other variables held constant, of the Credit Union's profit and net assets.

	Change in interest rate	Effect on profit before tax	Effect on net assets
<u>2023</u>			
Cash at bank	±0.50%-	±433,949	±433,949
Investment securities	±0.50%-	±306,814	±306,814
Loans and advances to members	±0.50%-	±1,105,243	±1,105,243
Members deposits	±0.50%-	±260,383	±260,383
<u>2022</u>			
Cash at bank	±0.50%-	±407,903	±407,903
Investment securities	±0.50%-	±310,723	±310,723
Loans and advances to members	±0.50%-	±972,327	±972,327
Members deposits	±0.50%-	±220,715	±220,715

5. Financial Risk Management (Cont'd)

(d) Fair Value Hierarchy

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable willing parties who are under no compulsion to act and is best evidenced by a quoted market value if one exists. The following methods and assumptions were used to estimate the fair value of financial instruments.

The fair values of cash resources, accounts receivable and accounts payable, members' deposits, and other short-term instruments are assumed to approximate their carrying amounts due to their short-term nature. The fair value of off statement of financial position commitments are also assumed to approximate the fair value due to their short-term nature.

Investment Securities

Assets classified as available for sale are at fair value based on market prices or broker price quotations. For unlisted securities, fair value is estimated on their cost as the amounts are immaterial. For investment securities classified as loans and receivables fair value is estimated using discounted cash flows.

Loans and Advances to Members

Loans and advances are net of their provision for impairment. The estimated fair values of loans and advances represent the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Fair Values of Financial Assets and Liabilities

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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at December 31, 2023				
Financial Assets measured at fair value				
Securities available-for-sale - Listed		118,695	-	118,695
Securities available-for-sale - Unlisted	-	-	766,309	766,309
	-	118,695	766,309	885,004
Financial Assets for which fair values are disclosed				
Securities - Financial Investments	-	-	60,883,922	60,883,992
Loan and advances to members	-	-	198,719,309	198,719,309
	-	-	259,603,301	259,603,301
As at December 31, 2022				
Financial Assets measured at fair value				
Securities available-for-sale - Listed	-	152,441	-	152,441
Securities available-for-sale - Unlisted	-	-	802,799	802,799
	-	152,441	802,799	955,240
Financial Assets for which fair values are disclosed				
Securities - Financial Investments	-	-	61,247,207	61,247,207
Loans and advances to members	-	-	180,506,584	180,506,584
	-	-	241,753,791	241,753,791

5. Financial Risk management (Cont'd)

(d) Fair Value Hierarchy (Cont'd)

The fair value of financial instruments with quoted prices in an active market are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available. If all significant inputs required to fair value an instrument are observable, the instrument is Level 2.

If one or more significant inputs is not based on observable market data, the instrument is included in Level 3.

The table below summarises the carrying amounts and fair values of those financial assets not presented on the Credit Union's statement of financial position at their fair value.

	Carrying amount		Fair value	
	2023	2022	2023	2022
	\$	\$	\$	\$
Investment Securities				
Financial Investments	61,075,447	61,349,577	60,883,992	61,247,207
Financial assets				
Loans and advances to members	221,044,452	192,546,885	198,719,309	180,506,584

The carrying amounts of all financial liabilities are assumed to approximate their fair values.

There were no transfers between levels in the fair value hierarchy during the year.

6. Capital Risk Management

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

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

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

Section 119 (3) of the Co-operative Societies Act Cap 12.06 requires the Credit Union to maintain statutory and other reserves at not less than 10% of its liabilities. The Credit Union is in compliance with the requirement as at December 31, 2023.

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6. Capital Risk Management (Cont'd)

Capital adequacy is monitored quarterly using the PEARLS ratios prescribed by the World Council of Credit Unions for determining capital adequacy and which has been adopted by the Financial Services Regulatory Authority (FSRA). PEARLS require that each Credit Union maintain minimum of 10% total assets as its capital base. As at year end the minimum capital required was \$36,946,647 (2022 - \$34,525,360). The regulatory capital is divided into two levels: -

- Institutional Capital: Share Capital, Statutory Capital, Retained Earnings.
- Transitional Capital: Education Fund, Development Fund, Disaster Fund, Funeral and Burial Benefits Scheme and Fair Value Reserve.

	2023 \$	2022 \$
Institutional capital		
Share capital	16,635,937	16,328,997
Retained earnings	9,248,095	14,120,007
Statutory reserve	39,941,114	35,377,403
Total institutional capital	<u>65,825,146</u>	<u>65,826,407</u>
Transitional capital		
Education reserve	500,000	500,000
Development fund	538,156	538,156
Disaster fund	230,112	230,112
Funeral and burial benefits scheme	802,465	837,465
Fair value reserve	202,202	272,438
Total transitional fund	<u>2,272,935</u>	<u>2,378,171</u>
Total regulatory capital	<u><u>68,098,081</u></u>	<u><u>68,204,578</u></u>

The risk-weighted assets are measured by an estimation of market, credit, interest, and other risk associated with each asset and with due consideration to the collateral proffered. In addition, management, and Board of Directors monitor movements in asset levels on a monthly basis.

The Co-operative was in compliance with this requirement at year-end.

7. Cash

	2023 \$	2022 \$
Cash on hand	1,025,606	1,595,403
Cash at bank	86,789,833	81,580,550
	<u>87,815,439</u>	<u>83,175,953</u>

For the purposes of the Statement of Cash Flows, cash include fixed deposits which are held to meet the liquidity requirements of Section 119 (3) of the Co-operative Societies Act Cap 12.06 of the revised laws of St. Lucia.

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8. Financial Investments

	2023		2022	
	Cost	Carrying	Cost	Carrying
	\$	\$	\$	\$
<u>Fair value through other comprehensive income (FVOCI):</u>				
Listed				
- Eastern Caribbean Financial Holding Limited 20,452 ordinary shares at \$3.75 (2022 - \$5.40)	204,520	76,695	204,520	110,441
- St. Lucia Electricity Services Ltd. 2,100 ordinary shares at \$20.00 (2022 - \$20.00)	40,000	42,000	40,000	42,000
Unlisted				
- Eastern Caribbean Home Mortgage Bank 1,642 ordinary shares at \$130.14 (2022 - \$152.36)	250,180	213,690	250,180	250,180
- 1st National Bank St. Lucia Limited 33,820 ordinary shares at \$16.34 (2022 - \$16.34)	305,000	552,619	305,000	552,619
Total FVOCI Investments		<u>885,004</u>	-	<u>955,240</u>
<u>Amortised cost</u>				
St. Lucia Government Bonds	-	9,881,299	-	10,462,038
St. Lucia Government Treasury Bills	-	1,609,120	-	1,609,120
St. Lucia Government Treasury Note	-	5,000,000	-	5,000,000
Eastern Caribbean Home Mortgage Bank Bond	-	12,462,000	-	12,462,000
	-	<u>28,952,419</u>	-	<u>29,533,158</u>
Repurchase agreements				
First Citizens Investments Bonds	-	10,983,143	-	10,854,460
	-	<u>39,935,562</u>	-	<u>40,387,618</u>
Fixed Deposits				
1st National Bank St. Lucia Limited	-	16,700,713	-	16,451,960
Bank of Saint Lucia Limited	-	4,210,580	-	4,158,597
	-	<u>20,911,293</u>	-	<u>20,610,557</u>
Interest Receivable	-	516,033	-	638,841
Total Amortised cost Investments	-	61,362,888	-	61,637,016
Less Allowance for ECL impairment	-	(287,441)	-	(287,441)
		<u>61,075,447</u>		<u>61,349,575</u>
Total Financial Investments	-	<u>61,960,451</u>	-	<u>62,304,815</u>

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8. Financial Investments (Cont'd)

	2023	2022
	\$	\$
Allowance for Impairment on Investments		
Opening balance	287,441	419,052
Writeback for year	-	(131,611)
Allowance for ECL Impairment	<u>287,441</u>	<u>287,441</u>

9. Other Receivables and Other Assets

	2023	2022
	\$	\$
Other receivables and other assets	634,667	977,883
Allowance for impairment	(188,464)	(188,554)
	<u>446,203</u>	<u>789,329</u>

Movement on the Credit Union's allowance for impairment of other receivable and other assets are as follows:

	2023	2022
	\$	\$
Allowance for impairment		
Balance - beginning of the year	188,554	192,254
Writeback	(90)	(3,700)
	<u>188,464</u>	<u>188,554</u>

10. Loans and Advances to Members

	2023	2022
	\$	\$
Loans	133,691,056	124,542,492
Mortgages	87,357,643	77,755,213
	221,048,699	202,297,705
Interest receivables	1,184,253	1,182,694
	222,232,952	203,480,399
Allowance for impairment	(8,466,482)	(9,750,820)
	<u>213,766,470</u>	<u>193,729,579</u>

Movement of allowance for impairment:

	2023	2022
	\$	\$
Opening balance	9,750,820	14,779,005
Loan impairment recoveries	(1,284,338)	(5,028,185)
Closing balance	<u>8,466,482</u>	<u>9,750,820</u>

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10. Loans and Advances to Members (Cont'd)

Impairment Recoveries

	2023 \$	2022 \$
Current year write-back on loans and advances	(1,284,338)	5,028,185
Provision on loans approved not disbursed	170,177	-
	(1,114,161)	(5,028,185)
Recoveries	(84,010)	(111,545)
Total Recoveries	(1,198,171)	(5,139,731)

A breakdown of the staging of advances and the related ECLs for loans and advances is illustrated below:-

	Stage 1: Provision 12- month ECL performing \$	Stage 2: Provision Lifetime ECL performing \$	Stage 3: Provision Lifetime ECL Credit Impaired \$	Total \$
Expected Credit Loss Allowances as at January 1, 2022	4,254,222	2,235,915	8,288,868	14,779,005
Credit loss expense	(1,140,266)	(1,898,805)	(1,989,114)	(5,028,185)
Expected Credit Loss Allowances as at December 31, 2023	3,113,956	337,110	6,299,754	9,750,820
Expected credit loss recoveries	(1,257,469)	69,599	(96,468)	(1,284,338)
Expected Credit Loss Allowances as at December 31, 2023	1,856,487	406,719	6,203,286	8,466,482

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10. Loans and Advances to Members (Cont'd)

Regulation 30 (1) of the Co-operative Societies Act- Provisioning

Period Overdue Loans 2023	Delinquent Loans	Collateral	Net Loans Delinquent	Percentage of outstanding loans balances
	\$	\$	\$	
Less than 3 months	3,215,206	3,557,095	(341,889)	0%
3 months < 6 months	1,080,011	708,682	371,329	34%
6 months < 9 months	646,970	297,434	349,536	54%
9 months < 1 year	335,422	148,548	186,874	56%
1 year and over	9,608,187	5,389,554	4,218,633	44%
Totals	14,885,796	10,101,313	4,784,483	

Period Overdue Loans 2022	Delinquent Loans	Collateral	Net Loans Delinquent	Percentage of outstanding loans balances
	\$	\$	\$	
Less than 3 months	4,792,845	5,525,741	(732,896)	0%
3 months < 6 months	1,456,024	2,022,242	(566,218)	0%
6 months < 9 months	948,381	456,812	491,569	52%
9 months < 1 year	1,352,013	930,466	421,547	31%
1 year and over	8,936,763	7,137,147	1,799,616	120%
Totals	17,486,026	16,072,408	1,413,618	

Regulation 30 (1) of the Co-operative Societies Act- Provisioning

	2023 Provision	2022 Provision	Loss Exposure%
Less than 3 months	-	-	0%
3 months < 6 months	92,832	-	25%
6 months < 9 months	174,768	245,784	50%
9 months < 1 year	140,156	316,160	75%
1 year and over	4,218,633	1,799,617	100%
Totals	4,626,389	2,361,561	

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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11. Property and Equipment

	Land \$	Freehold Buildings \$	Leasehold Improvements \$	Furniture and Equipment \$	Total \$
At December 31, 2021					
Cost	3,218,986	1,963,737	197,947	2,966,679	8,347,349
Accumulated depreciation	-	(524,626)	(45,686)	(2,144,767)	(2,715,079)
Net book value	3,218,986	1,439,111	152,261	821,912	5,632,270
Year ended December 31, 2022					
Opening net book value	3,218,986	1,439,111	152,261	821,912	5,632,270
Additions	-	98,678	94,229	268,009	460,916
Depreciation charge (Note 24)	-	(41,964)	(49,298)	(478,005)	(569,266)
Closing net book value	3,218,986	1,495,825	197,192	611,916	5,523,919
At December 31, 2022					
Cost	3,218,986	2,062,415	292,176	3,234,688	8,808,265
Accumulated depreciation	-	(566,590)	(94,984)	(2,622,772)	(3,284,346)
Net book value	3,218,986	1,495,825	197,192	611,916	5,523,919
Year ended December 2023					
Opening net book value	3,218,986	1,495,825	197,192	611,916	5,523,919
Additions	-	120,630	-	351,221	471,851
Depreciation charge (Note 24)	-	(45,034)	(49,298)	(423,536)	(517,868)
Closing net book value	3,218,986	1,571,421	147,894	539,601	5,477,901
At December 31, 2023					
Cost	3,218,986	2,183,045	292,176	3,585,909	9,280,115
Accumulated depreciation	-	(611,624)	(144,282)	(3,046,308)	(3,802,214)
Net book value	3,218,986	1,571,421	147,894	539,601	5,477,901

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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Notes to the Financial Statements
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

12. Other Payables and Accruals

	2023	2022
	\$	\$
Accruals	527,831	527,831
Provision for impairment on loans approved not disbursed	170,177	-
Other payables	3,073,404	3,013,886
	<u>3,826,207</u>	<u>3,541,717</u>

13. Deposits from Members

	2023	2022
	\$	\$
Registered Homeowners Savings Plan (R.H.O.S.P.)	351,263	359,413
Special savings	44,115,500	36,988,113
S.O.C.A. savings	6,572,248	5,928,903
Debit Card deposits	1,037,596	866,738
	<u>52,076,607</u>	<u>44,143,167</u>

Members fixed deposits are payable on demand and has effective interest rates ranging from 2% to 4% (2022: 2% - 4%).

14. Withdrawable Shares

The withdrawable shares have a nominal value of \$5. The shares are allotted on the basis of the amount credited to the members' withdrawable shares account. There are no restrictions for the redemption of the shares.

15. Distributions Paid

	2023	2022
	\$	\$
Beginning	-	-
Dividends paid	(3,994,640)	314,824
Patronage refund	(2,779,495)	1,021,312
Distributions made	6,774,135	(1,336,136)
Balance - end of the year	<u>-</u>	<u>-</u>

The dividend proposed and approved at the 2022 annual general meeting was paid by deposits to members' savings accounts. The patronage refund of 25% (2022 - 8.5%) approved at the meeting was deposited to members' savings accounts.

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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Notes to the Financial Statements
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

16. Share Capital

	No. of Shares	2023 \$	No. of Shares	2022 \$
Ordinary Shares				
Balance - beginning of year	3,265,800	16,328,997	3,287,453	16,437,263
Issued	107,489	537,445	34,951	174,756
Withdrawn	(46,101)	(230,505)	(56,604)	(283,022)
Balance - end of year	3,327,188	16,635,937	3,265,800	16,328,997

The Credit Union is authorised to issue an unlimited number of ordinary and withdrawable shares, each with a par value of \$5.00.

17. Statutory Reserve

	2023 \$	2022 \$
Balance - beginning of year	35,377,403	33,244,030
Allocation from retained earnings	4,559,586	2,128,783
Entrance fees	4,125	4,590
Balance - end of year	39,941,114	35,377,403

In accordance with Section 119 (2) of the Co-operative Societies Act, the Credit Union is required to set aside a statutory reserve of at least 20% of net surplus (if any) each year. In addition, all entrance fees are placed in the statutory reserve.

18. Education Reserve

	2023 \$	2022 \$
Balance - beginning of year	500,000	500,000
Transfer from retained earnings	(370,270)	(295,569)
Training expenses	370,270	295,569
Balance - end of year	500,000	500,000

In accordance with a resolution passed by the members, the Credit Union is required to set aside an education reserve of 10% of its realised surplus from operations of net surplus (if any) after the statutory reserve allocation less training expenses once the reserve falls below \$500,000 or such percentage as the Board of Directors may subsequently approve.

19. Development Fund

The Co-operative Societies Act and the Credit Union's By-laws allow the Credit Union, on the recommendation of the Board of Directors, to make an annual contribution to the National League not exceeding 10% of its realised surplus from operations to be used for the development of registered societies. During the year, no contributions were made to this fund.

St. Lucia Civil Service Co-operative Credit Union Ltd. (Trading as Jannou Credit Union)

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Notes to the Financial Statements
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

20. Funeral and Burial Benefits Scheme

	2023	2022
	\$	\$
Balance - beginning of year	837,465	844,465
Benefits paid	(35,000)	(7,000)
Balance - end of year	<u>802,465</u>	<u>837,465</u>

The board decided not to make any further allocations to this reserve as it is sufficiently funded to support all future payments to beneficiaries.

21. Fair Value Reserve

	2023	2022
	\$	\$
Balance - beginning of year	272,438	243,805
Fair value (decrease)/increase in investments at FVTOCI	(70,236)	28,633
Balance - end of year	<u>202,202</u>	<u>272,438</u>

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

22. Investment Income

	2023	2022
	\$	\$
Interest on savings account - Bank of Saint Lucia Limited	155,633	164,153
Interest on savings account - 1st National Bank St. Lucia Limited	5,592	2,205
Interest on fixed deposits - other	347,740	343,608
Interest on government bonds and treasury bills	1,502,726	1,656,328
Other	27,892	11,528
	<u>2,039,583</u>	<u>2,177,822</u>

23. Other Operating Income

	2023	2022
	\$	\$
Insurance administration fees	105,051	94,522
Family Indemnity Plan (FIP) income	186,922	175,022
Other	159,088	126,388
	<u>451,061</u>	<u>395,932</u>

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Notes to the Financial Statements
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

24. Operating and Administrative Expenses

	2023	2022
	\$	\$
Advertising and promotion	610,943	509,623
AGM expenses	79,560	73,344
Audit fees	70,000	65,000
Bank charges	36,877	29,033
Board and committee expenses	201,593	159,502
Credit union week	128,716	130,963
Cuna insurance	1,290,457	1,239,922
Depreciation (Note 11)	517,868	569,267
Donations	69,270	98,390
General insurance	60,065	60,492
Members expenses	1,043	320
Office supplies and stationery	149,268	130,825
Professional fees	140,014	7,700
Property taxes	32,204	32,204
Rent	46,187	45,900
Repairs and maintenance	676,833	651,385
Security	172,398	170,525
Scholarships	143,192	130,772
SOCA expenses	110,955	25,700
Staff-related expenses (Note 25)	4,270,675	4,221,992
Utilities	400,621	412,366
Debit card production fee and charges	24,056	84,802
	<u>9,232,795</u>	<u>8,850,027</u>

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Notes to the Financial Statements
For the Year Ended December 31, 2023
(Expressed in Eastern Caribbean Dollars)

25. Staff-related Expenses

Included in operating and administrative expenses are the following: -

	2023	2022
	\$	\$
Senior Management		
Salaries	1,055,014	1,095,640
Vacation accrual	75,335	159,036
National Insurance contributions	23,250	27,000
Allowances	46,092	51,600
Bonus	30,060	42,871
Gratuity	77,936	18,000
	<u>1,307,687</u>	<u>1,394,147</u>
Other Staff Costs		
Salaries and wages	2,221,152	1,975,625
Vacation accrual	63,957	38,669
National Insurance contributions	119,504	103,907
Allowances	20,397	17,264
Bonus	74,610	74,443
Overtime	79,218	77,349
Uniforms	1,342	21,425
Staff training and development	142,012	130,870
Staff benefits	229,631	275,439
Gratuity	11,165	112,854
	<u>2,962,988</u>	<u>2,827,845</u>
	<u>4,270,675</u>	<u>4,221,992</u>

The total number of administrative staff as at December 31, 2023 was 71 (2022 - 84).

26. Related Party Transactions

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

	2023	2022
	\$	\$
Shares and deposits	1,910,231	1,489,724
Loans and advances	2,515,869	2,386,358

27. Comparatives



Where necessary, comparative figures have been adjusted to confirm the current year presentation of the financial statement. The changes have no material impact on the financial statements.



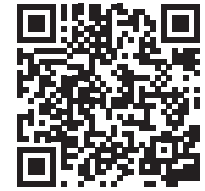
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