

Foundation for Growth,
Together We Succeed



30th

Annual
General
Meeting

ANNUAL REPORT 2024

Venue:
Chateau Heritage,
Bypass Dennerly



**DENNERY COMMUNITY
CREDIT COOPERATIVE
SOCIETY LTD**

"Save Today For A Better Tomorrow"

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VISION

Our vision is to be the lifetime financial partner for our community empowering our members to achieve success.

MISSION

To educate members of our community about the principles and benefits of co-operativism so as to attract membership from a wide cross section of our community in an effort to harness our collective resources to promote the educational, social and economic development of members and the wider community.

PRAYER OF SAINT FRANCIS OF ASSISI

Lord, make me an instrument of
thy peace,

Where there is hatred, let me sow
love

Where there is injury, pardon

Where there is doubt, faith

Where there is despair, hope

Where there is darkness, light and

Where there is sadness, joy.

O Divine master, grant that I may
not

so much seek to be consoled as to
console

To be understood as to
understand

To be loved as to love

For it is in giving that we receive

It is in pardoning that we are
pardoned

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

CO-OPERATIVE PRINCIPLES

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation among co-operatives
7. Concern for Community

CO-OPERATIVE VALUES

1. Self-help
2. Self-responsibility
3. Democracy
4. Equality
5. Equity
6. Solidarity

STANDING ORDERS

1. A member shall stand and state his or her name when addressing the Chairman.
2. Speeches shall be clear and relevant to the subject before the meeting.
3. A member shall only address the meeting when called upon by the Chairman to do so, after which he or she shall immediately take his or her seat.
4. No member shall address the meeting except through the Chairman.
5. A member shall not speak twice on a subject except:
 - (a) The mover of a motion who has the right to reply.
 - (b) The member rises to object or to explain any matter with the permission of the Chairman.
6. No speeches shall be made after the “Question” has been put to the meeting.
7. The mover of a “Procedural Motion” (that is a motion for adjournment laid to the table or a motion to postpone) shall have no right to reply.
8. A member rising on a “Point of Order” shall state the point clearly and concisely (a “Point of Order” shall have relevance to the standing orders).
9. A member shall not call another member to order but may draw the attention of the Chairman to a ‘breach of order’.
10. On no account can a member call the Chairman to order.
11. When a motion is withdrawn, an amendment of it fails.
12. The Chairman shall have the right to a “casting vote”.
13. If there is an equality of voting on an amendment, it is lost.
14. Provision shall be made for protection by the Chairman for vilification among members.
15. No member shall impute improper motive against another.

CORPORATE DATA

BOARD OF DIRECTORS



Daniella Martelly
President



Janelle V. Lord
Vice – President



Asmara James
Secretary



Ramel Polius
Treasurer



Marlyn Prince
Assistant Treasurer



Zenith Edward
Assistant Secretary



Priscilla Williams

CREDIT COMMITTEE



Rosaly Collymore
Chairperson



Jasmin Monerville
Secretary



Gabriel Fenelon



Nella Pascal

SUPERVISORY COMMITTEE



Perry Lendor
Chairperson



Hilanda Leon- Secretary



Deborah Charlery

EDUCATION COMMITTEE



Janelle V. Lord - Chairperson



Jacqueline Charlemagne



Epiphana James



Antoninus Thomas



Shirley Bissette

SOCIAL COMMITTEE



Zenith Edward



Martha Estaphane-Vincent



Rosaly Collymore

SOCIAL COMMITTEE (CONTINUED)



Jasmin Monerville



Janta Bastien



Mickey Bernard

EMPLOYEES



Sabina Stanio
General Manager



Elaine Desir
Loans Officer



Jercel Gedeon
Clerk



Janta Bastien
Head Teller



Mackeeva Edan
Teller/ Clerk



Kavon James
Teller/ Clerk

BUILDING COMMITTEE

Daniella Martelly, Ramel Polius, Perry Lendor, Thomas Flavien, Sabina Stanio and Thora Dundas

Auditor

PKF St. Lucia

Attorney-at-Law

George Charlemagne

Regulators

Financial Services Regulatory Authority

Financial Intelligence Authority

Affiliation

St. Lucia Co-operative Credit Union League Ltd.

Bankers

Bank of Saint Lucia

1st National Bank

Office

Victoria Street

Dennerly

Saint Lucia

Tel: (758) 453-4189, 485-4200

Email: dencun93@gmail.com

NOTICE

Notice is hereby given of the 30th Annual General Meeting of the Dennery Community Credit Co-operative Society Limited to be held on Sunday 9th November 2025 commencing at 2:30 pm. The meeting will be held both virtually and in person at Chateau Heritage located at Bypass, Dennery.

AGENDA

1. Ascertaining a Quorum
2. Call to Order
3. National Anthem
4. Invocation/Prayers
5. Welcome remarks
6. Apologies for Absence
7. Presentation by Financial Services Regulatory Authority
8. Greetings from Fraternal Organizations
9. Minutes of the 29th Annual general Meeting
 - a. Reading of minutes
 - b. Errors and Omissions
 - c. Confirmation of minutes
 - d. Matters Arising
10. Consideration and adoption of the 2024 Reports
 - a. Board of Directors
 - b. Treasurer
 - c. Auditor and Financial Statements
 - d. Credit Committee
 - e. Supervisory Committee
11. Sanction the payment of Dividends and policy to maintain the equity shares to total assets benchmark ratio
12. Appointment of Auditor
13. Election of Officers
14. Any other Business
15. Adjournment

By Order of the Board

Asmara James

Secretary

Board and Committees Meetings Attendance

For the year ended 31st December 2024

1. Board of Directors

Name	Board Scheduled	Board Attended	Sub-Committees	Other
Daniella Martelly	13	12	7	3
Thomas Flavien	6	6	4	-
Marlyn Prince	13	10	3	2
Ramel Polius	13	11	3	-
Asmara James	13	9	2	1
Janella V. Lord	13	13	7	1
Zenith Edward	7	7	2	2
Priscilla Williams	13	12	-	2

2. Credit Committee

Names	Scheduled	Attended	Sub-committees
Jasmin Monerville	33	30	3
Rosaly Collymore	33	27	3-
Gertrude B Ormerod	33	7	-
Gabriel Fenelon	18	18	1
Nelia Pascal	18	18	-
Agnita Thomas	15	12	-

3. Supervisory Committee

Names	Scheduled	Attended	Sub-committees
Deborah Charlery	14	14	-
Joseph Charles	5	5	-
Hilanda Leon	14	14	-
Perry Lendor	14	12	4

Board of Directors Report

Overview

The year in review saw growth in total assets of \$3.2 million yielding total assets of \$44.7 million at the end of 2024. This increase represents a steady growth in assets over the last five years. We registered an increase in loans of 5.5 percent in 2024.

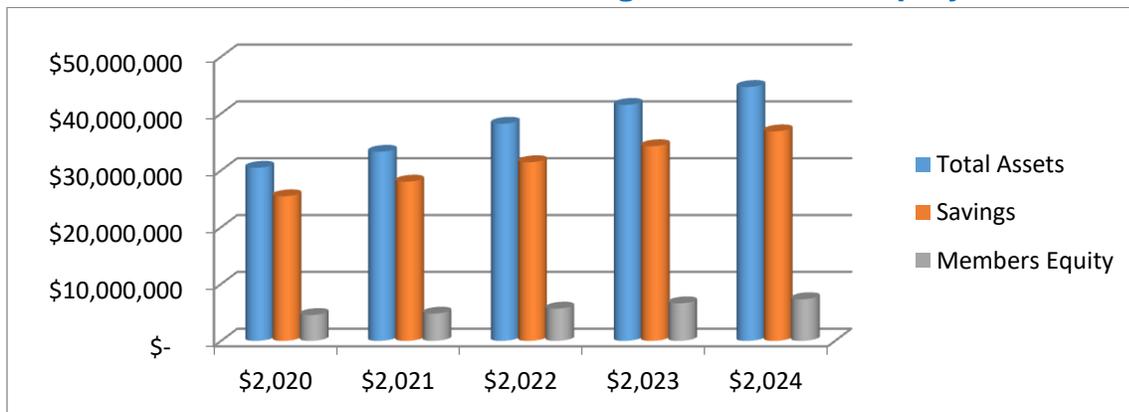
During the period in review, the Board continued to focus on delinquency monitoring and control, and implemented measures aimed at improving collection of delinquent loans. The Board also focused on advancing the process for the construction of our new office building to provide the space required for expansion. Additionally, the Board focused on the creation and filling of the position of compliance officer to ensure adherence to regulatory demands.

Performance

The steady growth in total assets stemmed primarily from the increase in members' savings (withdrawable shares and deposits). In addition, the increase in members' equity resulting from the increase in share capital and the net surplus realized for the year in review contributed to the growth in assets.

The graph below shows a steady growth in total assets, members' savings, and members' equity over the last five years. The equity ratio (members' equity to total assets) moved from 14.4 percent in 2021 to 16.8 percent in 2024 indicating that more assets are funded by equity which suggests greater financial stability.

Chart 1: Total Assets, Members Savings & Members Equity 2020 - 2025



An analysis of the performance using the PEARLS ratios revealed the following as shown in the table below.

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PEARLS	Performance Indicators	Industry Standards	Financial Year 2024	Financial Year 2023
Protection	Loan Loss Allowance to Delinquent Loans < 12 months	35%	51.93% or 1 in PEARLS rating	35.59% or 1 in PEARLS rating
Effective Financial Structure	Savings Deposits to Total Assets	80%	82.52% or 1 in PEARLS	82.53% or 1 in PEARLS rating
Asset Quality	Total Delinquency to Gross Loan Portfolio	Max 5%	11.67% or 5 in PEARLS rating	11.63% or 5 in PEARLS rating
	Non-earning Assets to Total Assets	Max 5%	2.76% or 1 in PEARLS rating	2.45% or 1 in PEARLS rating
Rates of Return	Operating Expenses to Total Assets	5%	3.85% or 1 in PEARLS rating	2.15% or 1 in PEARLS rating
	Net Income to Average Total Assets	2%	1.57% or 2 in PEARLS rating	2.03% or 1 in PEARLS rating
Liquidity	Liquid Assets less Short-Term Payables to Deposits	Min 15%	44.49% or 1 in PEARLS rating	40.51% or 1 in PEARLS rating
Signs of Growth	Growth in Total Assets	Min 10%	7.63% or 3 in PEARLS rating	8.66% or 2 in PEARLS rating

Further analysis of the performance of the Credit Union revealed the following:

- Share Capital (Membership shares) to total assets stood at 5.1 percent for 2024 (5.1 percent for 2023. The minimum required is 5 percent.
- Institutional capital comprising non-distributable reserves and retained earnings stood at 10.9 percent for 2024 (10.4 percent for 2023), the benchmark being 10 percent.

- Capital Base Ratio: Share capital plus reserves plus retained earnings to total assets stood at 15.6 percent (minimum required 15 percent).

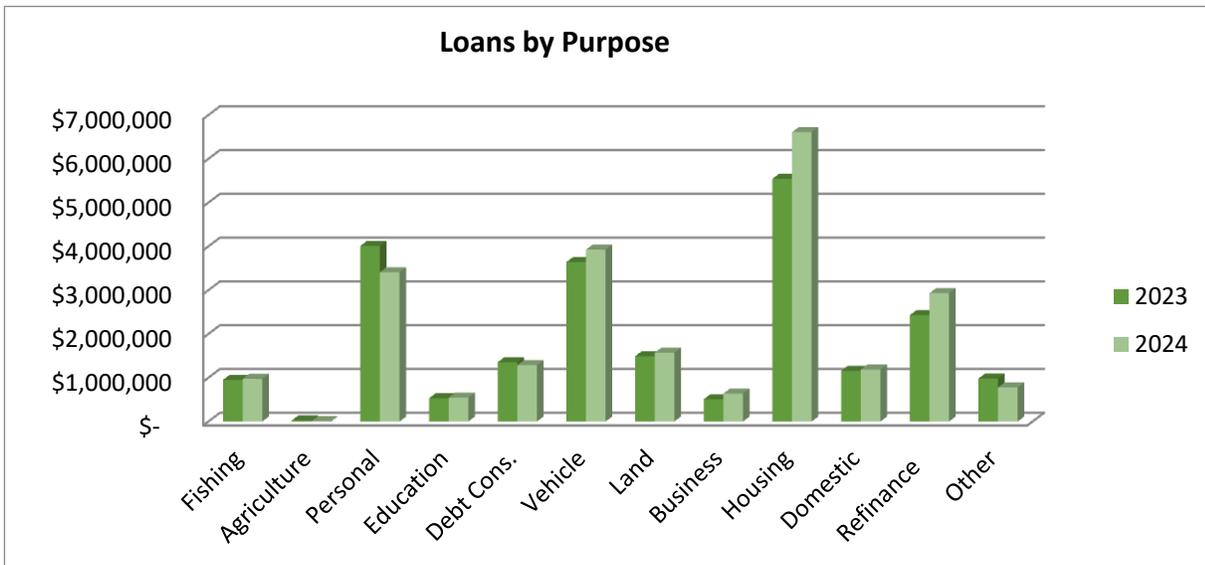
Loans

(a) Portfolio

Total loans grew from \$22.7 million in 2023 to \$24 million in 2024 representing an increase of \$1.3 million or 5.5 percent. We saw an increase in the demand for mortgage loans whilst the demand for other loans showed an overall decline. Mortgage loans grew by 16.2 percent over 2023 and non-mortgage loans declined by 1.2 percent.

The graph below shows the composition of the loan portfolio for 2024 compared to 2023. It shows significant increases in Housing loans of \$1.1 million or 19.2 percent, Vehicle loans of \$0.3 million or 7.8 percent and Refinance loans of \$0.5 million or 20.7 percent. Personal loans registered a significant decline of \$0.6 million or 13 percent.

Chart 2: Loans by Purpose 2024 compared to 2023



At the end of the year in review, the loan portfolio by purpose shown by the pie chart below revealed that Housing loans represented the largest proportion of the portfolio at 28 percent (25 percent for 2023), followed by Personal at 14 percent (18 percent for 2023), Vehicle at 17 percent (16 percent for 2023) and Refinance at 12 percent (11 percent for 2023). Land, Fishing, Education and Domestic

loans accounted for 7 percent, 4 percent, 2 percent and 5 percent respectively, the same rates as last year and Debt Consolidation loans accounted for 5 percent of the portfolio, down from 6 percent last year. Business loans accounted for 3 percent of the portfolio up from 2 percent in 2023.

Chart 3: Loan Portfolio by Purpose (Percentage of Total)

Figure 1 2024

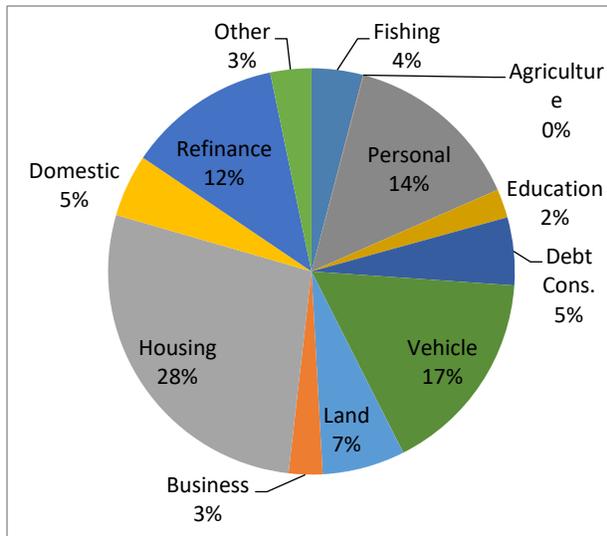
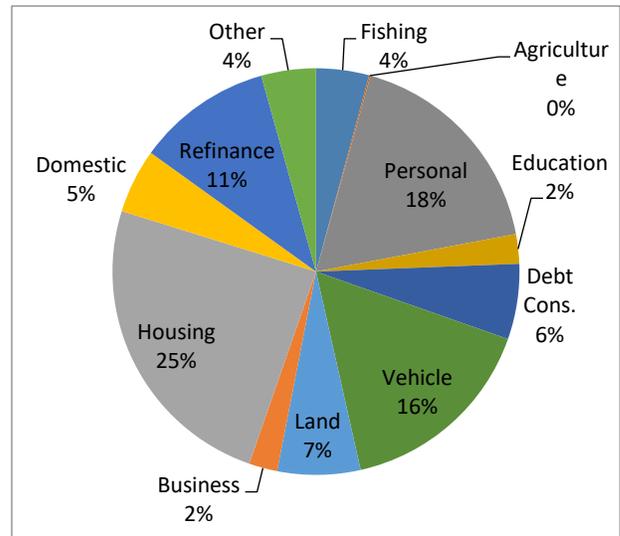


Figure 2 2023



(b) Delinquency

At the end of 2024, Delinquent Loans to Total loans stood at 11.7 percent (2023 - 11.6 percent). Collection procedures implemented during 2024 resulted in a significant reduction (\$482,558) in loans greater than one year in arrears. However, late loan repayments (loans up to 31 days in arrears) more than offset the gains made (\$527,032). Loans greater than 90 days in arrears accounted for 7.4 percent of the total loan portfolio at the end of 2024 compared to 9.5 percent for 2023.

Membership

For the year in review, membership grew by 2.9 percent or 106 members moving from 3,644 at the end of 2023 to 3,750. The table below shows membership data for 2024. Seventy (70) existing account holders, who did not have the required shares to qualify as members, purchased the required 20 shares to become members. Individuals who joined as minors are included in the existing account holder category.

Balance December 31, 2023	New Members	Existing Account Holders	Closed Accounts	Deceased Members	Balance December 31, 2024
3,644	57	70	6	15	3,750

Building

The Building Committee has been tasked with the responsibility of overseeing the project for the construction of the Society’s office building. The Committee held four meetings in 2024 and recommended that changes be made to the design to accommodate solar energy. At the end of 2024, the building project was at its final stage and construction was earmarked for commencement by mid 2025.

Organizational Repositioning

To meet the demands of the changing regulatory environment and to ensure compliance with financial regulations we were mandated to hire a compliance officer. As such, during the second quarter of 2024, the Board focused on creating that new position and recruiting a suitable candidate to fill that post early in 2025.

Education, Training and Information

The activities undertaken by the Education Committee are presented in a report included in this annual report. Additionally, seminars and workshops attended were as follows:

- AML/CFT/CPT training on Guidelines of the Credit Union was conducted in March 2024 for the Manager and Administrative Clerk.
- All employees and some Board and Committee members attended AML/CFT/CPT Refresher training held on 21st November and 27th November respectively.
- One employee attended Caribe DE training from April 28 to May 4, 2024.
- Training in various features in Emortelle with software providers.
- Training on Collective bargaining was attended by a Director and the Manager.
- Training on Debt Collection was attended by staff of the Loans Department in May 2024.

- Six persons namely Zenith Edward, Priscilla Williams, Rosaly Collymore, Perry Lendor, Jacqueline Charlemagne and Sabina Stanio represented our Credit Union at the OECS Credit Union Summit held in Dominica from the 24th to 29th of September 2024.
- Six employees attended Customer Service Enhancing Skills training in October 2024.

Social Responsibility

During the period in review, the Credit Union continued to support activities under Co-operative Principle no. 7 'Concern for Community' as follows:

- \$5,000 was donated to the Dennery Football League
- \$3,500 to the Dennery Carnival Committee.
- We donated \$16,130 to various community activities.
- \$6,000 was spent on the annual 'Bringing Smiles" programme.

Future Outlook

It is imperative that we continue to build a foundation for sustained growth of our Credit Union ensuring that we remain resilient and relevant in this ever changing global environment. In this regard, the Board plans to focus on the following:

- The creation of a risk and compliance department.
- The completion of our new office building with access to renewable energy.
- Access to online member services.
- Restructuring of the loans and accounting departments.
- Repositioning of our Credit Union to align with changing market conditions.

The continued growth and development of our Credit Union will require the collective efforts of members. As such, we must continue to work together if we are to succeed in this changing regulatory environment and competitive financial landscape.

Acknowledgements

The Board expresses its sincere thanks to Committee members, management and staff for their service to our Credit Union. We convey our gratitude to Director Marlyn Prince who has reached the end of her 2nd term and is not entitled for re-election. We express our gratitude to members who have

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continued to support us throughout the years. We urge you fellow members, to continue working together with us, as we build a foundation for growth and sustainability of our community credit union.

For and on behalf of the Board of Directors

Daniella Martelly

President

EDUCATION COMMITTEE REPORT

During the period under review, two additional students were welcomed into the scholarship programme, bringing the total number of recipients for the year to eight. Trayvon Willie was awarded the Cecilia Daniel Socio-Economic Award, while Arianna Nicholas



received the Hayden Williams Academic Scholarship. In addition, four bursaries were granted to other deserving applicants. The family of Hayden Williams—founding member of DECOS—partnered with the organization to contribute \$500 each to two top-performing students among the applicants.

In April, the committee collaborated with the Dennerly Seventh-day Adventist Church to host a community health fair. Committee members engaged with attendees, providing information about the Co-operative's services and responding to inquiries.

In May, the Co-operative sponsored a Spelling Bee competition at the Dennerly Primary School. Finalists were recognized with monetary prizes and certificates of participation, celebrating their academic efforts.



As part of Credit Union Month in October, the committee participated in a community road show, sharing valuable information about credit union services and benefits with residents.

Foundation for Growth, Together we Succeed

The year concluded with the annual Bringing Smiles programme in December. Forty grocery hampers were distributed to individuals in need across Dennery Village, La Caye, and Lumiere, reinforcing the Co-operative's commitment to community support and outreach.



For and on behalf of Education Committee

Janelle V. Gustave – Lord
Chairperson

TREASURER’S REPORT

Fellow members, tin 2024 our Credit union continued to experience significant growth in total assets. An analysis of the financial statements for the year in review is presented below.

Statement of Financial Position

The table below shows a summary of the financial position of the Society over the last five years. It shows a steady growth in total assets, total liabilities and members’ equity. The increase in liabilities is attributed to the increase in members’ savings while the increase in members’ equity is the result of the increase in share capital and the net surplus realised for the year.

Category	2020 \$	2021 \$	2022 \$	2023 \$	2024
Total assets	30,465,802	33,282,299	38,215,643	41,524,016	44,690,931
Total Liabilities	25,909,187	28,481,523	32,546,250	34,917,607	37,359,267
Total members equity	4,556,615	4,800,776	5,669,393	6,606, 409	7,331,664

Total assets

The Society continues to experience significant growth in total assets and on average has recorded an increase of \$3.3 million over the last five years. Over the past five years, total assets have increased by 46.7 percent moving from \$30,465,802 in 2020 to \$44,690,931 in 2024. In 2024, total assets increased by \$3,166,915 (7.6%) from \$41,524,016 in 2023 to \$44,690,931. This growth is primarily attributed to the increase in loans to members and cash and cash equivalents.

Loans to members

Total Loans (gross) increased by \$1,257,758 moving from \$2, 2706,568 in 2023 to \$23,964,326 in 2024. Net Loans to members increased by \$1,231,186 (5.6%) from \$21,886,087 to \$23,117,273. An increase in the provision for impairment of loans amounting to \$26,572 was recorded for 2024.

This asset is the most critical asset as it carries significant credit risks for the organization. As such, over the past years the Board and Management have intensified their focus on the management of that asset to improve the collection of outstanding amounts in an effort to reduce the amount of the loan impairment and improve the net surplus. For 2024, we registered a reduction of 28.7 percent in loans more than one year in arrears. However, loans up to three months in arrears increased by 19.4 percent and that increase more than offset the strides made during the year in review. Management therefore has to ensure that the Loans Department is adequately staffed at all times to enforce proactive measures aimed at reducing delinquent loans within one to three months in arrears.

Cash and cash equivalents

This category of assets increased by \$2,082,054 (25.2%), moving from \$8,259,741 to \$10,341,795. This increase is due to the increase in members savings (withdrawable shares and deposits).

Total liabilities

Total liabilities increased by \$2,441,660 (7%, from \$34,917,607 in 2023 to \$37,359,267 in 2024. This increase is largely due to the increase in members' withdrawable shares and deposits (members' savings).

Members' withdrawable shares and deposits.

Members' withdrawal shares and deposits increased by \$2,612,933 (7.6%) moving from \$34,267,734 at the end of 2023 to \$36,880,667. Members' withdrawal shares moved from \$21,871,802 at the end of 2023 to \$23,182,956 by the end of 2024 representing an increase of \$1,311,154 (6%). Members' deposits also recorded an increase of \$1,301,779 (10.5%) moving from \$12,395,932 at the end of 2023 to \$13,697,711 by the end of 2024.

Total members' equity

Total members' equity increased by \$725,255 (111%) from \$6,606,409 in 2023 to \$7,331,664 in 2024. The table below shows the categories of members' equity.

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Category	2023 \$	2024 \$	Change %
Share capital	2,128,770	2,275,272	6.9
Reserves	2,093,597	2,374,830	13.4
Member funds	147,597	163,842	11.0
Retained earnings	2,236,445	2,517,720	12.6

Share Capital

Members' permanent shares increased, from \$2,128,770 at the end of 2023 to \$2,275,272 representing a growth of \$146,502 (6.9%). Share capital to total assets stood at 5 percent (the regulatory standard is 5%).

Reserves

At the end of 2024, reserves stood at \$2,374,830, an increase of \$281,233 (13.4%) when compared to 2023.

Retained Earnings

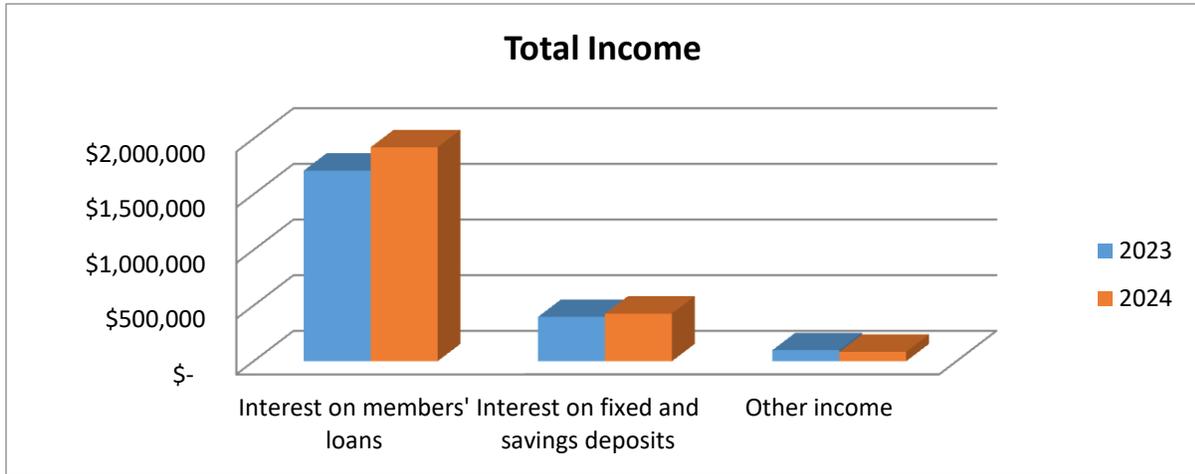
At the end of 2024, retained earnings stood at \$2,517,720 representing an increase of \$281,275 (12.6%) over the 2023 figure of \$2,236,445. In 2023 dividends of \$69,993 (for 2023) were paid.

The Institutional Capital Ratio, a measure of the Society's financial stability stood at 10.9 percent at the end of 2024. As per the regulations, the aggregate of the statutory and other non-distributable reserves (Reserves) plus undivided (retained) earnings must always be maintained at a minimum of ten percent (10%) of total assets. The ratio indicates that the Society has met its legal requirements in relation to institutional capital.

Statement of Comprehensive Income

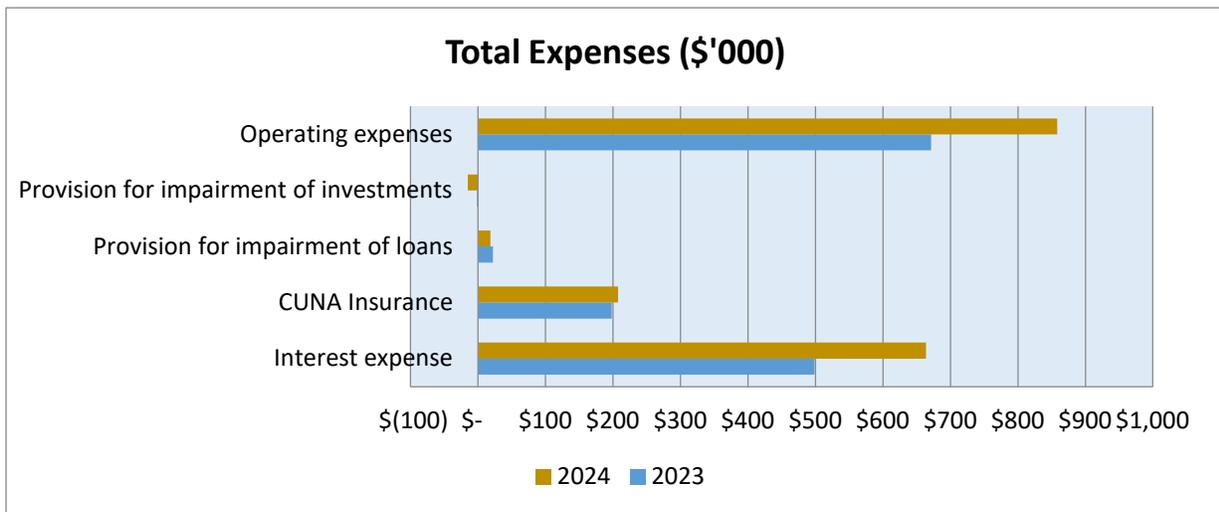
Total Income

Total income for 2024 comprising interest on members' loans, interest on fixed and savings deposits and other income stood at \$2,435,424, an increase of \$225,386 (10.2%) over 2023. The increase resulted mainly from increases in loan interest income (\$209,970) and income from investments (\$29,163). The chart below shows a comparison of the categories of total income for 2024 and 2023.



Total expenses

Total expenses for 2024 increased from \$1,389,253 in 2023 to \$1,732,889 representing an increase of \$343,636 or 24.7 percent. Interest on members' savings and operating expenses are the main contributors to the increase in expenses as explained below. Total expenses represent 71.2 percent of total income for 2024 compared to 62.9 percent for 2023. The chart below shows the main categories of expenses for 2024 compared to 2023.

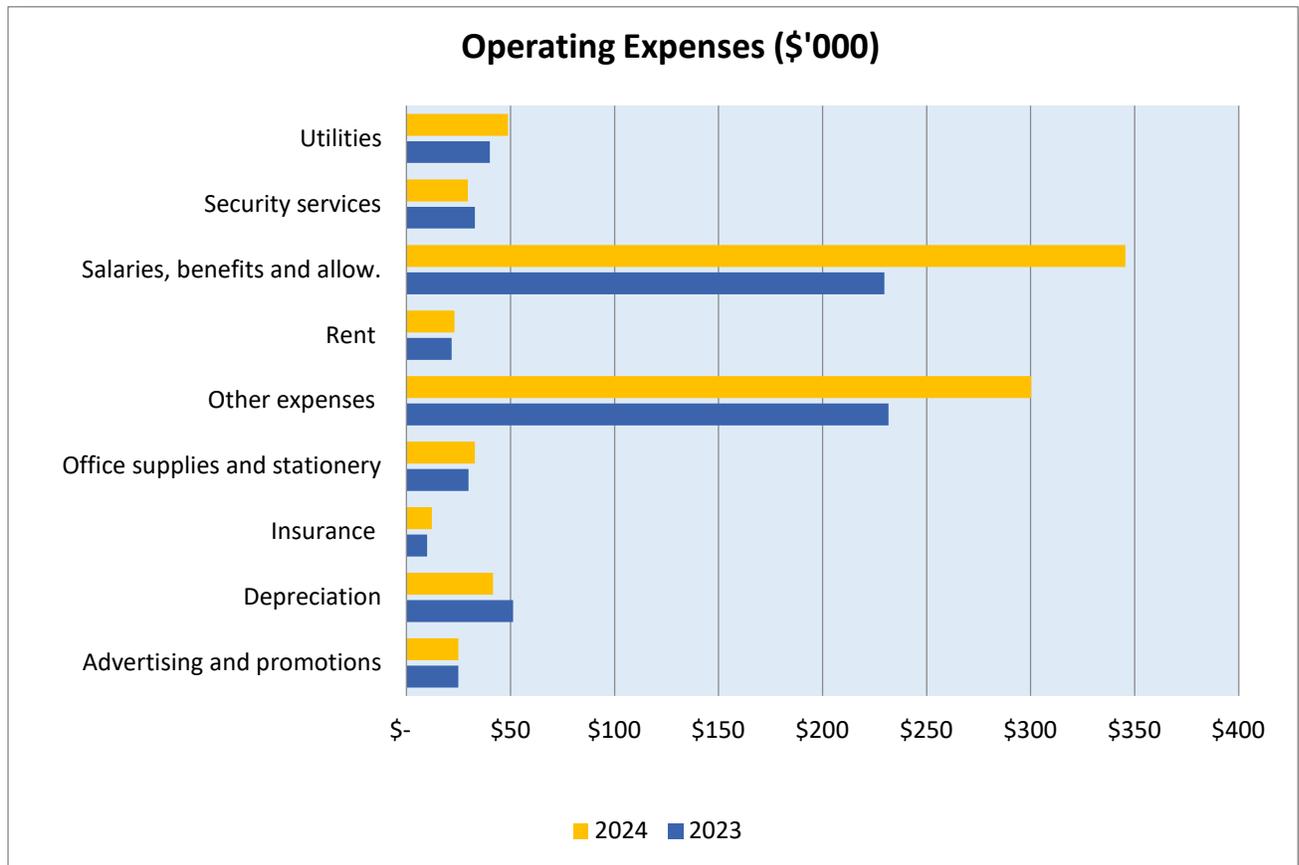


Interest expense

Interest expense for 2024 stood at \$663,951, an increase of \$165,109 (33.1%) when compared to 2023. During 2024, the Society paid 2 percent interest on members' withdrawable shares and 1.5 percent on members' deposits amounting to \$445,031 and \$202,282 respectively.

Operating expenses

At the end of December 2024, total operating expenses was recorded at \$858,383, representing an increase of \$186,872 (27.8%) when compared to 2023. The increase is mainly due to increases in salaries, benefits and allowances (\$115,827), and other expenses (\$68,683). The increase in Other Expenses is attributed mainly to increases in audit fees (\$23,511), repairs and maintenance (\$14,999) and office and general expenses (\$14,044), .Additionally, \$5,000 was donated to the League to assist our sister credit unions with relief efforts in islands ravaged of Hurricane Beryl. The chart below shows a comparison of the categories of operating expenses for 2024 against 2023.



Net Surplus

Net Surplus for 2024 stood at \$702,535 representing a decline of \$118,250 when compared to 2023. This was primarily due to the payment of interest on members savings which recorded an increase of \$162,864.

Conclusion

The financial position of our Credit Union remains strong and stable. During the reporting period, we have continued to build our capital reserves. The growth in loans, membership and overall assets reflect the trust and ongoing engagement of our members. Management and the Board will continue to engage in prudent financial oversight, effective risk management and fulfilling the Credit Union's mission to meet our members' financial needs efficiently.

Ramel Polius

Treasurer

Credit Committee Report

At the Society's 29th Annual General Meeting, the Credit Committee saw the exit of Agnita Thomas and welcomed Gabriel Fenelon and Nella Pascal to the team. The Committee plays a critical role in overseeing the lending practices and protecting the Credit Union's assets. In discharging its responsibilities, the Credit Committee is guided by the loan policy approved by the Board of Directors. The Committee has scheduled fortnightly meetings. However during the period in review, the team was required to meet more frequently to consider and approve loan applications. In that regard, thirty three meetings were held during 2024.

The team's responsibilities include reviewing loan applications and ensuring that they are in conformity with the loan policy. The evaluation process entails the following:

- Ensuring that the debt service ratio is within the stipulated guidelines.
- Ensuring that the collateral offered is sufficient and up to date.
- Assessing the member's ability to repay.
- Interviewing members if necessary.
- Ensuring that the loans granted are for productive and provident purposes.

Additionally, a critical aspect of the loan evaluation process is delinquency mitigation.

During the period in review, the Credit Union received 854 (eight hundred and fifty four) loan applications amounting to \$8,606,009. Of these loan applications, 2 (two) were denied amounting to \$26,000 and 852 applications in the amount of \$8,580,009 were approved.

Of the total loans granted in 2024, 102 loans (139 loans – 2023) amounting to \$288,532 (\$406,069 – 2023) were Reach Loans (Christmas promotion) and 35 loans (43 loans – 2023) totaling \$71,800 (\$91,000 – 2023) were Back-to-School loans. In 2024, we registered declines in both the Christmas and Back-to-School loans. Education loans however overall, registered growth of 8.6 percent over 2023.

The summary of loan applications approved for the year 2024 is presented in the table below.

SUMMARY OF LOANS GRANTED FOR 2024

LOAN CATEGORY	NUMBER OF LOANS	AMOUNT GRANTED
HOUSING	102	\$ 1,973,787
BUSINESS	7	\$ 395,000
EDUCATION	53	\$ 244,625
PERSONAL	455	\$ 1,404,069
TRAVEL	31	\$ 124,326
LAND	2	\$ 460,859
INSURANCE	7	\$ 19,041
VEHICLE/REPAIRS	68	\$ 1,551,561
DEBT	22	\$ 663,103
DOMESTIC	57	\$ 379,463
LEGAL	2	\$ 11,176
CONTRACT	29	\$ 928,250
FISHING	15	\$ 414,457
AGRICULTURE	2	\$ 10,293
Total	852	\$ 8,580,009

The security obtained for the loans granted were as follows:

- Members callable shares
- Instrument of charge for Housing loans
- Bills of sale for loans to purchase vehicles and equipment.
- Mortgages. All land loans are secured by mortgages.
- Co-makers

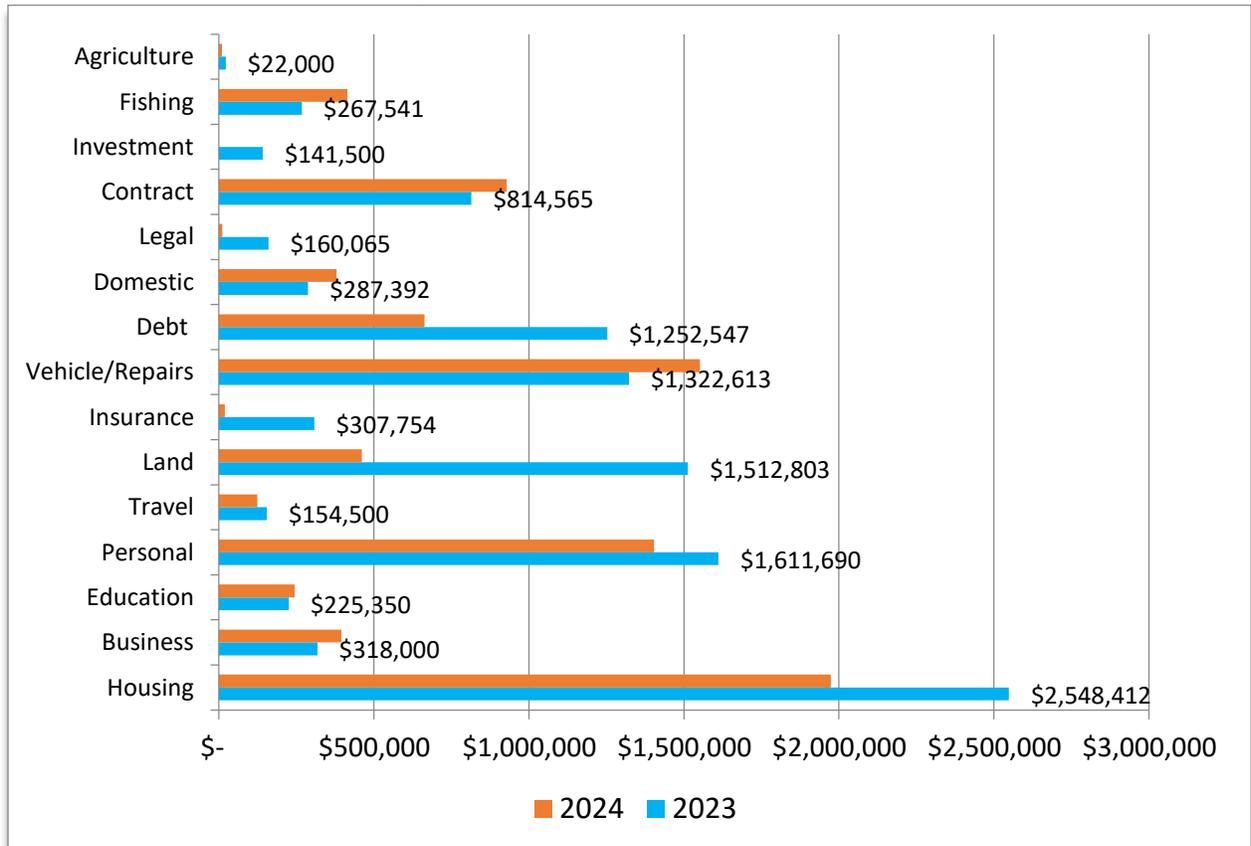
Additionally, loan protection insurance, advanced loan protection insurance and home owners insurance are in place to mitigate risks arising from death and fire and perils respectively.

For the year in review, the maximum amount of a loan granted was \$550,000 (special case approved by the Board) and the minimum was \$300.

For 2024, the Credit Union registered a significant decline in loans granted of 21.6 percent (\$2,366,722) when compared to 2023. As shown by the graph below, the largest decline was registered in Land loans (\$1,051,944) followed by Debt Consolidation (\$589,444) and then Housing (\$574,625). Increases were registered for Vehicle/Vehicle Repairs (\$288,948) and Contract (\$113,685).

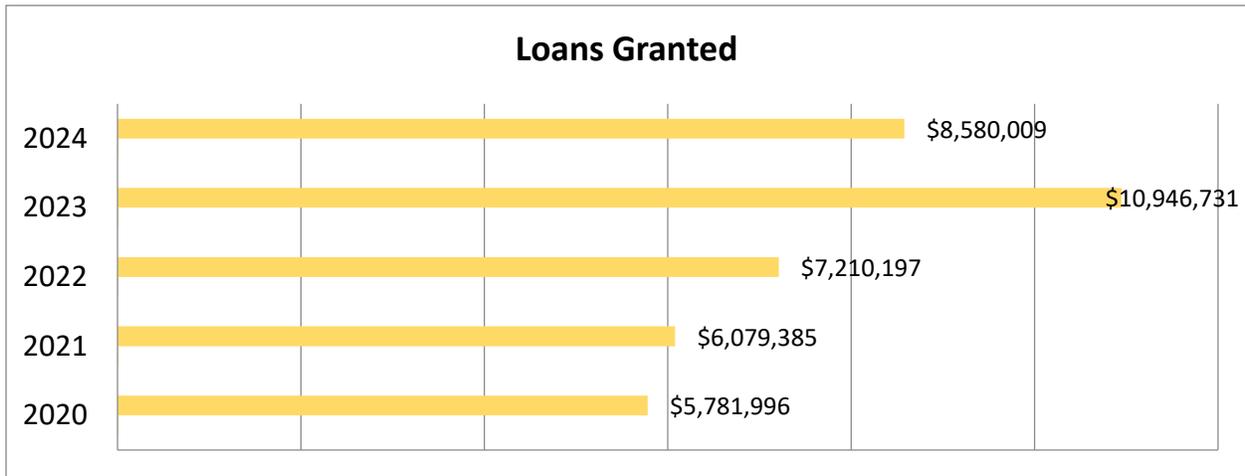
The graph below shows the comparative performance for 2024 against 2023.

Chart 1: Loans Granted by Purpose 2024 compared to 2023



The graph below shows loans granted over the last five years, 2020 to 2024. Total loans granted over the last five years amounted to \$38.6 million resulting in an average of \$7.7 million per year. In 2023, the Society introduced a mortgage loan promotion which resulted in a sharp increase in mortgage loans granted during that year. Loans granted in 2024 declined by 21.6 percent when compared to 2023. This decline is attributed to the drop in the number of mortgage loans granted in 2024 evidenced by the decline in Land, Housing and Debt Consolidations loans as shown by chart 1 above.

Chart 2: Loans Granted 2020 to 2024



Delinquent Loans

Total delinquent loans for 2024 stood at \$2,785,914 (\$2,691,063 – 2023). For the year in review, loans in arrears for one year and over accounted for 45 percent of total delinquent loans compared to 64.5 percent for 2023. The Society saw greater effort by some members to honour their long outstanding obligations. Delinquent loans in arrears up to 31 days (due mainly to late payments) accounted for 28.1 percent of total delinquent loans in 2024 compared to 9.5 percent for 2023. The categories of delinquent loans are reported as follows:

		<u>2023</u>	<u>2024</u>
• 31 days in arrears	-	\$256,914	\$783,946
• 1 to 3 months in arrears	-	\$89,323	\$234,149
• 3 to 6 months in arrears	-	\$303,838	\$317,517
• 6 to 9 months in arrears	-	\$156,345	\$15,349
• 9 months to 1 year in arrears	-	\$149,684	\$182,552
• Over 1 year in arrears	-	\$1,734,959	\$1,252,401

The collateral securing these loans amounted to \$1,822,251 (\$1,797,255 – 2023) resulting in net liabilities of \$963,663 for 2024 (\$893,808 – 2023).

For and on behalf of Credit Committee

Rosalyn Collymore

Chairperson

Supervisory Committee Report

During the 29th Annual General Meeting of Denney Community Credit Co-operative Society Limited (DECOS), the membership of the Supervisory Committee underwent changes in accordance with the Society's Bye-Laws. Mr. Joseph Charles exited the Committee, while Ms. Hilanda Leon was re-elected by the membership.

Pursuant to Bye-Law provisions and Section 42 of the Co-operative Societies Act, the newly constituted Supervisory Committee convened post-AGM and elected officers to serve in the following capacities:

- Mr. Perry Lendor – Chairperson
- Ms. Hilanda Leon – Secretary
- Mrs. Deborah Charlery – Member

This process ensures compliance with governance standards requiring democratic election and transparent appointment of supervisory personnel responsible for oversight.

Work Plan and Mandate

The Supervisory Committee's mandate includes oversight of the Credit Union's operations, internal controls, and compliance with regulatory frameworks. The 2024 work plan was designed to fulfill the committee's obligations and to promote sound governance, financial integrity, and member protection.

Key focus areas included:

- **Review of Governance Policies:**
Evaluation of the Code of Ethics, Anti-Money Laundering (AML), and Countering Financing of Terrorism (CFT) policies to ensure alignment with the Financial Services Regulatory Authority (FSRA) guidelines and international best practices.
- **Delinquency and Loan Portfolio Monitoring:**
Regular assessment of delinquency standings and loan portfolio health to mitigate credit risk and safeguard member assets, consistent with

prudential standards mandated by the Co-operative Societies Act and Financial Services Regulatory Authority.

- **Cash Flow and Financial Oversight:**

Continuous monitoring of cash flow, disbursements, and financial transactions to ensure fiduciary responsibility and prevent misappropriation.

- **Review of Bye-Laws and Policy Framework:**

Ongoing familiarization and review of the Society's governing documents to ensure compliance with evolving legislation and to support effective internal governance.

- **Observation of Operational Areas:**

Site visits and operational reviews to observe adherence to policies and identify areas for improvement.

1. Oversight of the Board of Directors

In accordance with the supervisory role defined under the Co-operative Societies Act, the Committee conducted systematic reviews of Board minutes and decisions throughout the reporting period. All queries and concerns arising from these reviews, as well as findings from internal controls, were communicated to the Board to facilitate resolution and enhance organizational transparency.

2. Internal Controls

The Committee maintained rigorous oversight over the Credit Union's financial operations, including:

- **Cashflow & Disbursements:**

Throughout the reporting period monitoring of cashflow, cheque disbursement slips, withdrawal slips, and end-of-day summaries revealed no discrepancies, demonstrating effective internal controls and compliance with statutory financial management requirements.

- **Account Verification and Loan Forms:**
Reviews ensured that all account activities and loan documentation complied with the Society's policies and regulatory standards, mitigating risk and protecting member interests.
- **System Audits:**
Account verifications were conducted via sampling method as per the work plan to verify the integrity of records kept. All reviewed accounts were found to be in order.

3. Anti-Money Laundering (AML) Compliance

The Committee upheld its responsibility under the AML/CFT regulations, consistent with the Financial Intelligence Authority's directives and the Credit Union's AML/CFT Policy, by:

- Conducting monthly reviews of new accounts, source of funds, and declarations of funds to ensure legitimacy and compliance.
- Verifying documentation to ensure that it met the required standards to prevent money laundering and terrorist financing risks.

The Way Forward

The Supervisory Committee remains steadfast in its commitment to uphold the highest standards of governance, compliance, and service excellence as mandated by the Co-operative Societies Act and related regulations.

To achieve the Credit Union's growth objectives and operational excellence, the Committee appeals to all members to:

- Educate themselves on the range of products and services offered by DECOS.
- Seek financial advice and counselling through the Society if experiencing financial difficulties.

The Committee continues to deepen its understanding of governing policies to effectively monitor Credit Union transactions and operations.

Members are encouraged to engage openly with the Committee by raising questions, grievances, observations, or recommendations. Such collaboration is vital for the continuous improvement and efficiency of DECOS.

Conclusion

The Committee commends the staff for their notable improvements in customer service, which have been positively received by members. This dedication is essential to fostering strong, lasting relationships within the Credit Union community.

We extend our sincere gratitude to staff, management, and members for their ongoing support and cooperation, which have been instrumental in the Committee's work.

Special thanks are extended to Mr. Perry Lendor for his service during his term.

As members of the Supervisory Committee, we are honored by the trust placed in us and look forward to continuing to serve the best interests of the Dennerly Community Credit Co-operative Society Limited.

For and on behalf of the Supervisory Committee

Perry Lendor

Chairperson

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024



INDEPENDENT AUDITOR'S REPORT

To the Members of the Dennery Community Credit Co-operative Society Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the **Dennery Community Credit Co-operative Society Limited**, (the "Society") which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, statement of changes in members' surplus, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies. The financial statements for the year ended December 31, 2023, were audited by another auditor who expressed an unqualified opinion on the financial statements on May 27, 2023.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting as described in Note 2(a).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). 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*") together with the ethical requirements that are relevant to our audit of the financial statements in St. Lucia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the 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 Directors is responsible for overseeing the Society's financial reporting process.



INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Members of the Dennery Community Credit Co-operative Society Limited

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 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.
- 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in black ink, appearing to be 'D. K. F.', written in a cursive style.

Chartered Accountants
Castries, Saint Lucia
September 29, 2025

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

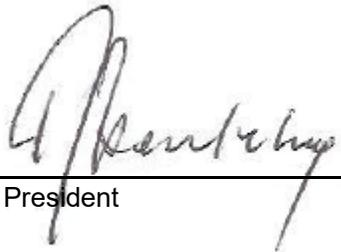
Statement of Financial Position

As at December 31, 2024

(Expressed in Eastern Caribbean Dollars)

	Notes	2024 \$	2023 \$
Assets			
Cash and cash equivalents	5	10,341,795	8,259,741
Financial assets	6	10,440,280	10,166,309
Accounts receivable	7	73,446	543,746
Investment securities	8	461,179	446,179
Loans to members	9	23,117,273	21,886,087
Deferred building cost		174,451	120,475
Property, plant and equipment	10	82,507	101,479
Total assets		44,690,931	41,524,016
Liabilities and members' surplus			
Accounts payable and accruals	11	478,600	649,873
Members withdrawable shares and deposits	12	36,880,667	34,267,734
Total liabilities		37,359,267	34,917,607
Members' surplus			
Share capital	13	2,275,272	2,128,770
Reserves	17	2,374,830	2,093,597
Members' funds	18	163,842	147,597
Retained earnings		2,517,720	2,236,445
		7,331,664	6,606,409
Total liabilities and members' surplus		44,690,931	41,524,016

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

President

Secretary

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Statement of Profit or Loss

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

	Notes	2024 \$	2023 \$
Income			
Interest on members' loans		1,922,581	1,712,611
Interest on fixed and savings deposits		427,815	398,652
		<u>2,350,396</u>	<u>2,111,263</u>
Interest expense			
Members deposit		(637,662)	(469,230)
Interest and bank charges		(16,638)	(14,393)
Members fixed deposit interest		(9,651)	(15,219)
		<u>(663,951)</u>	<u>(498,842)</u>
Net interest income		1,686,445	1,612,421
CUNA Insurance		(207,393)	(198,195)
Provision for impairment of loans		(18,162)	(22,145)
Provision for impairment of investments		15,000	1,440
Other income	14	85,028	98,775
		<u>1,560,918</u>	<u>1,492,296</u>
Net interest and other income			
Operating expenses			
Salaries, benefits and allowances		(345,480)	(229,653)
Other expenses	15	(300,297)	(231,614)
Utilities		(48,744)	(39,958)
Depreciation	10	(41,595)	(51,152)
Office supplies and stationery		(32,908)	(29,829)
Security services		(29,427)	(32,900)
Advertising and promotions		(24,837)	(24,870)
Rent		(23,000)	(21,600)
Insurance		(12,095)	(9,935)
		<u>(858,383)</u>	<u>(671,511)</u>
Total comprehensive income for the year		702,535	820,785

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

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Statement of Changes in Members' Surplus

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

	Notes	2024 \$	2023 \$
Share capital			
At beginning of the year		2,128,770	1,904,550
Shares purchased during the year		146,502	224,220
At end of the year	13	2,275,272	2,128,770
Reserves			
Statutory reserve			
At beginning of the year		1,346,966	1,141,420
Transfer from retained earnings		175,634	205,196
Entrance fees		219	350
At end of the year	17(a)	1,522,819	1,346,966
Building reserve			
At beginning of the year		746,631	623,513
Transfer from retained earnings		105,380	123,118
At end of the year	17(b)	852,011	746,631
Total reserves		2,374,830	2,093,597
Members funds			
At beginning of the year		147,597	118,650
Transfer from retained earnings		70,253	82,079
Training expenses for the year		(54,008)	(53,132)
	17	163,842	147,597
Retained earnings			
At beginning of the year		2,236,445	1,881,260
Comprehensive income for the year		702,535	820,785
Transfer to statutory reserve		(175,634)	(205,196)
Transfer to building reserve		(105,380)	(123,118)
Transfer to members' funds		(70,253)	(82,079)
Dividend and patronage		(69,993)	(55,207)
At end of the year		2,517,720	2,236,445
Members surplus end of the year		7,331,664	6,606,409

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

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Statement of Cash Flows

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Comprehensive income for the year		702,535	820,785
Adjustments for:			
Depreciation		41,595	51,152
Provision for impairment of loans		18,162	22,145
Loss on disposal of property, plant and equipment	10	7,044	-
Changes in fair values of investments		(15,000)	(1,440)
Cash flows before changes in operating assets and liabilities			
		754,336	892,642
Decrease/(increase) in accounts receivable		470,300	(490,817)
Increase in financial assets		(273,971)	(517,018)
Increase in loans to members		(1,257,758)	(4,541,204)
Recovery of loans written-off		8,410	-
Increase in members fixed and other deposits		2,612,933	2,480,487
Decrease in accounts payable and accruals		(171,273)	(109,130)
Net cash generated from/(used in) operating activities			
		2,142,977	(2,285,040)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(29,667)	(18,085)
Increase in deferred building costs		(53,976)	-
Net cash used in investing activities			
		(83,643)	(18,085)
Cash flows from financing activities			
Dividends and patronage payment		(69,993)	(55,207)
Payment from members' funds		(54,008)	(53,132)
Increase in members' shares		146,502	224,220
Entrance fees		219	350
Net cash generated from financing activities			
		22,720	116,231
Net increase/(decrease) in cash and cash equivalents			
		2,082,054	(2,186,894)
Cash and cash equivalents - beginning of the year	5	8,259,741	10,446,635
Cash and cash equivalents - end of the year	5	10,341,795	8,259,741

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

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

1. Incorporation and principal activity

The **Dennery Community Credit Co-operative Society Limited** (the “Society”) was incorporated in Saint Lucia on February 17, 1993 pursuant to the Co-operative Society Act. Chapter 82 of the Laws of Saint Lucia (1957) Revision, and is continued pursuant to Section 241 of the Co-operative Societies Act. No. 28 of 1999.

The Society’s principal activity is to promote thrift and co-operative principles among its members by providing the means to facilitate savings.

The Society’s registered office and principal place of business is situated on High Street Dennery, Saint Lucia.

These financial statements were approved by the Board of Directors for issue on September 29, 2025.

2. Summary of material accounting policies

(a) Overall policy

The principal accounting policies adopted in the preparation of these financial statements are set out below for the general understanding of the financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis for preparation

The financial statements of the **Dennery Community Credit Co-operative Society Limited** have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and under the historical cost convention.

(b) Foreign currency transaction

Functional and presentation currency

Items in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Eastern Caribbean dollars (“EC\$”), which is the Federation’s functional and presentation currency.

Transactions and balances

Monetary assets and liabilities denominated in currencies other than EC\$ are translated at the rate of exchange ruling at the statement of financial position date. Non-monetary assets and liabilities and transactions denominated in currencies other than EC\$ are translated at the rate of exchange ruling at the date of the transaction.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

2. Summary of material accounting policies (cont'd)

(c) New standards and revisions issued and effective for the financial year beginning January 1st, 2023.

IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16) IAS 17 - Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

Annual Improvements to IFRS Standards 2018-2020 - Standards Amended IFRS 1.

IFRS 9, IFRS 16 and IAS 41.

IAS 16 – Property, Plant and Equipment

This amendment addresses Proceeds before Intended Use and prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceed and related cost in profit or loss.

IAS 17 - Onerous Contracts

This amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'.

Annual Improvements to IFRS's 2018 to 2020 Cycle were issued in May 2020.

IFRS 1 - First time adoption of International Financial Reporting Standards - This relates to a Subsidiary as a First time Adopter.

IFRS 9, Financial Instruments – Fees in the "10 percent" test for derecognition of financial liabilities IAS 16 - as above and

IAS 41 Agriculture - Taxation in fair value Measurements

There are no other IFRS or IFRIC interpretations that are not yet effective and expected to have a material impact on the financial statements of the Credit Union.

(d) Early adoption of standards

The Society did not early adopt any new or amended standards in 2024.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

2. Summary of material accounting policies (cont'd)

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand and short term deposits with original maturities of less than one year. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. For the purpose of the cash flow statement, cash and cash equivalents comprise balances of cash on hand and current accounts.

(f) Property, plant and equipment

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

Subsequent costs are recognized as a separate asset when it is probable that future economic benefits will flow to the organization and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred. Land is not depreciated.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Furniture and equipment	10% - 33.33%
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Leasehold Improvements	20%
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(g) Financial assets

Financial Assets - initial recognition and subsequent measurement

(h) Date of recognition

Financial assets and liabilities, with the exception of loans and advances to members and balances due to members, are initially recognized on the date that the Society becomes a party to the contractual provisions of the instrument. Loans and advances to members are recognized when funds are transferred to the members' account. The Society recognises due to members balances when funds reach the Society.

Initial measurement of financial assets

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

2. Summary of material accounting policies (cont'd)

(i) Financial assets measured and classified at amortized cost

The Society classifies financial assets or financial liabilities at amortized cost if it is held within its business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

(j) Financial assets measured at fair value through other comprehensive income

A debt instrument shall be measured at fair value through other comprehensive income if it is held in a business model whose objective is both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. The society did not hold any such assets at December 31, 2024.

(k) Financial assets and financial liabilities designated at fair value through profit or loss

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at FVPL upon initial recognition when one of the following criteria are met, and designation is determined on an instrument-by-instrument basis:

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or

The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in net gain or loss on financial assets and liabilities designated at FVPL.

(l) Loans and advances to members

Loans and advances to Members include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, loans and advances to members are subsequently measured at amortized cost, less allowance for impairment.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

2. Summary of material accounting policies (cont'd)

(m) Impairment of financial assets

The Society assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset, or a group of financial assets, is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the member is experiencing significant financial difficulty; or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Under IFRS 9 which became effective on January 1, 2018, new impairment requirements require the use of an expected credit loss model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

(n) Recognition of revenue

Interest revenue is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. As regards the society, interest on members' loans is recognized as income only to the extent that payments are received and or accrued for not more than ninety (90) days. Income on fixed and other deposits are recognized on the accrual basis. Commissions and non-productive loan income are recognized when received.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

2. Summary of material accounting policies (cont'd)

(o) Impairment of loans

Loans originate by the Society, by providing money directly to the borrower with fixed or determinable payments that are not quoted in an active market. Third party expenses, such as legal fees incurred in securing the loans are treated as part of the cost of the transaction. All loans and advances are recognized when cash is advanced to borrowers.

An allowance for impairment is established if there is objective evidence that the Society will not be able to collect all amounts due according to the original contractual terms of loans.

Objective evidence that loans are impaired includes observable data, historical patterns and information on loans pending legal consultation.

The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows discounted at the loans original interest rate. The carrying amount of the loan is reduced through the use of an allowance account and the amount of the loss is recognized in the Income Statement. The provision for impairment is considered to be adequate. When a loan is written off it is charged off against the impairment account. Subsequent recoveries are credited to the impairment account.

(p) Income tax

The Society is not liable to Income taxes in accordance with Section 25 (1) (q) of the Income Tax Act Cap. 15.02 of Revised Laws of St. Lucia.

(q) Dividends

Dividends are recognized in equity in the period in which they are paid.

(r) Shares

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of equity instruments are shown in equity as a deduction from proceeds.

(s) Provisions

Provisions are recognized when the Society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as an interest expense.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

2. Summary of material accounting policies (cont'd)

(t) Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(u) Subsequent events

Post-year end events that provide additional information about the Society's position at the reporting date (adjusting events) are reflected in the Society's financial statements. Material post year-end events which are not adjusting events are disclosed.

(v) Comparatives

Certain prior year comparatives have been reclassified to conform to the presentation of the current year.

During the year, management identified that an amount of \$337,520 included under Accounts Payable and Accruals in the 2023 financial statements related to a fixed deposit held by the Society. For clarity and proper classification, this amount has been reclassified to Members' Deposits in the 2023 comparative figures. This reclassification affects Notes 11 and 12 but has no impact on the previously reported net surplus or members' surplus. The adjustment has been made to ensure consistency in the presentation of the financial statements.

3. Critical accounting estimates and judgments

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses as below:

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable asset at each reporting date, based on the expected utility of the assets. The estimated useful life of each asset is updated if expectations differ significantly from previous estimates due to physical wear and tear, or other limits in the use of the asset.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

4. Financial risk management

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Society is exposed to a variety of credit, liquidity and market risks as well as other operational and business risks. The society seeks to minimize the effect that these risk will pose to the Business. The society's overall risk management policies and processes focus on identifying, analyzing and monitoring all potential risks such as interest rate risk and credit risk that are faced by the Society. All treasury transactions are reported to and approved by the Directors.

(a) Credit risk

Credit risk is the risk that the Society will incur a loss because its members or counterparties fail to discharge their contractual obligations. The Society manages and controls credit risk by setting limits on the amount of risk it is willing to accept for its members and by monitoring exposures in relation to such limits.

The Society has established a credit quality review process to provide early identification of possible changes in the credit worthiness of its members, including regular collateral revisions.

The credit quality review process aims to allow the Society to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Impairment provisions are provided for losses that have been incurred at the statement of financial position. The Society is guided by its loan policy and the regulations in the Co-operative Societies Act, taking into consideration changes in the economy or any particular segment that may represent a concentration in the society's portfolio.

The maximum exposure to credit risk is as follows:

	2024	2023
	\$	\$
Cash and cash equivalents	9,816,673	8,153,292
Fiancial assets and investment securities	10,901,459	10,612,488
Trade and other receivables	73,446	543,746
Loans to members	23,964,326	22,706,568
	44,755,904	42,016,094
Less: Loan commitments	(521,413)	(365,109)
	44,234,491	41,650,985

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

4. Financial risk management (cont'd)**(b) Liquidity risk**

Liquidity risk is defined as the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Society might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Society on acceptable terms. The Society has developed internal control processes and contingency plans for managing liquidity risk.

	Up to 1 year \$	Beyond 1 year \$	Total \$
As at December 31, 2024			
Current assets			
Cash and cash equivalents	10,341,795	-	10,341,795
Held-to maturity investments	9,940,280	500,000	10,440,280
Accounts receivable	73,446	-	73,446
Loans to members	4,153,492	18,963,781	23,117,273
	24,509,013	19,463,781	43,972,794
Current liabilities			
Accounts payable and accruals	478,601	-	478,601
Members deposits	13,697,711	-	13,697,711
Members withdrawable shares	4,625,868	18,557,088	23,182,956
	18,802,180	18,557,088	37,359,268
Net	5,706,833	906,693	6,613,526

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

4. Financial risk management (cont'd)**(b) Liquidity risk (cont'd)**

	Up to 1 year \$	Beyond 1 year \$	Total \$
As at December 31, 2023			
Current assets			
Cash and cash equivalents	8,259,741	-	8,259,741
Held-to maturity investments	8,852,309	1,314,000	10,166,309
Accounts receivable	543,740	-	543,740
Loans to members	5,471,522	16,414,566	21,886,088
	<u>23,127,312</u>	<u>17,728,566</u>	<u>40,855,878</u>
Current liabilities			
Accounts payable and accruals	649,873	-	649,873
Members deposits	12,395,932	-	12,395,932
Members withdrawable shares	6,561,541	15,310,261	21,871,802
	<u>19,607,346</u>	<u>15,310,261</u>	<u>34,917,607</u>
Net	<u>3,519,966</u>	<u>2,418,305</u>	<u>5,938,271</u>

(c) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Society classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Market risk arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

The interest rates on term contracts are fixed to the term of maturity. Rates on members deposits held are reviewed on an annual basis. The rates for 2024 ranged from 1.25% to 6.25%. The society is exposed to equity risks (fair value). Shareholdings in the Eastern Caribbean Financial Holding Company are traded on the open market through the Eastern Caribbean Securities Exchange. Investments are monitored by management and changes in value taken through the profit and loss account.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

4. Financial risk management (cont'd)

(d) Operational and Business Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Society cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.

5. Cash and cash equivalents

	2024	2023
	\$	\$
Cash	525,122	106,449
Bank of Saint Lucia Limited - Operating account	3,721,348	1,849,409
1st National Bank Limited - Savings account	6,095,325	5,528,835
Republic Bank (EC) Limited - Savings account	-	775,048
	<u>10,341,795</u>	<u>8,259,741</u>

6. Financial assets

	2024	2023
	\$	\$
Certificate of deposits	6,072,874	6,030,201
Deposit with league	653,382	653,385
Treasury bills and treasury notes	3,714,024	3,482,723
	<u>10,440,280</u>	<u>10,166,309</u>

The Certificate of Deposits and savings account with Republic Bank EC are held in principal to meet the requirements for the liquidity reserve required to be maintained under Section 119(3) of the Co-operatives Act, Cap 12.06, Revised Laws of St. Lucia. Interest rates paid are in the range of 1.25% to 6% (2023 – 1.25% to 6.25%).

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

7. Accounts receivable

	2024	2023
	\$	\$
Other	73,446	43,746
ECHMB receivables	-	500,000
	73,446	543,746

8. Investment securities

	2024	2023
	\$	\$
Financial assets measured at fair value through profit or loss Eastern Caribbean Financial Holdings Ltd. 2,000 (2023 -12,000) shares	60,000	45,000
1st National Bank St. Lucia Limited 20,000 (2023 - 20,000) shares	200,000	200,000
St. Lucia Co-operative League shares	200,050	200,050
Dennery Fishermen's Co-operative Society Limited shares	1,129	1,129
	461,179	446,179

9. Loans to members

	2024	2023
	\$	\$
Mortgage loans	10,220,943	8,797,509
Personal loans	9,418,880	9,865,306
Other	4,324,503	4,043,753
	23,964,326	22,706,568
Less: Provision for impairment of loans	(847,053)	(820,481)
	23,117,273	21,886,087

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

9. Loans to members (cont'd)

The movement in the provision for impairment of loans are as follows:

	2024	2023
	\$	\$
Balance at beginning of the year	820,481	798,336
Charges for the year	18,162	104,059
Write-offs/(recoveries)	8,410	(81,914)
Balance at end of the year	847,053	820,481

The Society uses the IFRS 9 module in the Emortelle accounting system to calculate Expected Credit Losses. This module is linked to the arrears management listing and is updated periodically by the adoption of a loan granting and review process which updates the client risk profile with the members' personal information, customer factors, business factors and geographical factors.

The loan loss provision at December 31, 2024, is as follows:

	Stage 1 Provision 12 month Performing	Stage 2 Provision lifetime ECL under Performing	Stage 3 Provision Lifetime ECL Credit impaired	Total
Expected Credit Losses as at December 31, 2021	149,586	8,008	640,742	798,336
Credit Loss Expenses/(Recoveries)	53,552	3,103	(34,510)	22,145
Expected Credit Losses as at December 31, 2023	203,138	11,111	606,232	820,481
Credit Loss Expenses/(Recoveries)	13,072	4,203	9,297	26,572
Expected Credit Losses as at December 31, 2024	216,210	15,314	615,529	847,053

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

9. Loans to members (cont'd)

In Accordance with Regulation 30 (1) of the Cooperative Societies Act Chapter 12.06. the Value of delinquent loans and their exposure are as follows:

Duration of period of overdue loans	Delinquent loans \$	Collateral \$	Net Delinquent Loans \$	Percentage of outstanding loan balance that is deemed loss expose %	Provisions \$
3 months but less than 6 months	317,517	193,535	123,982	25%	30,995
6 months but less than 9 months	15,349	-	15,349	50%	7,675
9 months but less than 1 year	182,552	158,011	24,541	75%	18,406
1 year and over	1,252,401	673,009	579,392	100%	579,392
Total	1,767,819	1,024,555	743,264		636,468

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

10. Property, plant and equipment

	Land	Furniture and Fixtures	Leasehold improvement	Total
	\$	\$	\$	\$
Cost				
Balance as at December 31, 2022	48,496	226,314	60,647	335,457
Additions	-	18,085	-	18,085
Disposals	-	-	-	-
Balance as at December 31, 2023	48,496	244,399	60,647	353,542
Additions	-	29,667	-	29,667
Disposals	-	(8,720)	-	(8,720)
Balance as at December 31, 2024	48,496	265,346	60,647	374,489
Accumulated depreciation				
Balance as at December 31, 2022	-	177,552	23,359	200,911
Depreciation charge for the year	-	31,139	20,013	51,152
Balance as at December 31, 2023	-	208,691	43,372	252,063
Depreciation charge for the year	-	24,321	17,274	41,595
Depreciation on disposals	-	(1,676)	-	(1,676)
Balance as at December 31, 2024	-	231,336	60,646	291,982
Carrying Amount				
As at December 31, 2023	48,496	35,708	17,275	101,479
As at December 31, 2024	48,496	34,010	1	82,507

11. Accounts payable and accruals

	2024	2023
	\$	\$
Interest on members deposits and withdrawable shares	325,139	54,070
Accruals and sundry payables	153,461	95,803
Eastern Caribbean Home Mortgage Bank ("ECHMB")	-	500,000
	478,600	649,873

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

12. Members' withdrawal shares and deposits

	2024 \$	2023 \$
Openings balance and withdrawable shares	21,871,802	20,515,725
Additions	5,273,584	5,469,924
	27,145,386	25,985,649
Withdrawals	(3,962,430)	(4,113,847)
Closing balance of withdrawable shares	23,182,956	21,871,802
Members deposits	13,697,711	12,395,932
Balance at end of the year	36,880,667	34,267,734

Interest is paid on withdrawable shares and deposits at an annual rate of 1.75% (2023 – 1.87%).

13. Share capital

	2024 \$	2023 \$
Authorised		
Unlimited ordinary shares of no par value	2,275,272	2,128,770
Issued and fully paid		
20 (2023 - 20) ordinary shares at \$5 per share	100	100

14. Other income

	2024 \$	2023 \$
Commissions	27,780	31,873
Management fee	23,200	24,000
Service fees	16,300	21,768
Foreign exchange	13,747	17,133
Dividends received	4,001	4,001
	85,028	98,775

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

15. Other expenses

	2024	2023
	\$	\$
Audit fees	52,125	28,614
Repairs and maintenance	45,349	30,350
League dues	35,855	33,000
Board and committee expenses	31,785	15,036
Donations	24,630	18,226
Annual general meeting	22,384	16,347
ATM expenses	21,989	21,474
Legal and professional fees	21,190	21,110
Office and general	14,044	-
Scholarships	13,164	16,959
Loss on disposal of assets	7,045	-
Credit Union day activities	5,737	3,778
Flood relief	5,000	-
Honorarium	-	26,720
	300,297	231,614

16. Key management compensation

	2024	2023
	\$	\$
Senior management compensation	127,284	112,635

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

17. Reserves**(a) Statutory reserves**

	2024	2023
	\$	\$
Balance - beginning of the year	1,346,966	1,114,420
Transfer from retained earnings	175,634	205,196
Entrance fees	219	350
Balance - end of the year	<u>1,522,819</u>	<u>1,319,966</u>

Under Section 119(2) of the Co-operative Societies Act Cap. 12.06, Laws of St. Lucia, the Society is required to appropriate at least 20% of the net surplus for each year to the statutory reserve fund. As per the By-laws of the Society this appropriation has been set at 25% (2023 – 25%).

(b) Building reserves

	2024	2023
	\$	\$
Balance - beginning of the year	746,631	623,513
Transfer from retained earnings	105,380	123,118
Balance - end of the year	<u>852,011</u>	<u>746,631</u>

There is a Building Reserve with an appropriation of 15% (2023 – 15%) of net income for the year.

18. Members funds

	2024	2023
	\$	\$
Development funds		
Balance - beginning of the year	147,597	118,650
Transfer from retained earnings	70,253	82,079
Training expenses	(54,008)	(53,132)
Balance - end of the year	<u>163,842</u>	<u>147,597</u>

These comprised of Funds for the benefit of members established by the Society. These funds are supported from an allocation of 10% (2023 -10%) of the net income for the year.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

19. 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. In this regard the balances of the Directors, Officers and Management at December 31, 2024, were as follows:

	2024	2023
	\$	\$
Borrowings	420,030	585,323
Shares and deposits	413,060	502,716

20. Commitments

The Society has a commitment for its current accommodation of a monthly payment of \$2,500; (\$30,000 annually). The Society agreed at its AGM in 2020 to proceed with the construction of a new building to house the Society, which will replace an existing structure owned by the Society.

21. Contingent liability

(a) At the year-end, loans approved by the Society but not yet fully disbursed amounted to \$521,413 (2023 - \$ 365,109).

22. Legal claims

There were no legal claims against the Society as at December 31, 2024.

DENNERY COMMUNITY CREDIT CO-OPERATIVE SOCIETY LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Expressed in Eastern Caribbean Dollars)

23. Co-operative Societies Act Compliance Requirements Liquid investments

	Notes	2024 \$	2023 \$
Cash and cash equivalents	5	10,341,795	8,259,741
Financial assets	6	10,440,280	10,166,309
		<u>20,782,075</u>	<u>18,426,050</u>
Members' withdrawable and deposits	12	<u>36,880,667</u>	<u>34,267,734</u>
Liquid investments to shares and deposits ratio		56%	54%

Section 119 (3) of the Co-operative Societies Act requires that not less than 15% of the Members' shares and deposits be kept in liquid reserve. Liquid reserves of the Society represented 56% (2023 - 54%) of Members' shares and deposits. The Society therefore was in compliance with the requirement of the Act at year-end.

	2023 \$	2022 \$
Statutory and other reserves	7,331,664	6,606,409
Total liabilities	<u>37,359,267</u>	<u>34,917,607</u>
	<u>44,690,931</u>	<u>41,524,016</u>
Reserves to liabilities ratio	20%	19%

Section 119 (3) of the Co-operative Societies Act requires that statutory and other reserves at no stage should be less than 10% of its total liabilities. Statutory and other reserves of the Society represented 20% (2023 - 19%) of its total liabilities. The Society therefore was in compliance with the requirement of the Act at year-end.