



West Coast Co-operative Credit Union Ltd

ANNUAL REPORT



| 2021

*P*roviding
Meaningful
Solutions

7 Cooperative Principles



1 VOLUNTARY AND OPEN MEMBERSHIP

DEMOCRATIC MEMBER CONTROL



3 MEMBERS' ECONOMIC PARTICIPATION

AUTONOMY AND INDEPENDENCE



5 EDUCATION, TRAINING AND INFORMATION

COOPERATION AMONG COOPERATIVES



7 CONCERN FOR COMMUNITY



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CONNECT

**Coming
Soon**

Credit Union Prayer

**“Lord, make me an instrument of
thy peace**

**Where there is hatred, let me sow
love;**

Where there is injury, pardon;

Where there is doubt, faith;

Where there is despair, hope;

Where there is darkness, light; and

Where there is sadness, joy.”

O divine Master,

Grant that I may not so much seek

To be consoled as to console;

To be understood as to understand;

To be loved as to love;

**For it is in pardoning that we are par-
doned;**

**And it is in dying that we are born to
eternal life.”**

Amen



West Coast Co-operative Credit Union Ltd



Most Credible Choice



Maximizing members' value through delivery of efficient and effective services consistent with co-operative principles, legislation and sound management.



West Coast Co-operative Credit Union Ltd

STANDING ORDERS

1. (a) A Member shall stand and identify his / herself when addressing the Chair.
(b) Speeches to be clear and relevant to the subject before the meeting.
2. A Member shall address the meeting when called upon by the Chairman to do so. After which he/ she shall immediately take his / her seat.
3. No Member shall address the meeting except through the Chairman.
4. A Member may not speak twice on the same subject except:
 - (a) The mover of a motion – has the right to reply.
 - (b) He rises to object or explain (with the permission of the Chair).
5. The mover of the “Procedural Motion” (Adjournment lay on the table, Motion to postpone) to have no right to reply.
6. No Speeches to be made after the “Question” has been put and carried or negated.
7. A Member rising on a “Point of Order” to state the point clearly and concisely,
 - (a) Point of Order must have relevance to the “Standing Order”.
 - (b) A Member should not “Call” another Member “to Order” but may draw the attention of the Chair to a “Breach Order”.
8. A question should not be put to vote if a member desires to speak on it or move an amendment to it – except that of a “Procedural Motion: The Previous Question”, “Proceed to the Next Business” or Closure: That the question be “Now Put” may be move at any time.
9. Only one amendment should be before the meeting at one and the same time.
10. When a motion is withdrawn any amendment to it falls.
11. The Chairman to have the right to a “casting vote”.
12. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote the Amendment is lost.
13. Provision to be made for the protection by the Chairman from vilification (personal abuse).
14. No Member shall impute improper motives against another Member.



Notice of Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting of the West Coast Co-operative Credit Union Limited shall convene on Sunday, June 12th, 2022, from 3:00 p.m. at the Primary School in Coulibistrie, with due regard for all health protocols in light of the COVID 19 pandemic.

AGENDA

1. Ascertainment of Quorum
2. Call to Order and Credit Union Prayer
3. Apologies for Absence
4. Adoption of Agenda
5. Opening Remarks – Chairperson and President of the Board of Directors
6. Presentation on ‘Legal Documents’
7. Reading and Confirmation of Minutes of the 16th AGM
8. Matters Arising from the Minutes
9. Reports and Discussion thereon:
 - a. Board of Directors
 - b. Auditor and Treasurer
 - c. Credit Committee
 - d. Supervisory and Compliance Committee
 - e. Nominations Committee
10. New Business:
 - a. Appropriation of Surplus
 - b. Appointment of Auditor
11. Election of Officers
12. Any Other Business
 - a. Drawing of Early Bird Prizes
 - b. Presentation of Prizes
13. Vote of Thanks
14. Adjournment

A handwritten signature in black ink, appearing to read 'Helen Ambo', is written over a horizontal line.

HELEN AMBO (Ms.)
SECRETARY



**Eric Serrant
PRESIDENT**

BOARD OF DIRECTORS REPORT

GENERAL REMARKS

The Board of Directors is pleased to report a positive performance in the Society in 2021 despite severe challenges faced as a consequence of the Covid 19 Pandemic and the ensuing deep decline in economic activity. The initial buoyancy in the first half of 2021 was quickly erased due to sharp increases in Covid infections during the summer which required further lockdowns and restrictions for the second half of 2021. Your Society, ever conscious of the vagaries associated with this pandemic, took measures to rein in costs and manage delinquencies. The Board engaged in short-term measures to increase revenue and profitability to cushion the expected credit losses from such a tumultuous period.

GOVERNANCE

In 2021 your Board of Directors comprised of President- Eric Serrant, Vice-President -Malcolm St. Rose, Secretary- Helen Ambo, Treasurer- Bernard Pacquette, Assistant Secretary/Treasurer- Lyn John Fontenelle, and Members: Glenroy Toussaint, Tenny Shillingford, Dana St. Jean, and Ken George.

The Board is aptly assisted in the execution of its functions by the General Manager Mr. Ericson Robinson who is an ex-officio member of the Board. Historically, and 2021 was no exception, the General Manager Mr. Robinson has shown leadership through some of the more difficult times in the Society. We place on record here, our gratitude for the loyalty and excellent work the Society's employees continue to exhibit to keep the society safe, relevant, and growing for you the membership. Governance of the Society, The Board, convened Twelve (12) times for the financial year, January 1 to December 31, 2021, with the number of attendances as shown in Table 1.



BOARD OF DIRECTORS REPORT

Table 1: Board of Directors - Attendance at Meetings 2021

<i>Members</i>	<i>Meetings convened</i>	<i>No. Attended</i>
<i>Eric Serrant</i>	12	10
<i>Bernard Pacquette</i>	12	11
<i>Helen Ambo</i>	12	10
<i>Tenny Shillingford</i>	12	12
<i>Ken George</i>	12	11
<i>Dana St. Jean</i>	12	10
<i>Malcolm St. Rose</i>	12	8
<i>Lyn John Fontenelle</i>	5	5
<i>Glenroy Toussaint</i>	5	3
<i>David Fritz Jr.</i>	7	7
<i>Eunie John</i>	6	6

MEMBERSHIP

We wish to also recognize the membership for their continued unwavering support of the Society. In 2021, the number of members increased to four thousand, eight hundred and thirty-four (4,834) as compared to the previous year of (4744). We, therefore, welcomed ninety (90) new members to the West Coast Co-operative Credit Union Family.

In keeping with the strong commitment that members continue to place in their Society, members' share capital grew by 4% or 612 shares representing \$30,600.00 over 2020 to total capital of \$719,950.000.

We must, however, pay tribute to the members who passed during the year. We recognize especially their lifelong patronage of the Society. We express sincere condolences to their families and loved ones who are bereaved. We, therefore, call them by name as we honour them here today:



BOARD OF DIRECTORS REPORT

Alphonso Laudat
John Brade
Gweneth Parillon
Marvis Jude Laudat
Agatha Buna Adrien
Alexandrina Barry
Matilde Pie
Forbes Parillon
Anthea Christmas
Exney Joseph
Alson Anselm
Euta Augustina Toulon
Lener Nicholls
Philma Ambo
Davidson Riviere
Herbert Shillingford
Cynthia Martin Elie
Stalin Michel Paul

Setinia Philina Ferdinand
Maria Cornela Cylon
Laymen Adrien
Shirley Nisbett
Rosiness Vidal
Molly Joseph
Veronica Casimir
Veronica Laudat
Ralmond Jno-Baptiste
Mona Lestrade
John Jno-Baptiste
Dellien Jeffery
Dorian Matthew
Claude Matthew
Tyrell Anthony
Phillip Isaac
Randolph Bernard Shillingford
Mariline Marcelline Marcella Edmond

FINANCIALS

MAIN PERFORMANCE INDICATORS

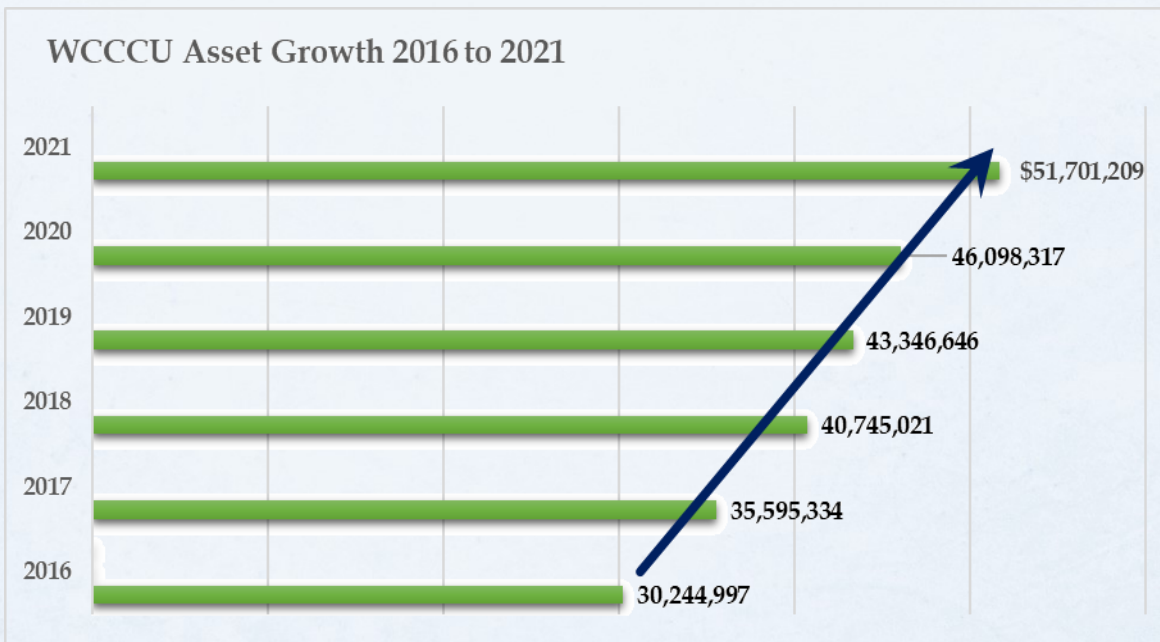
The society continued on its Growth trajectory notwithstanding the difficulties of the external environment exasperated by the Covid 19 pandemic. The shutdowns of 2021 were particularly impactful on the local and national economy, however, the society's members still moved their lives forward and the Society was there with them. As a result, Total assets grew by 6.3% supported by member's capital increases of 5% and Members' Savings of 4.5%. Originated Loans, however, grew marginally by 1.5%, heavily weighed by the tough lending environment brought on by the Pandemic. Notwithstanding, prudent management resulted in a 24.4% and 31% increase in Equity and Retained earnings respectively.



West Coast Co-operative Credit Union Ltd

BOARD OF DIRECTORS REPORT

Fig 1. Shows the trajectory of the Society's total asset growth over the last six (6) years.



Key Performance Indicators-2021

The Society compares its performance in key areas against benchmarks such as the PEARLS ratios. The movement year on year is also compared to ensure that the Society is heading in the right direction. Table 2 shows the key performance of the Society as compared to 2020 in the categories determined by PEARLS.



BOARD OF DIRECTORS REPORT

Table 2: Comparison – Key performance indicators

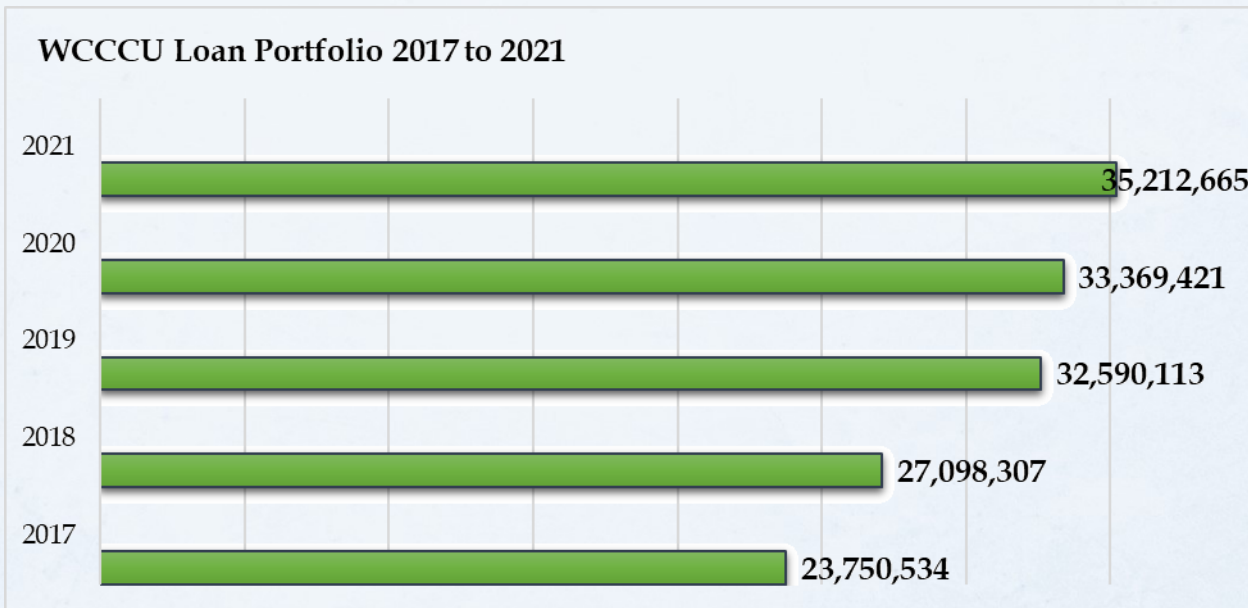
Broad Comparison areas	Ratios	Recommended Industry Standards	WCCCU in 2020 %	WCCCU in 2021 %
Protection	Loan loss allowance to Delinquent Loans (12 months)	100%	26.04%	127.23%
Effective Financial Structure	Net loans to Net Assets	70 - 80%	69.7%	64.14%
	Saving Deposits to Total Assets	70 - 80%	86.4%	71.34%
Asset Quality	Total Delinquent Loans to Total Loan Portfolio	Less than 5%	6.2%	6.87%
Rates of Return	Operating Expense to Average Assets	Less than 5%	3.3%	3.29%
Liquidity	Liquid Reserves to Total Saving Deposits	10%	25.2%	34.84%
Signs of Growth	Capital to Signs of Growth		24.4%	4.68%

LOANS

The Loans portfolio continued its growth albeit marginally by 5.52% given the macroeconomic difficulties being faced by the country as depicted in Figure 2. Gains were made in crafting loan products that allowed members to still access their Society. A significant compression to growth was in the increases in Expected Credit Losses that were absorbed during 2021 in the amount of \$522,949. Loan delinquencies remain of particular concern to the Board in 2021 as expectations of normality on the part of borrowers continued to lag considerably thereby putting unusual pressures on members' ability to repay and in some cases pay on time.



BOARD OF DIRECTORS REPORT



DELINQUENCY

At the end of 2021, the rate of delinquency was 6.87%. We are grateful for the many members who honour their commitment to repay loans in these difficult times. The Board continued to appeal to all members who may be experiencing difficulty in servicing their loan obligations to continue to engage the society so we can work together - keep the lines of communication open, call and speak with your Credit Union, and make us your chief financial advisor. We are committed to working with you to find solutions that will benefit both the member and the Society. What we cannot do is ignore this problem. Every delinquent dollar undermines the financial health and stability of the Society.

TRAINING & DEVELOPMENT

2021 training and development schedule was not deployed as robustly as in the past due in large part to restrictions as a consequence of the Covid 19 Pandemic. Notwithstanding, the staff participated in a training organized by the League on Anti-Money Laundering & Risk Assessment Methodology Training. These training are a regulatory requirement annually and hence the Society had to engage in them to maintain its compliance status.



BOARD OF DIRECTORS REPORT

DONATIONS

West Coast is committed to its community principle. In so doing the Society has contributed to several causes in 2021 including Isaiah Thomas Secondary School, Salisbury Primary School, Colihaut Primary School, Kelleb John Laurent Primary School, Coulibistrie Primary School, Western District SDA Primary School, Education Trust Fund, the President's Charities Foundation, Salisbury Women's Farmers, the Neonatal Unit.

SPONSORSHIP

The scholarship program has assisted families for many years and is ongoing with five (5) West Coast scholars. They continue to excel at secondary school and make the Society proud.

We congratulate them and their families and extend best wishes for success in future endeavours. The Board Approved \$2,595.92 to maintain the scholarships.

AFFILIATIONS

The society continues to operate a shared service agreement with the Central Co-operative Credit Union where members of both Central and West Coast may transact business up to \$1,500 daily at each other's offices. This program has been well received by members as a great convenience.

CONCLUSION

The Board expresses its gratitude to the management and staff for their hard work and dedication throughout 2021. This has contributed greatly to the continued success of the Society. We thank also the serving volunteers on the Supervisory & Compliance and Credit Committees for the invaluable time and talent that they give in service to the Society without hesitation or complaint. We extend our thanks to our Regulators the Financial Services Unit, the Director and his staff, our sister co-operatives, and their leadership and governance for all the valuable contributions and partnerships that are so integral to the growth and development of this Society. It is together that we all succeed.

Fellow members, West Coast Credit Union stands as a beacon on a hill, strong and resolute in its quest for a brighter future for its members. West Coast has been and will always remain the number 1 choice for financial services on the West Coast and remains the credible choice for your financial services. We have weathered the storm in 2021, we have invested in our future, and we will continue to serve you as our members.



est
Coast Co-operative Credit Union Ltd

BOARD OF DIRECTORS REPORT

May God bless us, our communities, our Credit Union, the credit union movement, and Dominica.

Thank you very much

A handwritten signature in blue ink, appearing to read 'Eric Serrant', with several loops and flourishes.

**ERIC SERRANT
PRESIDENT
BOARD OF DIRECTORS**



Mr. Bernard Pacquette
Treasurer

TREASURER'S REPORT

Balance Sheet

In the year ended December 31, 2021, the total asset stood at \$51,701,488. This represented a 12% increase over the previous financial period. Assets showing marked growths were cash and bank balances which increased by 46% over 2020 to \$10,625,960 as well as property plant and equipment which increased by 41% over 2020 to \$1,789,591.



This growth was largely funded by increases in member deposits which increased by 16% over 2020 to \$36,883,113. Surpluses accounted for the increases in reserves and retained surplus for the year. Notably, members' capital increased by 4% over 2020 to \$721,200. Contributions to the Statutory Reserve accounted for a \$60,729 increase over 2020 balances or 5% to \$1,309,565.

TREASURER'S REPORT

Income Statement

Revenue declined by 3% or \$95,821 when compared to 2020. This was in large part due to revenue compression from non-performing loans. Alternatively, interest expense rose by 17%, or \$102,826 in line with the increases in member deposits. As such, the Society compensated members for their continued growth in deposits even while revenue was declining. This unique circumstance led to a net interest income drop of \$198,647 or 7% when compared with 2020 results. Management worked to control costs in light of this new dispensation, and as consequence only had marginal increases of 8% or \$120,735 as compared to 2020. This increase was largely attributed to an increase in costs of utilities and other inflationary pressures.

Notable increases affecting the income statement were in the provision for loan impairment which increased by 158% or \$500,386 when compared to 2020 results. This was due to the fact that much of the relief provided to borrowers in 2020 could not be continued in 2021. Notwithstanding, the recovery dragged on considerably longer than anyone could have imagined. This resulted in higher amounts of loans in arrears and delinquencies being experienced. As a consequence, increased expected loss provisioning had to be taken against earnings for the financial year.

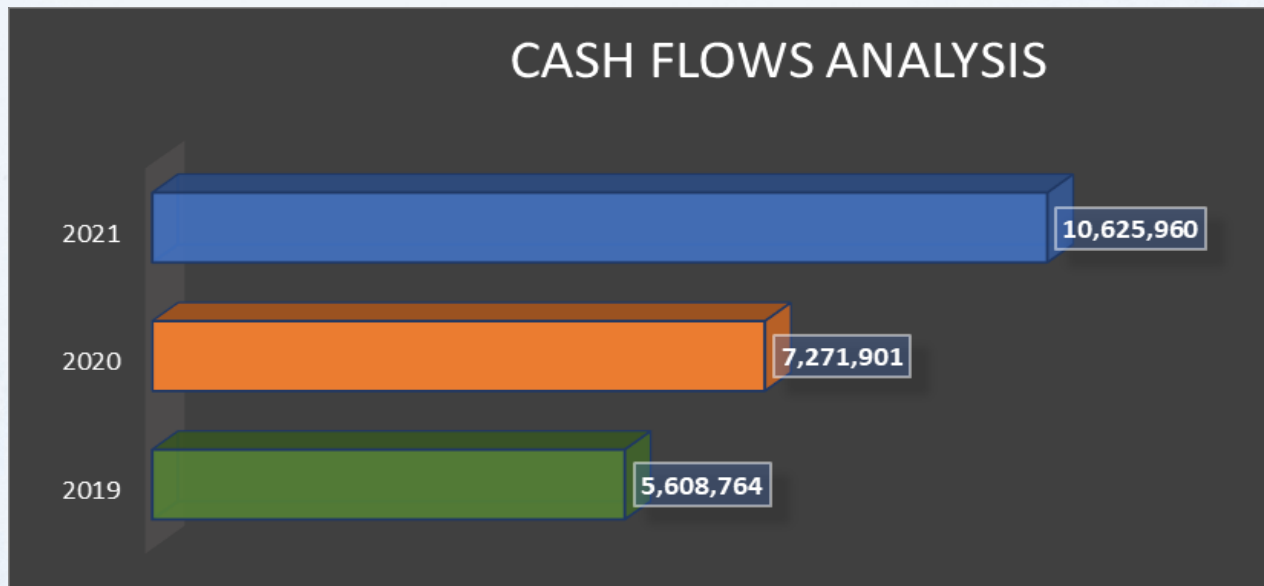
This critical situation coupled with decreased revenue and marginal increase in costs translated into an \$814,656 or 73% decline in surplus as compared to 2020. It is, therefore, critical that the Society recognizes the devastating effect that delinquencies have on the operating surplus of the society in any year. Therefore, it is critical that the borrowing members and the Society find pathways and solutions for the renewed servicing of outstanding commitments.

Cash Flows

Notwithstanding, the impact of delinquencies, the Society remains liquid thanks in large part to continued growth in member deposits and prudent management of liquidity. Net cash remaining from operating, financing, and investing activities yielded positive results of \$3,353,887. This amount was \$1,690,750 or 102% above the net cash flows for 2020. This resulted in an ending cash liquid balance of \$10,625,788 or 46% over 2020 ending balances.



TREASURER’S REPORT



Allocations of Financial Assets

Investments

The society’s investing activities were consistent over the financial year as compared with 2020. No material diminution in the Society’s investment portfolio was recognized in the 2021 financial year. Marginal increases were made in debt instruments of 8% or \$385,724 largely due to holdings in Government Bonds, specifically the Government of St. Lucia Bonds. Equity Investments held at Fair Value through Profit and Loss increased sharply by \$193,000 or 58% over 2020 due in large part to equity investments made in the National Bank of Dominica Ltd.

Other Financial Assets

All other financial assets resulted consistently with the prior year and the ordinary operation of the Society in 2021.



TREASURER'S REPORT

The Treasurer would like to thank the External Auditor for the timely completion of this year's audit. Special appreciation to the Society's Management and Accountant for ensuring a seamless audit process this year.

Bernard Pacquette
Treasurer

FINANCIALS





West Coast Co-operative Credit Union Ltd

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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AUDITOR'S REPORT

TO: THE MEMBERS OF WEST COAST CO-OPERATIVE CREDIT UNION LIMITED

Opinion

We have audited the financial statements of **West Coast Co-operative Credit Union Limited** (the Society), which comprise the balance sheet as at December 31, 2021, the income statement, the statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Society are prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS) and comply with the Co-operative Societies Act No. 2 of 2011 and the Co-operative Societies Regulations S.R.O 26 of 2001 of the laws of the Commonwealth of Dominica.

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 Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for

Professional Accountants (IESBA Code), and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of the Directors for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with IFRS 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.



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In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

The Board of the Directors are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Society'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 Society to cease to continue as a going concern.

We communicate with the Board of Directors 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.

Navigant Consulting Services

Roseau, DOMINICA

MAY 17, 2022



BALANCE SHEET

AS AT DECEMBER 31, 2021

	Notes	2021 \$	2020 \$
ASSETS			
Cash and bank balances	5	10,625,960	7,271,901
Financial assets at fair value through other comprehensive income	6	5,107,038	4,721,314
Financial assets at fair value through profit or loss	7	525,731	332,731
Financial assets at amortised cost	8	33,160,456	32,132,506
Other assets	13	461,577	371,618
Property plant and equipment	14	1,820,726	1,259,247
TOTAL ASSETS		51,701,488	46,089,317
LIABILITIES			
Members' savings/ordinary deposits	15	36,883,392	31,750,954
Term Deposit	16	8,268,995	8,077,001
Accounts payable and provisions	17	185,614	179,931
Interest on term deposits	18	271,286	260,850
Technical Assistance Grant	19	17,481	17,481
TOTAL LIABILITY		45,626,769	40,286,217
MEMEBERS' EQUITY			
Members' Capital (permanent shares)	20	721,200	690,600
Statutory Reserve (guarantee fund)	21	1,309,599	1,248,836
Education Fund	22	86,004	96,649
Building fund reserve	23	62,284	62,284
Fair Value Gain Reserve		150,370	111,234
Development Fund	24	103,939	101,837
Disaster Fund	25	70,756	55,740
Retained surplus		3,570,567	3,435,920
TOTAL MEMBERS' EQUITY:		6,074,719	5,803,100
TOTAL LIABILITIES AND MEMBERS EQUITY		51,701,488	46,089,317

The accompanying notes form an integral part of these financial statements

Approved by The Board on 12th May 2022 and signed on behalf of the Board of Directors by:

PRESIDENT

TREASURER

PROVIDING MEANINGFUL SOLUTIONS

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

	Members' Capital	Statutory Reserve	Education Fund	Building Fund	Scholarship Fund	Fair Value Gain Reserve	Development Fund	Disaster Fund	Retained Surplus	Total
Balance as at 31/12/19	657,650	1,025,446	93,795	62,284	-	111,234	90,689	-	2,622,116	4,663,215
Appropriation	-	222,960	11,148	-	-	-	11,148	55,740	-	300,996
Net surplus	-	-	-	-	-	-	-	-	813,804	813,804
Shares Issued	32,950	-	-	-	-	-	-	-	-	32,950
Disbursements	-	-	(8,294)	-	-	-	-	-	-	(8,294)
Entrance fees	-	430	-	-	-	-	-	-	-	430
Prior Year Adjustment	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Balance as at 31/12/20	690,600	1,248,836	96,649	62,284	-	111,234	101,837	55,740	3,435,920	5,803,100
Appropriation	-	60,063	3,003	-	-	-	3,003	15,016	-	81,085
Net surplus	-	-	-	-	-	-	-	-	219,229	219,229
Shares Issued	30,600	-	-	-	-	-	-	-	-	30,600
Disbursements	-	-	(13,648)	-	-	-	(901)	-	-	(14,549)
Entrance fees	-	700	-	-	-	-	-	-	-	700
Adjustment	-	-	-	-	-	39,135	-	-	(17,944)	21,192
Dividends	-	-	-	-	-	-	-	-	(66,639)	(66,639)
Balance as at 31/12/21	721,200	1,309,599	86,004	62,284	-	150,369	103,939	70,756	3,570,567	6,074,718



West Coast Co-operative Credit Union Ltd

STATEMENT OF INCOME AND APPROPRIATION

	NOTES	2021 \$	2020 \$
Interest income	26	3,427,707	3,523,528
Interest expense	26	692,176	589,350
Net interest income		2,735,531	2,934,178
Other income	27	68,213	48,398
Operating income		2,803,744	2,982,577
Operating cost	28	(1,610,640)	(1,489,905)
Expected Credit Losses	8(b)	(817,245)	(316,859)
Depreciation	14	(75,545)	(61,013)
Surplus before appropriation		300,314	1,114,800
Appropriations			
Transfer to statutory reserve		(60,063)	(222,960)
Transfer to education fund		(3,003)	(11,148)
Transfer to development fund		(3,003)	(11,148)
Transfer to disaster fund		(15,016)	(55,740)
Net surplus for the year		219,229	813,804

FOR YEAR ENDED DECEMBER 31, 2021



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	\$	\$
Cash flows from operating activities		
Surplus before appropriation	300,314	1,114,800
Adjustments for:		
Depreciation	75,545	61,013
Expected Credit Losses	817,245	316,859
Loss on disposal of plant, property and equipment	-	2,228
Cash flows before changes in operating assets and liabilities	1,193,103	1,321,485
(Increase) in financial assets at amortised costs	(1,845,195)	(776,211)
(Increase) in other assets	(89,959)	(201,838)
Increase in members' savings/demand deposit	5,132,438	1,352,554
Increase/ (decrease) in term deposits	191,994	232,528
Increase/ (decrease) in accounts payable and provisions	5,684	106,470
Increase/ (decrease) in interest on term deposits	10,436	(88,768)
Net Cash used in operating activities	4,598,501	2,119,636
Cash flow from investing activities		
Purchase of fixed assets	(652,005)	(456,764)
Disposal of fixed assets	14,981	-
Increase in Financial Assets at FVOCI	(385,724)	(24,820)
Increase in Financial Assets at FVTPL	(193,000)	-
Net cash from investing activities	(1,215,747)	(481,584)
Cash flow from financing activities		
Dividends paid	(66,639)	-
Adjustment	21,192	-
Increase in members' capital (permanent shares)	30,600	32,950
Disbursements	(14,549)	(8,294)
Entrance fee	700	430
Net cash from financing activities	(28,695)	25,086
Net (decrease)/ increase in cash	3,354,058	1,663,137
Cash at beginning of year	7,271,901	5,608,764
Cash at end of year	10,625,960	7,271,901

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. General Information

West Coast Co-operative Credit Union Limited was formed following the merger between Salisbury Co-operative Credit Union and Colihaut Co-operative Credit Union which are registered under the Co-operative Societies Act No. 15 of 1996 of the Laws of the Commonwealth of Dominica, which has been replaced by Act No. 2 of 2011.

The registered office and principal place of business is located on the Main Street in Salisbury, Commonwealth of Dominica. Branch offices are located at Colihaut and St Joseph, Commonwealth of Dominica.

The principal objective of the Co-operative is to accept deposits, grant loans and to offer financial counselling to its members.

2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with IFRS

The financial statements of the Society have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities, certain classes of property, plant and equipment-measured at fair value



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

2. Summary of significant accounting policies cont'd

a) Basis of preparation cont'd

(iii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Society. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

a) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b) Financial assets and liabilities

Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Society revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. Summary of significant accounting policies cont'd

c) Financial assets and liabilities cont'd

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for financial assets that have subsequently become credit impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e.net of the expected credit loss provision).

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Society becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Society commits to purchase or sell the asset.

At initial recognition, the Society measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

2. Summary of significant accounting policies cont'd

c) Financial assets and liabilities cont'd

Financial assets

(i) *Classification and subsequent measurement*

The Society classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Society's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Society classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest Income' using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Financial assets that are held for collection payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.



West Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

2. Summary of significant accounting policies cont'd

c) Financial assets and liabilities cont'd

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net trading income' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Business model: the business model reflects how the Society manages the assets in order to generate cash flows. That is, whether the Society's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Society in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the Society's business model for the mortgage loan book is to hold to collect contractual cash flows.

Another example is the liquidity portfolio of assets, which is held by the Society as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Society assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Society considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

2. Summary of significant accounting policies cont'd

c) Financial assets and liabilities cont'd

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Society subsequently measures all equity investments at fair value through profit or loss, except where the Society's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Society's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Society's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the 'Other Income' line in the statement of profit or loss.

(i) Impairment

The Society assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Society recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 4 (a) provides more detail of how the expected credit loss allowance is measured.



West Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

2. Summary of significant accounting policies cont'd

c) Financial assets and liabilities cont'd

(i) *Modification of loans*

The Society sometimes renegotiates or otherwise modifies the contractual cash flows of loans to members. When this happens, the Society assesses whether or not the new terms are substantially different to the original terms. The Society does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that
- substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Society derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred.

However, the Society also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Society recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The impact of modifications of financial assets on the expected credit loss calculation is discussed in note 4 (a).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

2. Summary of significant accounting policies cont'd

c) Financial assets and liabilities cont'd

(i) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash

flows from the assets have expired, or when they have been transferred and either (i) the Society transfers substantially all the risks and rewards of ownership, or (ii) the Society neither transfers nor retains substantially all the risks and rewards of ownership and the Society has not retained control.

The Society enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Society:

- (i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) Is prohibited from selling or pledging the assets; and
- (iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Society under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Society retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Society retains a subordinated residual interest.

Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;



West Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

2. Summary of significant accounting policies cont'd

c) Financial assets and liabilities cont'd

- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Society recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments Note 2 (d).

(i) *Derecognition*

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Society and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

d) Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of members to secure loans, overdrafts and other banking facilities.



West Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

2. Summary of significant accounting policies cont'd

d) Financial guarantee contracts and loan commitments cont'd

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Society are measured as the amount of the loss allowance. The Society has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Society cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

e) Functional and presentation currency

(i) *Functional and Presentation Currency*

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the Society operates ('the functional currency'). The financial statements are presented in Eastern Caribbean Dollars, which is the Society's functional and presentation currency

(ii) *Transactions and Balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).



West Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

2. Summary of significant accounting policies cont'd

e) Functional and presentation currency cont'd

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

f) Property, plant and equipment

Land is stated at cost. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Land is not depreciated. Depreciation and amortization are calculated on the straight-line method to write down the cost of such assets to their residual value over their estimated useful lives as follows:

Building	2.5%,
Furniture fixtures and equipment	5% & 10%,
Computer Systems	33.3%

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Society policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.



West Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

2. Summary of significant accounting policies cont'd

g) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h) Payables

These amounts represent liabilities for goods and services provided to the Society prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within thirty (30) days of recognition.

i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

2. Summary of significant accounting policies cont'd

g) Dividends

Dividends on shares are recognized in equity in the period in which they are declared.

Section 5 of the Regulations to the Co-operative Societies Act authorizes the Society to pay a dividend on its shares at a rate which is not greater than three percent above savings rate set by the Eastern Caribbean Central Bank (ECCB). As at December 31, 2020 the ECCB savings rate was two percent.

Under section 129 of the Co-operative Societies Act No. 2 of 2011, a Society must pay a dividend to its members in proportion to their business with the Society at such rates as may be prescribed by its By-laws. Unrealized gains or gains arising from asset revaluation are not considered in determining income for the distribution of dividends.

Fair value gains on investment securities available-for-sale are not considered in determining income for the distribution of dividends.

h) Revenue recognition

Interest income and expense

Interest income and expense are recognized in the income statement for all interest-bearing instruments on an accrual basis using effective interest rates. Interest income includes income on fixed investments.

When the collectability of loans becomes doubtful, they would be written down to their recoverable amounts and interest income is thereafter recognized based on the rate of interest used to discount the future cash flows for the purpose of measuring the recoverable amount.

Dividend and other income

Dividend income and other income are recognized when received.

i) Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,

2. Summary of significant accounting policies cont'd

l) Provisions cont'd

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

m) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The Society also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Society does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

n) Taxation

The Society's income is exempt from taxation under section 25 (m) of the Income Tax Act Chapter 67: 01 of the Laws of the Commonwealth of Dominica.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

2. Summary of significant accounting policies cont'd

n) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

o) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest EC dollar unless otherwise stated.

3. Critical accounting estimates and judgement

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Society's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of members defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 4 (a), which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Society in the above areas is set out in note 4 (a).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

2. Financial Risk Management

This note explains the Society’s exposure to financial risks and how these risks could affect the Society’s future financial performance.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, debt investments and contract assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits, Investment guidelines for debt investments
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification
Currency risk	Recognised financial assets and liabilities not denominated in Eastern Caribbean Dollars (XCD)	Cash flow forecasting	Strict guidelines for conducting foreign currency transactions
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

a) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Society's members, clients or market counterparties fail to fulfil their contractual obligations to the Society. Credit risk arises mainly from interbank, commercial and member loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, financial guarantees, letters of credit, endorsements and acceptances.

Credit risk is the single largest risk for the Society's operations; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors.

Credit risk measurement

Loans and advances (incl. loan commitments and guarantees)

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage

of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Society measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,

4. Financial Risk Management cont'd

a) Credit risk cont'd

Credit risk grading

The Society uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The Society use internal rating models tailored to the various categories of counterparty. Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures is fed into this rating model. This allows for considerations which may not be captured as part of the other data inputs into the model. The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade.

Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Society.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to section below for a description of how the Society determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. The section on 'Forward-looking information incorporated in the ECL models' includes an explanation of how the Society has incorporated this in its ECL models.

Further explanation is also provided of how the Society determines appropriate groupings when ECL is measured on a collective basis.



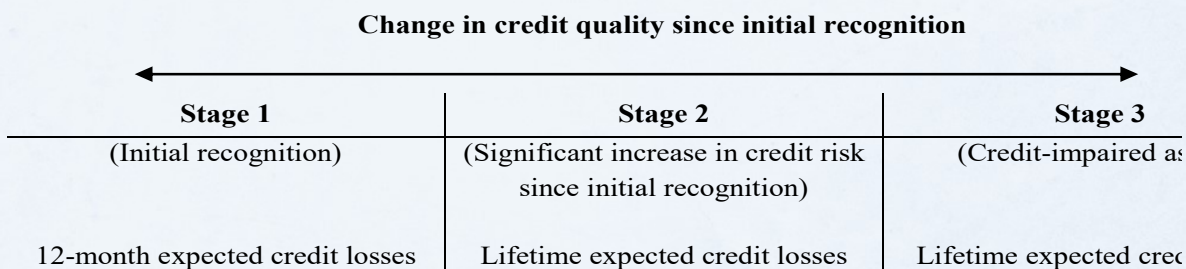
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

4. Financial Risk Management cont'd

a) Credit risk cont'd

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):



The key judgements and assumptions adopted by the Society in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

Qualitative criteria:

For the loan portfolio, if the borrower meets one or more of the following criteria:

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last [12] months

For Treasury portfolios, if the borrower meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans

The assessment of SICR incorporates forward-looking information and is performed on an annual basis at a portfolio level for all financial instruments held by the Society.

The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,

4. Financial Risk Management cont'd

a) Credit risk cont'd

Definition of default and credit-impaired assets

The Society defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments

Qualitative criteria

The borrower meets the unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Society and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.



West Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,

4. Financial Risk Management cont'd

a) Credit risk cont'd

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Society expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Society includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Society's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

4. Financial Risk Management cont'd

a) Credit risk cont'd

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how collateral values change etc. - are monitored and reviewed on an annual basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Society has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Society considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Society's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.



NOTES TO THE FINANCIAL STATEMENTS

4. Financial Risk Management cont'd

a) Credit risk cont'd

Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Society has considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine groupings are outlined below:

Retail - Groupings for collective measurement

- Loan type (e.g. Mortgage, Personal and Education, Vehicles etc.)

The following exposures are assessed individually:

Retail

- Stage 3 loans with current exposure above \$100,000
- Properties in repossession proceedings

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk team.

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,

4. Financial Risk Management cont'd

a) Credit risk cont'd

	2021	2020
	\$	\$
Opening loss allowance as at 1 January	1,236,915	920,056
Amounts restated through opening retained earnings	-	-
Opening loss allowance as at 1 January (calculated under IFRS 9)	1,236,915	920,056
Bad debts Written Off	-	-
Increase in the allowance recognised in profit or loss during the period	817,245	316,859
Closing loss allowance as at 31 December	2,054,159	1,236,915

Write-off policy

The Society writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Society's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Society may write-off financial assets that are still subject to enforcement activity. The Society still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

Modification of financial assets

The Society sometimes modifies the terms of loans provided to members due to commercial renegotiations, or for distressed loans, with a view to maximising recovery. Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Society monitors the subsequent performance of modified assets. The Society may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL).



West Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

4. Financial Risk Management cont'd

a) Credit risk cont'd

This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

The Society continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

b) Market risk

The Society is exposed to market risks on a daily basis. Investments have been diversified to reduce the impact of market risk.

c) Currency risk

The Society's exposure to currency risk is minimal since the Society's assets and liabilities are held in the functional currency, which is the Eastern Caribbean Dollar. Management has issued strict guidelines to staff for processing foreign currency transactions.

d) Liquidity risk

The Society maintains sufficient available cash and committed credit lines and borrowing facilities to meet the demands of its members.

5. Cash and Bank Balances

	2021	2020
	\$	\$
Cash on hand	590,288	650,929
Current account	349,306	310,883
Savings account	9,686,366	6,310,089
	<u>10,625,960</u>	<u>7,271,901</u>



West Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,

Financial Assets at Fair Value through Other Comprehensive Income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Society has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Society considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Society's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets at Fair Value Through Other Comprehensive Income include the following debt and equity investments:

	2021	2020
	\$	\$
<i>Equity Investments</i>		
Shares at Dominica Co-op. Societies League Ltd. (see note 11)	20,647	20,647
<i>Debt investments</i>		
Statutory Reserve Deposit (See note 9)	957,166	957,166
Government bonds (see note 10)	2,332,342	2,002,800
Fixed deposit at League & other financial institutions (note 12)	1,796,883	1,740,701
	5,086,391	4,700,667
Total financial assets at fair value through OCI	5,107,038	4,721,314

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,

Financial Assets at Fair Value through Profit and Loss

The Society classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost (see note 8) or FVOCI (see note 6)
- equity investments that are held for trading, and
- equity investments for which the Society has not elected to recognise fair value gains and losses through OCI.

Financial assets mandatorily measured at FVPL include the following:

(a) Equity Investments

	2021	2020
	\$	\$
Shares at DUTC at cost	31,000	31,000
Provision for diminution in value of investment in DUTC	(31,000)	(31,000)
National Bank of Dominica shares at cost	203,000	10,000
CORP-EFF shares at cost	100,000	100,000
National Credit Union shares at cost	203	203
Dominica Electricity shares at fair value	222,528	222,528
	<u>525,731</u>	<u>332,731</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,

Financial Assets at Amortised Cost

The Society classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include the following debt investments:

	2021	2020
	\$	\$
(a) Loans and advances to Members		
Loans to members	34,743,760	31,115,605
Loans to related parties (see note 31)	470,855	2,253,816
Total originated loans	35,214,616	33,369,421
Less: Allowance for Expected Credit Losses	2,054,159	1,236,915
	33,160,456	32,132,506

	2021	2020
	\$	\$
(b) Allowance for Expected Credit Losses		
Provision at beginning of year	1,236,915	656,058
Amounts restated through opening retained earnings		
Opening loss allowance (IFRS 9)	1,236,915	920,056
Bad debts Written Off		
Expected credit loss recognised during the period	817,245	316,859
Closing Allowance for Expected Credit Losses	2,054,159	1,236,915

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,

Financial Assets at Amortised Cost cont'd

(c) Originated Loans - Sectoral Analysis	2021	2020
	\$	\$
Personal	9,392,762	8,054,067
Mortgage	13,629,553	13,748,030
Home improvement & repair	812,885	1,350,387
Vehicles	5,238,725	4,948,218
Land	2,084,629	1,753,761
Debt consolidation	2,502,411	1,996,091
Business	595,177	578,319
Stabex (agriculture)	119,898	145,130
Appliance	20,237	23,740
Education	818,340	771,677
	35,214,616	33,369,420
Less: loss allowance for expected credit losses	2,054,159	1,236,915
	33,160,457	32,132,506

9. Statutory Reserve Deposit

	2021	2020
	\$	\$
Demand deposit at Dominica Co-op Societies League Ltd	957,166	957,166

10. Government Bonds

	2021	2020
	\$	\$
Government of St Lucia Treasury Bill	1,000,610	1,000,610
Government of St. Lucia – Bond	1,330,210	1,000,000
Government of Dominica debenture at 3 – 5%	1,522	2,190
	2,332,342	2,002,800



West Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,

Shares at Dominica Co-operative Societies League Ltd

	2021	2020
	\$	\$
Shares at cost	<u>20,647</u>	<u>20,647</u>

12. Fixed deposits at Other Financial Institutions

	2021	2020
	\$	\$
Fixed deposits at League and Credit Unions	1,796,883	1,740,701
Fixed deposits at banks and other institutions	<u>2,066,178</u>	<u>2,066,178</u>
	3,863,060	3,806,878
Impairment loss on investments	<u>(2,066,178)</u>	<u>(2,066,178)</u>
	<u>1,796,883</u>	<u>1,740,701</u>

13. Other assets

	2021	2020
	\$	\$
Interest on statutory reserve invested at the League	23,451	23,451
Interest on fixed deposit	46,538	76,368
Utilities commission	733	2,832
Moneygram	125,722	37,868
Inventory – supplies non-trade	32,169	28,781
FIP Receivable	53	20,000
Security deposit – Electricity/Rent	4,100	4,100
League share dividend	619	6,183
Utilities – Domlec & Flow	6,327	4,529
Interest Receivable	204,096	150,163
Other	<u>17,770</u>	<u>17,344</u>
	<u>461,577</u>	<u>371,618</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

14. Property and equipment

	Land	Building	Furniture Equipment	Computer Systems	TOTAL
COST/Valuation					
Balance - beginning of year 1/1/20	115,491	603,894	402,712	239,402	1,361,500
Additions	333,088	106,229	5,082	12,365	456,764
Disposal	-	-	(3,950)	(1,181)	(5,131)
Balance - end of year 31/12/20	448,579	710,123	403,844	250,586	1,813,132
Additions		475,982	88,914	87,109	612,869
Disposal	(7,500)	-	(15,766)	(7,613)	(30,879)
Balance - end of year 31/12/21	441,079	1,186,104	476,992	330,083	2,395,122
Accumulated Depreciation					
Balance- beginning of year 1/1/20	-	156,409	187,800	151,566	495,775
Eliminated on disposal/adjustment	-	-	(1,879)	(1,024)	(2,903)
Depreciation charge	-	11,307	20,357	29,349	61,013
Balance- end of year 31/12/20	-	167,716	206,278	179,891	553,885
Eliminated on disposal/adjustment	-	-	(10,442)	(5,456)	(15,898)
Depreciation charge	-	13,885	23,793	37,867	75,545
Balance- end of year 31/12/21	-	181,600	219,630	212,301	613,531
Net Book Value					
Beginning of year	448,579	542,407	197,566	70,695	1,259,247
End of year	441,079	1,004,504	257,361	117,782	1,820,726

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,

Members Savings/Ordinary Deposits

	2021 \$	2020 \$
Members' savings	30,079,848	25,269,035
Special savings	532,065	319,543
Ordinary deposit accounts	6,090,955	6,012,979
Members' pension savings	110,274	90,838
Junior savings	70,251	58,559
	<u>36,883,392</u>	<u>31,750,954</u>

Members' savings formerly called "members' shares" are now recorded as a liability in accordance with International Financial Reporting Standards (IFRS).

16. Term Deposits

	2021 \$	2020 \$
Interest bearing fixed deposits at rates in range of 1.75 – 4.5% p.a.	8,268,995	<u>8,077,001</u>

17. Accounts Payable and Provisions

	2021 \$	2020 \$
St Gerard Credit Union	12,953	12,953
Provision for annual general meeting	18,000	18,000
Provision for audit fees	10,625	7,500
Provision for Honoraria	1,800	1,800
Other	142,236	139,677
	<u>185,614</u>	<u>179,931</u>

18. Interest on Term Deposits

	2021 \$	2020 \$
	<u>271,286</u>	<u>260,850</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,

Technical assistance grant

	2021	2020
	\$	\$
	17,481	17,481
	17,481	17,481

The Technical Assistance Grant is to be disbursed on certain conditions as set out under section 208 of the Stabex Loan #480000298 agreement. The grant is limited to 25% of the loan amount

20. Members' Capital (permanent shares)

	2021	2020
	\$	\$
Issued and fully paid shares of \$50 (par value) each		
Beginning of year	690,600	657,650
Issued during the year (net)	30,600	32,950
End of year	721,200	690,600

The liability of each member is limited to the paid-up shares.

Shares may with the consent of the Board, but not otherwise, be transferred from one member to another. Such transfers shall be in writing in such form as the Commissioner may approve and shall be subject to payment by the transferor and transferee of such fee for each transfer as the Board may prescribe. The Board may, in its absolute discretion, purchase shares from a member in cases of hardship.

21. Statutory Reserve

The Co-operative Societies Act stipulates that a Society shall credit no less than 20% of its net surplus to a reserve fund; and such Reserve Fund, may subject to the approval of the Commissioner, be used in the business of the Society, for the purposes of an exceptional nature, including unforeseen losses, unexpected shortfalls in liquid cash, capital retention, repair and maintenance and the avoidance of external borrowing.

	2021	2020
	\$	\$
Movements during the year were as follows:		
Balance - beginning of year	1,248,836	1,025,446
Add: Entrance Fee	700	430
Appropriation from surplus	60,063	222,960
	1,309,599	1,248,836

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,

Education Fund

This represents funds appropriated from surplus for members' education.

23. Building Fund Reserve

This represents appropriation from surplus to be set aside for the Society's building projects.

24. Development Fund

The Co-operative Societies Act, states that every society shall establish and maintain a Development Fund. Every society that realizes a surplus from its operation as ascertained by the annual audit shall make annual contribution, not exceeding ten percent of that surplus to be used for the development of registered societies.

25. Disaster Fund

The fund has been established to assist with the restoration and renovation of the Society's freehold and leasehold premises that might become necessary from the damage caused by storms, hurricanes, and torrential rains.

26. Net interest and Investment income

Interest Income	2021	202
	\$	
Interest from loans	3,128,680	3,272,49
Interest from savings account	143,446	95,41
Fixed deposit interest	42,454	42,36
Interest on statutory reserve invested at League	23,451	23,45
Treasury bill interest	89,632	89,12
Government bond interest	45	67
	3,427,707	3,523,52
Interest expense	2021	202
	\$	
Interest on regular savings	379,564	278,92
Interest on term deposits	252,958	243,35
Interest on Christmas savings club	4,563	5,33
Interest on regular deposits	55,091	61,74
	692,176	589,35
Net interest and investment income	2,735,531	2,934,17



Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,

27. Other Income	2021	2020
	\$	\$
Dividend from other investments	2,593	6,763
Commission utility companies & Moneygram	30,487	6,449
Sale of passbooks	4,805	4,450
Commission FIP	9,430	7,330
Phone card commission	2,217	1,913
Other income	18,680	21,493

	68,213	48,398
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Operating Cost

	2021	2020
	\$	\$
Personnel expenses (see note 29)	716,466	711,167
Governance (Board & Committees' expenses and honoraria)	15,556	17,787
Members' interest & protection	292,341	277,107
Annual general meeting	28,466	31,315
Audit fee	16,300	13,000
Fraternity expenses (League dues)	34,079	34,079
Occupancy expenses	18,244	12,554
Utilities (electricity, telecommunications & water)	118,670	102,289
Building insurance	11,111	9,399
General expenses	359,407	281,208

	1,610,640	1,489,905
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Personnel Expenses

	2021	2020
	\$	\$
Salaries	642,511	642,515
Social Security	43,207	41,971
Pension & insurance	16,635	16,332
Uniforms	14,114	10,348

	716,466	711,167
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West Coast Co-operative Credit Union Ltd

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31,

Pension Plan

The Credit Union operates a pension plan for its staff, which is funded by deductions from staff salary plus contributions from the Credit Union. These funds are managed by Sagicor Insurance Company.

31. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party by making financial and operational decisions.

As at December 31, 2020 related parties had the following balances with the Credit Union:

	2021		2020	
	Loans	Deposits/ Savings	Loans	Deposits/ Savings
Directors	1,289,830	129,659	886,065	157,302
Committee Members	400,931	93,415	301,506	179,084
Staff	1,392,616	247,781	1,066,244	233,631
	3,083,377	470,855	2,253,816	570,017

Fair value of financial assets and liabilities

All financial assets and liabilities are carried at fair value.

33. Contingencies and Commitments

- (a) Loans committed but not yet drawn down at the balance sheet date: \$350,081.89
- (b) Legal – None.
- (c) Capital commitment: None.

Human Capital Management

	2021	2020
	\$	\$
Number of employees	21	20
Staff cost/ total revenue	20.50%	19.91%
Total Revenue per employee	166,464	178,596
Total Assets per employee	2,460,099	2,304,466

PURCHASE SHARES

*Grow Your
Credit
Union!*





Mr. Sean Scotland
Chairperson

SUPERVISORY & COMPLIANCE COMMITTEE REPORT

For The Year Ended December 31st 2021

Under Section 65 of the Cooperatives Societies Act No. 2 of 2011, Financial Services Unit Act and the Regulations and Policies of the West Coast Cooperative Credit Union, the Supervisory and Compliance Committee presents its annual report for the Financial Year ended December 31st, 2021.

Members serving on the Supervisory and Compliance Committee for the year ended December 31st, 2021 were as follows:

- Sean Scotland – Chairperson (January – December)
- Nathalie Louis – Hypolite - Secretary (January – July) *
- Julien Burgins – Member (January – December)
- Lynn Vidal-Blanc – Member (January – July)*
- Richardson Edwards – Member (January – December)
- Carla Douglas – Member (January – December)
- Joewella Henderson (January – December)
- Lysia Frank (July – December)
- Jarsmine Vidal (July – December)

The Supervisory and Compliance Committee after being elected into office, held several meetings to execute its work plan for the financial year to ensure that members' assets and savings were at all times safeguarded and protected.

The Committee aimed to ensure that the West Coast Cooperative Credit Union operated in compliance with all internal control procedures, regulations, policies and operational manuals that govern the Society's operations.

During the Financial Year ended December 31st 2021, several meetings were held to review the operations to ensure that the Society was operating effectively and efficiently.

Monthly meetings were scheduled. However, this financial year was an extraordinary one for the society and the supervisory committee by extension, due to Covid-19. The global pandemic caused by Covid-19 resulted in a reduction in the number of face to face meetings. The Committee saw the introduction of zoom meetings by various committees in the society. However, due to the nature of the Supervisory Committee's work which primarily involves the physically reviewing of confidential documents, this method proved difficult.



SUPERVISORY & COMPLIANCE

The following meetings were held;

- Monday 1st February.
- Monday 15th March.
- Monday 18th May
- Tuesday 21st September
- Tuesday 23rd November
- Monday 20th December

All areas of the Credit Union's activities and operations are monitored by the Supervisory and Compliance Committee. It is in charge of ensuring that the Credit Union is well-managed and that the assets of its members are protected. This responsibility includes, but is not limited to:

- Examining the books of the Society
- Scrutinizing and appraising the policies and operating procedures;
- Confirming cash instruments, property and securities of the Society;
- Confirming the shares, deposits and other balances or holdings of members;
- Monitoring the management of the Society
- Liaising with the Compliance Officer;
- Auditing the functions of the management and staff;
- Focusing on the risk management of the credit union;
- Verifying the assets of the society to determine whether they were properly protected;
- Investigating complaints made by members affecting the proper management of the credit union;
- Annual random verification of a sample of members' records/accounts held at the Credit Union.
- Ensuring that all advances, loans, deposits, other transactions and decisions involving Directors, Committee members and employees comply with the Cooperatives Societies Act No. 2 of 2011, Financial Services Unit Act and the Regulations and Policies and By-Laws of the West Coast Cooperative Credit Union.

The Supervisory and Compliance Committee continued its efforts to comply with the Rules and Regulations governing the West Coast Co-operative Credit Union and in so doing was able to perform the following tasks for the Financial Year ended December 31st, 2021:

SUPERVISORY & COMPLIANCE

- Reviewed the Credit Committee and Board of Director's Files
- Review Investment Portfolio and Policy to ensure certificates were in the file
- Examined past supervisory and compliance committee reports
- Review of delinquency reports
- Reviewed the loan files of random members
- Conducted an end of year cash count
- Examined random members' accounts against a snapshot of system generated financial listing
- Review Insurance Coverage for Mortgage and Vehicle Loans
- Special meeting of the Committee was held with the manager to investigate particular accounts

Cash Reconciliation

At the end of the financial year, the Supervisory and Compliance Committee, in collaboration with the External Auditor, conducted a cash count. The cash count was done at each of the societies' branches.

Loans & Members' Accounts

A random sample of loan files was audited by the Committee. The loans made under the institution's loan policy were within the approved limitations specified for the Loans Manager, General Manager, Credit Committee, and Board of Directors, according to the Committee.

Physical Structure and security

Expansion and structural reinforcement work at the main branch were completed and the committee would like to thank the society's members and staff for their patience and understanding during construction.

Closing Remarks

The Supervisory and Compliance Committee would like to report that to the best of its knowledge, the Management, Staff, as well as the various Committees adhered to the policies and procedures governing the West Coast Co-operative Credit Union. The Committee can also attest to the fact that the West Coast Cooperative Credit Union will continue to ensure that members' contributions and shares will yield favorable returns. The Committee will remain vigilant in representing our members' interests, ensuring continued safety and soundness for your funds by providing you and your family with excellent member services.



West Coast Co-operative Credit Union Ltd

SUPERVISORY & COMPLIANCE

Additionally, the Committee wishes to record our warmest and sincere thanks to the President, members of the Board, Credit Committee and staff for their courtesy and cooperation throughout the year. Amidst this covid-19 pandemic, we express our appreciation and encourage you to remain committed to the Society as we seek to enhance services in the upcoming years. We recognize the hard work undertaken by all to maintain and improve the services provided by the West Coast Co-operative Credit Union to its members.

A handwritten signature in black ink that reads "Sean Scotland".

Sean Scotland
Chairperson



West Coast Co-operative Credit Union Ltd



**Ms. Desrey Ambo
Chairperson**

Credit Committee Report

For the Year Ended December 31, 2021

The primary purpose of the Credit Committee is to review all lending activities of the West Coast Cooperative Credit Union. In carrying out this function, we ensured in our deliberations that the loan policies, the Cooperative Societies Act No.2 of 2011 and the by-laws were adhered to and that our lending decisions were made in a manner that was fair to our members and consistent with the safety and soundness of the Society.

Composition of Committee:

For the year under review, Mrs. Connie Joseph-Louis and Mr. Darran Toulon replaced Ms. Rhona Daniel and Mr. Francis Paul who had completed their term. They both contributed tremendously to the Committee and the Credit Union by extension, and as such we wish to thank them for their invaluable contribution.

The Committee comprised of seven (7) members:

Ms. Desrey Ambo – Chairperson

Mrs. Connie Joseph Louis – Secretary

Mrs. Judith Shipley

Mr. Darran Toulon

Mr. Davis Laudat

Ms. Nyla Austrie

Ms. Josea John Baptiste



CREDIT COMMITTEE REPORT

For the Year Ended December 31, 2021

Meetings:

The Committee held eight (8) meetings for the year. The frequency of meetings was greatly reduced due to the ongoing Covid-19 pandemic resulting in a reduction in loan applications. However, we were committed to reviewing the loan applications presented, the level of delinquency as well as deliberating on ideas for improving the loan experience at the West Coast Co-operative Credit Union. The schedule of meetings attended by members is captured in Table 1 below.

Table 1: Meetings attended by Committee Members

Name	Meetings attended	Excused
Desrey Ambo	8	0
Judith Shipley	8	0
Nyla Austrie	5	3
Rhona Daniel	5	1
Francis Paul	6	0
Davis Laudat	6	2
Josea Johnbaptiste	6	2
Cornie Joseph-Louis	2	0
Darran Toulon	2	0

Loans:

For 2021, a total of seven hundred and thirty-seven (737) loans valued at \$12,851,095.27 were approved compared to six hundred and ninety-one (691) loans valued at \$17,529,022.88 last year. Although there was a marginal increase of 46 loans given over the period last year, nonetheless the value of loans decreased by \$4,677,927.61 or 26.69%. In 2019, eight hundred and fourteen (814) loans valued at \$14,588,565.60 were approved.



CREDIT COMMITTEE REPORT

For the Year Ended December 31, 2021

The loan portfolio for the reporting period is \$35,212,664.74. This is an increase of \$1,843,244.09 or 5.52% over last year's figure of \$33,369,420.65. 2019 loan portfolio was \$32,590,112.88. It is worthy to note that whereas the total loan portfolio increased over the last three years, there has been a marginal decrease year on year over the last three years.

The loan portfolio captured in Figure 1 below shows a steady increase over the last three years.

Figure 1: Loan Portfolio for the past three years

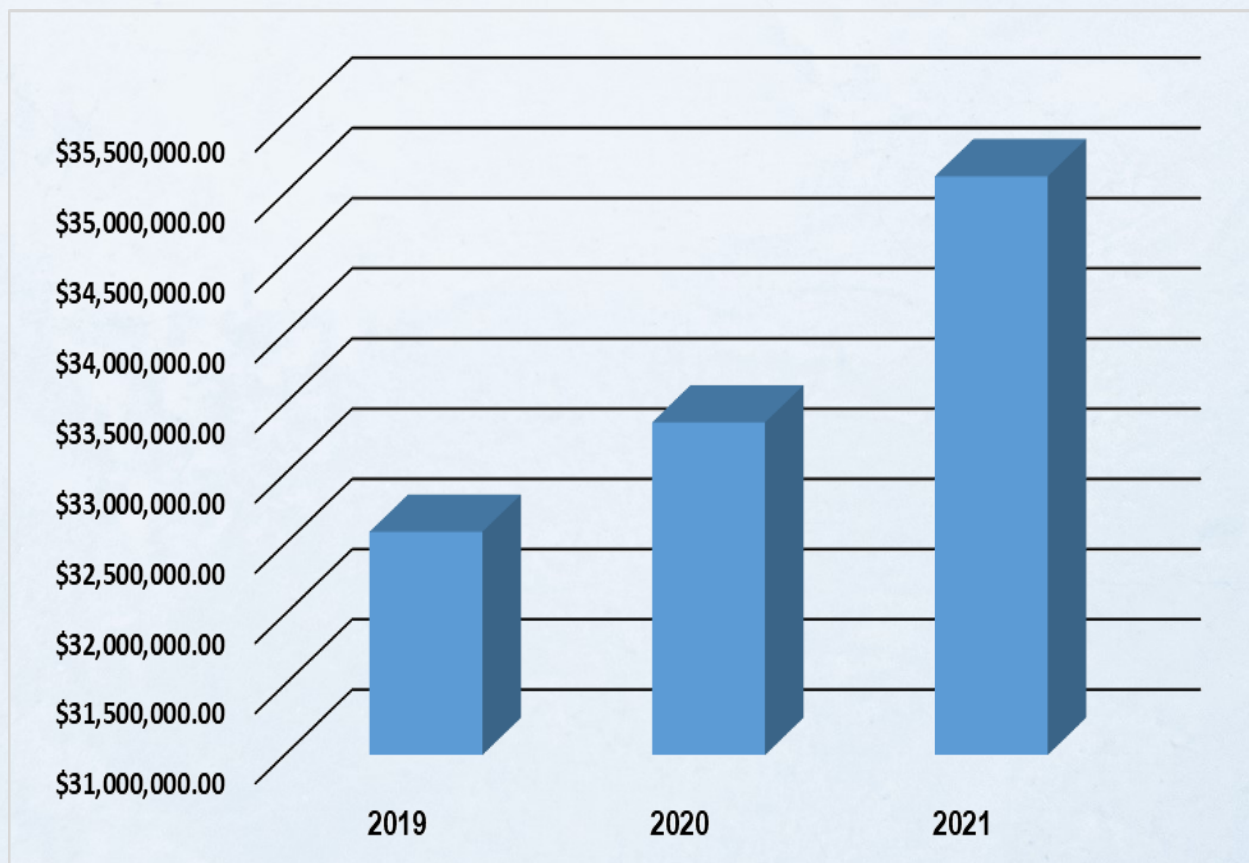


Figure 1: Loan Portfolio



West Coast Co-operative Credit Union Ltd

Credit Committee Report

For the Year Ended December 31, 2021

Loans by Purpose:

The Domestic/ Personal loans category recorded the highest number and value of loans granted at 25.35%. At 18.59% were Buildings loans closely followed by Vehicle purchases at 16.27%. Business loans represented 2.61% while Agriculture and Fishing combined represented 0.82% of the loans for the period under review. Table 2 captures the various categories of loans.

Table 2: Loans by purpose

Loan Purposes	Count	ECS	Percentage
Domestic / Personal	516	3,304,089.50	25.71
Building / Mortgage	12	2,389,360.68	18.59
Vehicle Purchase & Repair	54	2,316,799.56	18.03
Debt Consolidation	54	2,052,571.58	15.97
Home Improvement & Repair	41	1,090,778.08	8.49
Land Purchase	7	497,242.00	3.87
Appliances	23	480,639.09	3.74
Business	14	409,455.56	3.19
Education	10	278,316.21	2.17
Agriculture	6	31,843.01	0.25
Total Loans Granted	737	12,851,095.27	100.00



CREDIT COMMITTEE REPORT

For the Year Ended December 31, 2021

Productive and provident loans:

Loans by Gender:

Males accounted for 382 loans granted at a value of \$7,203,568.25 or 56.05%. Females accounted for 355 loans of \$5,647,527.02 or 43.95% of all loans granted.

Table 3: Loans by gender

Loans by Gender	Count	Value \$	Percentage
Male	382	7,203,568.25	56.05
Female	355	5,647,527.02	43.95
Total	737	12,851,095.27	100

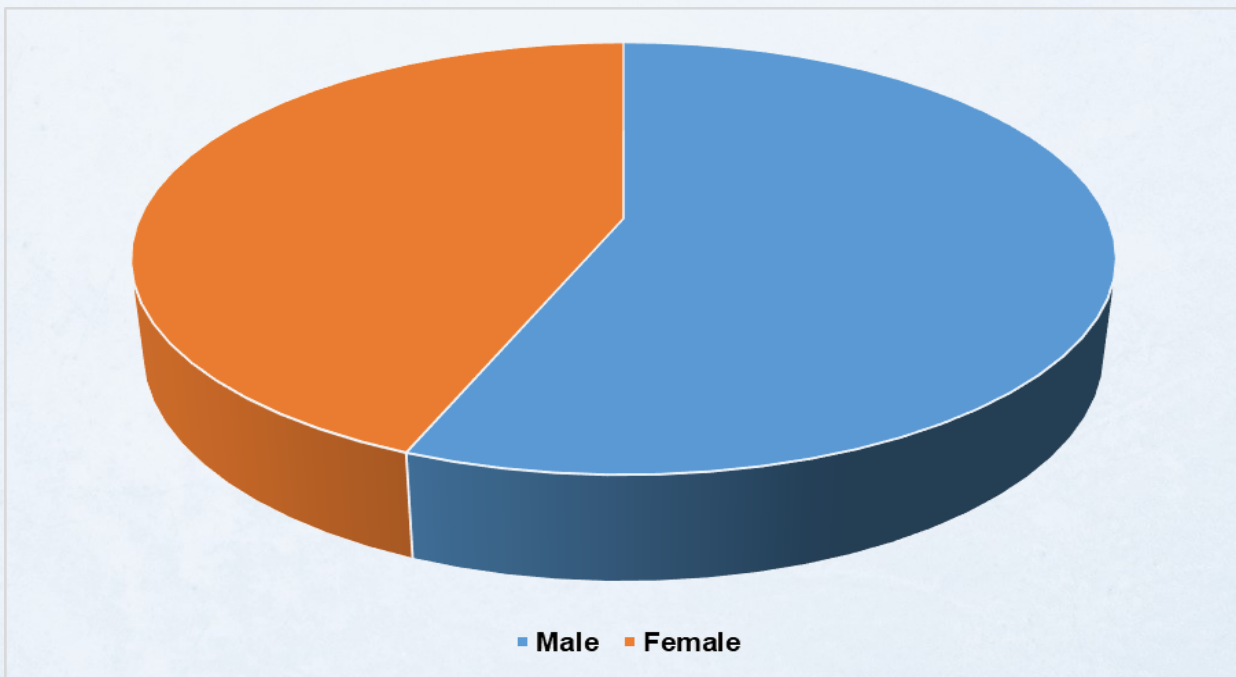
An analysis of the loans by gender showed that males outnumbered females in all areas. Males received twenty-seven (27) more loans than females, at a value of \$1,556,041.23. Of the total loans granted, 56.05% were received by males as compared to females. The average value of loans granted to males was \$18,857.51 while females received \$15,908.53. On average males received \$2,948.98 more per loan than females.



CREDIT COMMITTEE REPORT

For the Year Ended December 31, 2021

Figure 2: Loans by gender



Loans by Age:

The most loans and highest value of loans were granted to the age group 36 – 40. They received 98 loans representing 17.45% of all loans granted. This was followed by the age group 31 – 35 accounting for 79 loans representing 15.06% of the loans granted. The age group 56 – 60 received 93 loans they received the third-highest value of loans at 14.80%. They were closely followed by the age group 41 – 45 with 14.40%. Members over the age of 60 accounted for 3.87% of loans.



West Coast Co-operative Credit Union Ltd

CREDIT COMMITTEE REPORT

For the Year Ended December 31, 2021

Table 4: Loan by age

Age	Count	Value EC\$	Per cent
18 – 25	43	386,338.32	3.01
26 – 30	81	1,091,485.99	8.49
31 – 35	79	1,934,891.32	15.06
36 – 40	98	2,242,532.19	17.45
41 – 45	86	1,850,365.58	14.40
46 – 50	80	1,501,626.76	11.68
51 – 55	100	1,433,276.20	11.15
56 – 60	93	1,902,064.03	14.80
61 – 65	44	307,454.64	2.39
66 – 70	23	169,102.74	1.32
71 and over	10	31,957.50	0.25
Total	737	12,851,095.27	100.00

Delinquency:

The delinquency rate as of December 31, 2021, was at 6.87%.

Outlook:

The West Coast Co-operative Credit Union continues to grow notwithstanding the challenges that members faced daily amidst the continued uncertainty posed by the Covid-19 pandemic. It is with collective action as a team that we will guarantee the continuous improvement of the West Coast Co-operative Credit Union.

As we move forward with optimism, we encourage the use of technology in facilitating members doing business with the institution especially as it relates to the loan application. We encourage our members who are out of state to remain active by continuing to transact business with the Credit Union through regular savings and use of the loan facilities.



West Coast Co-operative Credit Union Ltd

CREDIT COMMITTEE REPORT

For the Year Ended December 31, 2021

The growth and development of the Credit Union is the responsibility of all members, and we thank you for your continued support and willingness to transact business with the West Coast Co-operative Credit Union.

Thank you also to all of the volunteers, management, and employees, especially the Loans Department staff, for assisting the Credit Committee in carrying out its duties.

Finally, we appreciate the opportunity to serve you and welcome any suggestions you may have to improve the lending experience at your Credit Union.

THANK YOU!!

A handwritten signature in black ink, appearing to read 'Desrey Ambo'.

Desrey Ambo

Chairperson on behalf of the Credit Committee

Caring Hands of



*Donated to
The Kelleb John Laurent
Primary School*



West Coast Co-operative Credit Union Ltd

NOTES

A large area for notes, consisting of a vertical red line on the left side and horizontal black lines for writing.



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