

*Building a resilient
financially secure community.*



**West Coast Co-operative
Credit Union Ltd**

**2017
ANNUAL
REPORT**



Credit Union Prayer



Lord, make me an
Instrument of your 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.



-St Francis of Assisi

WEST COAST CO-OPERATIVE CREDIT UNION LTD.

Vision

To be the only credible choice for success.



Mission

The purpose of the West Coast Co-operative Credit Union is to maximize members' benefits through cost effective financial services consistent with the co-operative principles, applicable legislation and prudent management.

TABLE OF CONTENTS

Agenda.....	3
Board of Directors' Report.....	4
Treasurer's Report.....	11
Financial Statements	
Auditor's Report.....	18
Balance Sheet.....	19
Statement of Income and Appropriations	20
Statement of Changes in Equity	21
Statement of Cash Flows	22
Notes to the Financial Statements.....	23
Credit Committee Report.....	37
Supervisory Committee Report	42
Nomination Committee Report	45



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the members of the West Coast Co-operative Credit Union Ltd. that the 13th Annual General Meeting will be held on Sunday, May 27th, 2018 at the Colihaut Primary School at 3:00 p.m.

AGENDA

1. Ascertainment of Quorum
2. Call to Order & Prayer
3. Taking of Apologies
4. Opening Remarks by the President
5. Reading and Confirmation of Minutes of 7th Annual General Meeting
6. Matters Arising from the Minutes
7. Reports, Discussion and Adoption thereof:
 - a. Board of Directors
 - b. Treasurer and Auditor
 - c. Credit Committee
 - d. Supervisory Committee
 - e. Nominations Committee
8. Remarks
9. Elections of officers
 - a. Board of Directors
 - b. Credit Committee
 - c. Supervisory Committee
10. New Business
 - a. Appropriation of Surplus
 - b. Appointment of Auditor
11. Any Other Business
 - Distribution of awards
 - Early Bird Prizes
 - Testimonials
12. Vote of Thanks
13. Adjournment



.....
Helen Ambo (Miss)
Secretary

REPORT OF THE BOARD OF DIRECTORS

For The Year Ended December 31st 2017

INTRODUCTION

We are delighted to report yet another commendable year's performance in which the society realized growth in many critical areas despite the increasing challenges to minimize cost, reduce delinquency, and increase revenue. Our challenges were exacerbated by the aggressiveness of our competitors and the general difficulty of doing business in the global economy. Along with the rest of the country we were also faced with the onslaught of Hurricane Maria and the disaster that she visited on all of us as members. Notwithstanding, we innovated and sought to keep abreast with developments and trends in the industry and financial space. We sought to recover and to be the bastion upon which your recovery could be launched. We strove to excel in the service we gave to members and other users of our other services. The society's vision: *"to be the only credible choice for success"* served to inspire us in helping you to enhance the quality of your lives.

IMPACT OF HURRICANE MARIA

Following the passage of what was the most devastating weather system to visit our island, the society's offices remained closed for the assessment of damage and for ensuring adequacy of facilities to accommodate members. We suffered minor damage to the offices at Salisbury and St. Joseph, and some water and roof damage to the offices at Colihaut and Coulibistrie. The society opened for the resumption of business, offering limited services, on October 4, 2017 at the main office in Salisbury. Given the high cost of operations using a generator and the need to repair and prepare the other offices, the Board was forced to maintain office at that one branch up to the end of the year. We are discussing continued operations at the other branch offices with our landlords and should soon be in a position to resume operations in well-repaired and enhanced settings. We thank members for your patience and co-operation as we offered limited service in circumstances that were not ideal. We also thank staff for your commitment to service and your patience with the less than ideal working conditions as we sought to improve our 'normal'.

GOVERNANCE

The team forming the Board of Directors was led by President Glenroy Toussaint and comprised: Vice-President, Kervin Vidal, Treasurer David Fritz, Secretary Helen Ambo, Assistant Secretary/Treasurer Eric Serrant, and members Eunie John, Aneka Valentine, Kishma Blanc and Nicholas George. Together with the General Manager we met a total of fifteen (15) times to conduct the business of the society (see table 1 below).

In April 2017, long-time General Manager, Veronica Andrew left the society after over thirty-five years of unwavering and dedicated service to first the Salisbury CU and then the West Coast Cooperative CU. We applaud the hard work and effort of Mrs. Veronica Andrew that assisted in building the society to what it is today. Mr. Ericson Robinson assumed the mantle of leadership following the departure of Mrs. Andrew and steered the society through what was surely one of the most problematic eras of our development. We applaud also the many men and women who have given tireless volunteer service in this enterprise. We are

proud of what we have built together and seek members' continued loyalty as we move further up.

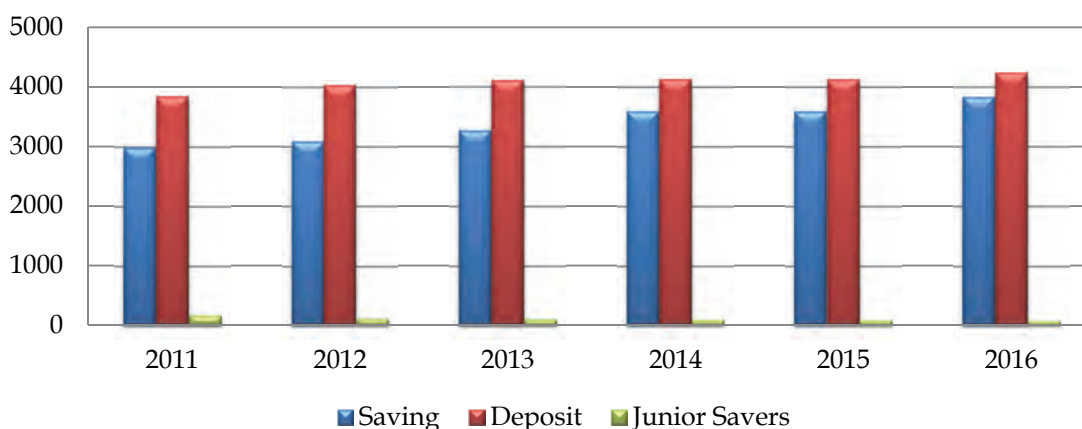
Table 1: Board Composition and Attendance at Meetings

Board of Directors - Members	Applicable Number of Meetings	Attended	Excused
Glenroy Toussaint	15	11	4
Kervin Vidal	15	12	3
David Fritz Jr.	15	13	2
Nicholas George	15	9	6
Helen Ambo	15	14	1
Aneka Valentine	15	10	5
Magdalene Moses	3	0	3
Kishma Jno Baptiste - Blanc	15	11	4
Eunie John	15	11	4
Eric Serrant	7	5	2

MEMBERSHIP

We are the heart of the society. The Board implemented measures to increase the number of and promote the growth of members for the continuing viability of the cooperative. To date membership head count is four thousand, two hundred and one (4,201). The total number of accounts, inclusive of depositors and Junior savers, is eight thousand five hundred and twenty-five (8,525) (see Fig. 1). The confidence and loyalty of members is demonstrated in the membership increase. For the year we lost eighteen (18) accounts.

Fig. 1 Membership Growth, 2011 to 2016



Obituaries

Regrettably, we lost valuable members during 2017. Sincere condolences are extended to families and relatives who were bereaved as a result of the passing of:

John Sebastien	Maria Charles Toussaint
Julietta Joseph	Phylina Frederick
Everad Roberts	Ivinia Alexander
Gervin Codrington	Uvilla Felix
Lenor John	Marciel Xavier
Esther Vidal	Mildred Shillingford
Clem Roudette	Moncle Williams
Nicholson Roudette	Mary Gregoire

Please remember that there are products to assist with the final expenses of relatives and loved ones.

FINANCIALS

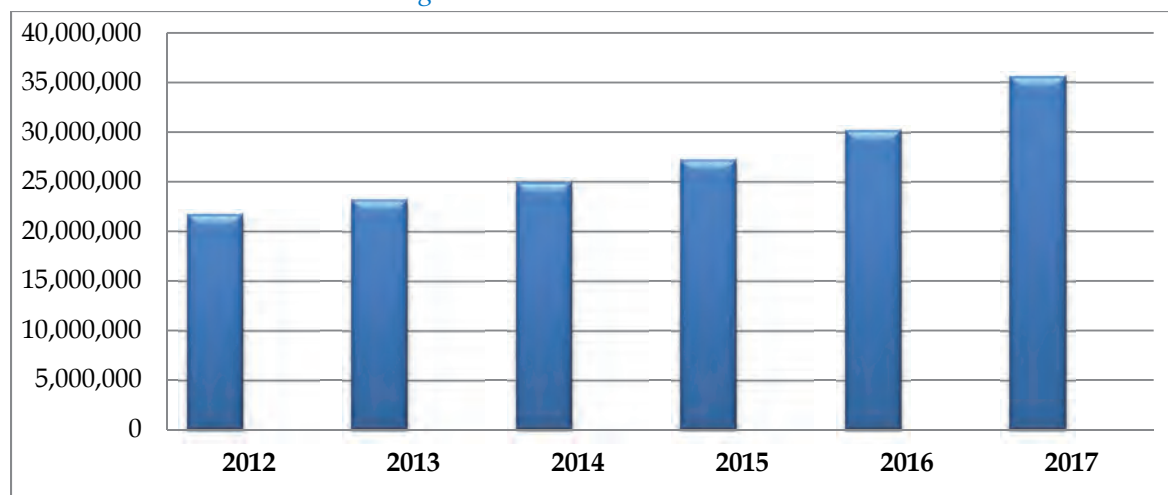
As alluded to above, the society was able to grow in key areas including: total assets by \$5.3million or 17.7% and surplus before appropriation by \$427 thousand over 2016 to a total of \$764 thousand.

Main Performance Indicators

Tables 2 compares West Coast's key performance indicators with the recommended ratios for the industry; Table 3 shows the movement in total assets. As is apparent, there is yet work to be done to become better aligned with standards. We complement the efforts of staff for progress made.

Table 2: Comparison – Key performance indicators

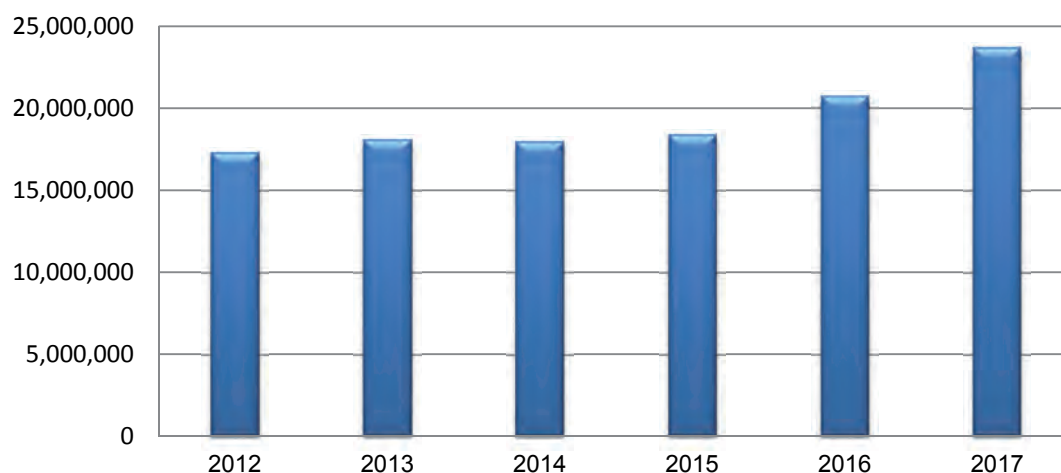
Broad Comparison Ideas		Ratios	Recommended Industry Standards %	WCCCU in 2016 %	WCCCU in 2017 %
Protection	Loan loss allowance/delinquent loans >12 months		100	39.2	98.7
Effective Financial Structure	Net loan/Net Assets		70-80	68.6	66.7
	Saving Deposit/Total Assets		70-80	91.6	90.9
Asset Quality	Total Delinquent/Total Loan Portfolio		<5	3.9	4.1
Rates of Return	Operating Expense/Average Assets		<5	3.8	3.5
Liquidity	Liquid Reserve/Total Saving Deposit		10	18.1	23.04
Signs of Growth	Capital		≤10	6.8	8.1

Fig. 2: WCCCU – Asset Growth 2012 - 2017

Loans

The Loans portfolio, the main income-earning asset and largest investment of our society, realized growth despite the significant challenges encountered for the year. We are pleased that the society continued to rise to members calls for loan products that would suit their needs and for processes that adapted to the changing times.

At the end of the year, the originated loan portfolio had grown by \$3 million (or 14.4%), from \$20.7million in 2016 to \$23.7million (Fig. 3 refers). This increase reflects a sustained cordial relationship between the society and members.

Figure 3: WCCCU – Loan Portfolio 2012 to 2017

Other Indicators

The interest bearing liabilities, members' savings, and deposits reflects an increase of \$4.6 million (or 16.8%) as at December 31, 2017. The society continues to record steady growth of these liabilities which accounts in

part for the increase in financial cost.

Growth in Members' Equity enhances the confidence of members in the society and increases its stability as a financial institution. Members' Equity grew by \$810 thousand or 39.5%. The growth was primarily propelled by the increase in retained earnings, statutory reserves and share capital.

Gross interest income on loans grew by \$324 thousand or 17.4% over 2016. Total Operating expense reflected an increase of \$13 thousand or 1.2%. It is encouraging that the increase in expenses is well below the increase in retained surplus. The drive to minimize cost without compromising the level of service to members drove this indicator.

DELINQUENCY

The management of delinquency remained a priority for the year. Non-performing loans are still considered a challenge and are being pursued for collection. An excess of defaulted or delayed repayment of loans has a negative effect on the society's earnings because these loans do not generate income.

The Collections department regularly reviewed loans in consultation with our legal advisor. Through an attorney the society aggressively sought the non-performing loans with some degree of success. Members are encouraged to honour your loan contracts. The Loans department stands ready to assist where members experience difficulties in meeting scheduled payments.

HUMAN RESOURCE AND TRAINING

The staff and serving volunteers participated in training organized by the Co-operative Societies League and the National Development Foundation of Dominica. Training programmes in the following topic areas were offered:

- Work Ethics
- Understanding the Powers of Attorneys, Probating of wills, Deeds & Caveats
- Delivering exceptional customer/member service
- Induction courses (to volunteers)
- De-risking

The society was represented at the 60th Annual International Convention and 46th Annual General Meeting of the Caribbean Conference of Credit Unions (CCCU) which was held in Cuba under the theme 'Co-operatives: Reshaping Caribbean Sustainable Development' from June 16 - 21, 2017. The conference covered numerous current areas including: *Strategies for effective CU leadership, The power of failure, Sustainability in organizational culture, Lending, investing and decision making, Maximizing social media and IT platforms towards business enhancement.*

OUTREACH

For the year we continued to assist at member enhancement and development by contributing to the social welfare of the communities where members live and work. During the year, the following groups and

organizations were the beneficiaries of donations totalling \$9,793.75: Salisbury Police Officers, Isaiah Thomas Secondary School, Salisbury Primary School, Colihaut and St. Joseph Village Councils, Salisbury Social Club, Dominica Co-operative Societies League, the Education Trust Fund and the Dominica Association of Disabled Persons.

The scholarship programme is ongoing and the five (5) West Coast scholars continued to excel at their studies. We congratulate them and extend best wishes for success in future endeavours. We urge parents to remain engaged in the education of your children. For 2017, the amount of \$2,765.18 was expended to maintain the scholarships.

The society participated in the joint Credit Union Family Fun Day which was held at Dublanc in August. The objectives of the event were met and we are proud that our society formed part of that gathering. West Coast continued to excel and to capture a large number of the prizes. The cost of participating in the event amounted to \$13,253.46. Sincerest appreciation is extended to members for being there and participating in all the games, and to the staff who worked tirelessly to ensure this participation.

TECHNOLOGY

To further improve service and for greater internal control and efficiency, the society invested in new equipment to facilitate the upgrade of the Credit Union software EMORTELLE version 8.1 to version 9.1 and IFRS module. The upgrade is to make transaction processing more efficient, to improve staff performance thereby adding value to the services to members.

THE FUTURE

The Board continues to plan strategically and to explore all avenues to provide new, improved and affordable products and services to members with due regard to the principles of good governance. Members in turn will be expected to take advantage of those services and importantly honour your debt obligations.

We remain undaunted by challenges because we understand that the journey is not an easy one. We are sure that our collective efforts, commitment, dedication and perseverance will cause us to continue to go further up.

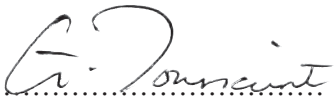
CONCLUSION

We express sincere appreciation to Management and Staff, whose dedication and commitment were the impetus for our success.

Special thanks are extended also to members of the Supervisory & Compliance and Credit committees for your invaluable voluntary service. We place on record our thanks and appreciation to the Management and staff of the Financial Services Unit, Co-operative Division and the Dominica Co-operative Societies League and Corp- Eff for unwavering support to the ideals of West Coast, and the growth of the movement in general.

Members, your loyal patronage has once again borne fruit. Thank you. It is your society. Continue to support

it as together we strive to make it the credit union of choice. May God bless our society, communities and Dominica.

A handwritten signature in black ink, appearing to read 'G. Toussaint', written over a dotted line.

Glenroy Toussaint

President, Board Of Directors

TREASURER'S REPORT

For The Year Ended December 31st 2017

Fellow co-operators, I am pleased to report on the financial performance of the West Coast Co-operative Credit Union Ltd for the financial year ended December 31, 2017.

KEY PERFORMANCE INDICATORS

The Society recorded strong performance in 2017, in spite of the heavy impact of Hurricane Maria on members specifically and the economy generally. Total assets grew by 17.7%, cash & bank balances by 79.7%, originated loans by 14.4%, members' share capital by 19.1%, members' equity by 39.5%, retained earnings by 61.5%, member savings by 16.9%, operating income by 14.7% and net surplus by 126.6% (Table 1 below).

Table 1- Comparative Highlights - Key Financial Performance Indicators 2016 & 2017

Performance Indicator	2017 \$	2016 \$	Variance \$	Percentage Change %
ASSETS				
Assets	35,595,334	30,244,997	5,350,337	17.7%
Cash & Bank Balances	5,535,152	3,081,032	2,454,120	79.7%
Liquid Assets	10,890,216	8,320,146	2,570,070	30.9%
Originated Loans	23,750,534	20,753,538	2,996,996	14.4%
LIABILITIES				
Members' Savings	25,027,785	21,410,900	3,616,885	16.9%
Term Deposits	7,346,027	6,300,794	1,045,233	16.6%
EQUITY				
Members' Capital	481,650	404,350	77,300	19.1%
Members' Equity	2,863,798	2,053,055	810,743	39.5%
Retained Earnings	1,392,696	862,327	530,369	61.5%
INCOME				
Interest Income	2,393,524	2,086,105	307,402	14.7%
Other income	256,000	93,669	162,331	173.3%
Operating Income	2,125,917	1,696,975	428,942	25.3%
EXPENDITURE				
Operating Cost	1,144,761	1,142,829	1,932	0.16%
SURPLUS				
Surplus Before Appropriation	764,762	337,496	427,266	126.6%

BALANCE SHEET ANALYSIS

Assets, Liabilities and Members' Equity

Total Assets increased by \$5.3 million to \$35.5 million, a rate of growth of 17.7%. The Society has expanded its asset base by 53% over the past 5 years. The result was driven by growth in loans, investment and cash (figure 1 below).

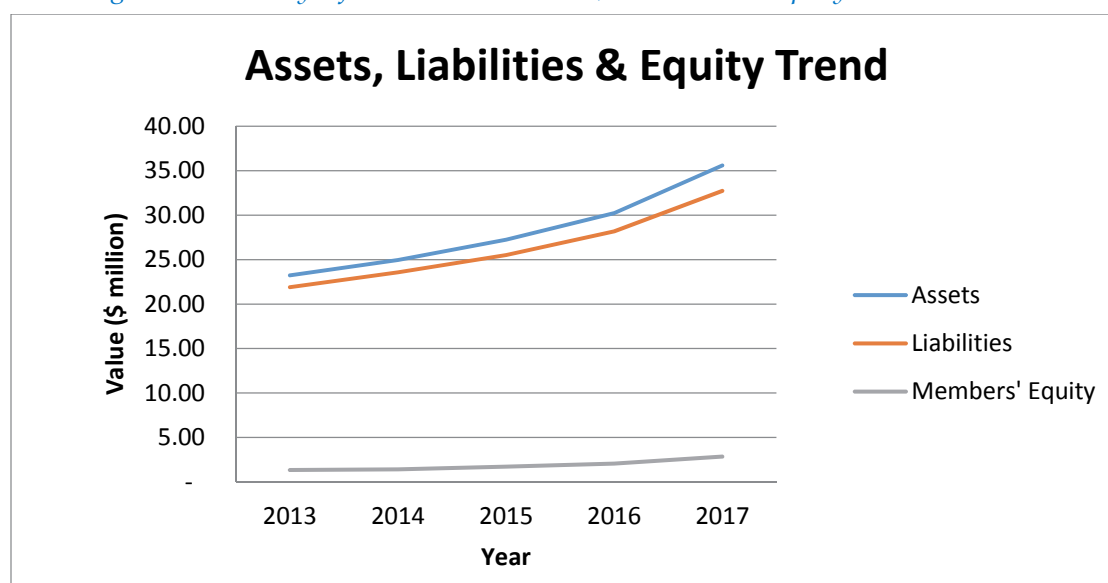
Figure 1 Total Assets 2013 - 2017



Total Liabilities increased by \$4.5 million to \$32.73 million in 2017, primarily due to increases in members' ordinary savings and fixed deposits. Members' equity increased by \$810,743; from \$2.0M to \$2.8 million in 2017. This represents a 39% increase over the previous year and an astounding 114% for the past five (5) years.

Figure 2 below shows the Assets, Liabilities and Equity trend for period 2013-2017. Clearly, assets are growing at a faster pace than liabilities and members (shareholders) wealth is increasing. The gap between assets and liabilities is widening which is a good indication of the financial health of the society.

Figure 2 Summary Of Accumulated Assets, Liabilities & Equity For The Past 5 Years (Millions)



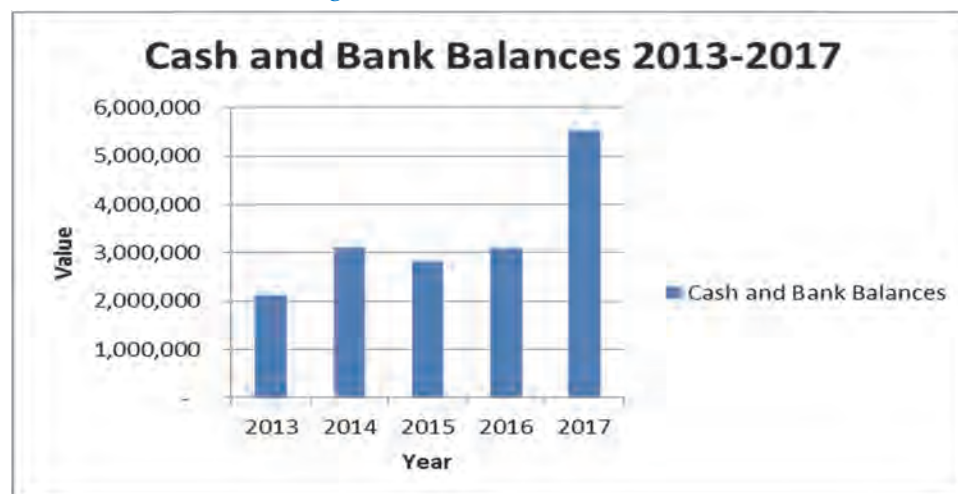
Loans

The demand for loans continues to grow: 2.4% in 2015, 12.7% in 2016 and 14.4% in 2017. This is evidence of members' appreciation of the loan products and services of the society and their continued relevance to the satisfaction of the needs and wants of the membership. We can also attribute the success to the revised loan processing system and increased marketing. The portfolio has grown by 31% in the last 5 years.

Liquidity

The liquidity position of the society was strong at the end of December 2017 with cash and bank balances of \$5.5 million. Liquidity has increased by 161% over the last 5 years (figure 3 below). It means, therefore, that the society has more money available for lending and investment purposes.

Figure 3 Cash Fluctuation 2013 -2017

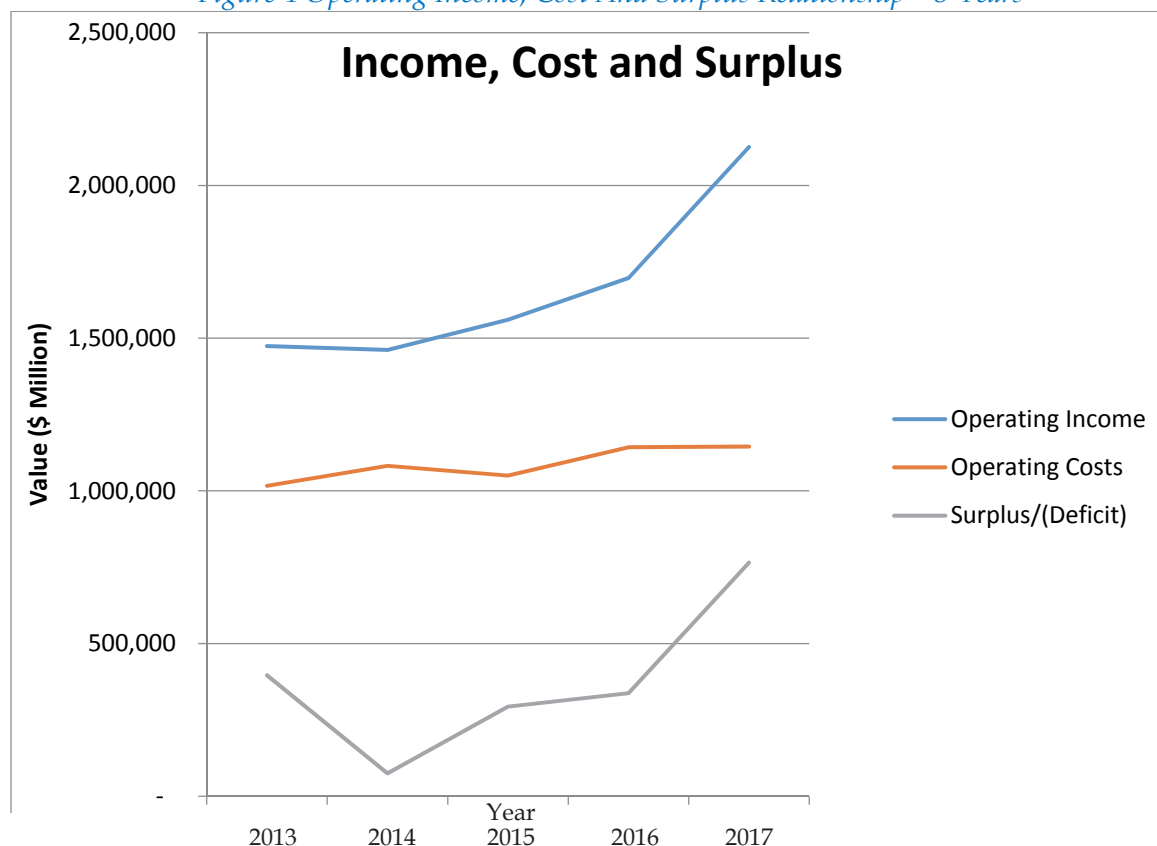


Deposits

Members' Savings and Term Deposits grew by 16.7%, that is, from \$27 M in 2016 to \$32.3 in 2017. This is a demonstration of thrift in very challenging economic circumstances. Regular savings and deposits grew to \$25M and Fixed Deposits to \$7M or 16.9% and 16.6% growth respectively.

INCOME STATEMENT ANALYSIS

Figure 4 Operating Income, Cost And Surplus Relationship – 5 Years



Interest income totalled \$2.39 million, an increase of 14.7% over 2016 and net interest income of \$1.87 M. The Credit Union generated 4.6 times more interest income than what it paid out in 2017. This is an indication that the resources of the society are effectively employed to create wealth for members.

Operating income increased by 25.3%, while operating costs increased by 0.16%. Figure 4 below depicts the 5-year trend between the variables: operating income improved by 44.2% and operating costs increased by 12.6%. It means, therefore, that income has grown three (3) times faster than expenses in the past five (5) years, as depicted in the graph below. This is a reflection of prudent management of the resources of the society.

The society's net surplus for the year was \$764,762, an increase of \$427,266 or 126.6% over the previous year.

Since 2013 the society has consistently recorded surplus propelling organic growth.

CONCLUSION

The performance of the West Coast Cooperative Credit Union in 2017 is clear evidence that the Credit Union Model is a resilient one. The performance indicators have exceeded all expectations for a small rural community credit union where agriculture and fishing are the dominant activities. Not only this, but the members suffered tremendous losses from Tropical Storm Ericka in 2015 and Hurricane Maria in 2017, yet the society performed admirably in spite of the odds. This was achieved because the society remained member focused, created opportunities rather than being inundated by negative challenges brought by the disasters.

Special thanks to the general membership who stuck with your Credit Union through thick and thin. Thanks to the Board of Directors, Officers and Staff of the Credit Union for your creative and innovative thinking. The teamwork and respect across the board was exemplary. God bless our Credit Union.

A handwritten signature in black ink, appearing to read 'David Fritz', written over a dotted line.

David Fritz (Mr)

Treasurer



Welcome to the West Coast Co-operative Credit Union Ltd.

The Only Credible Choice for Success

Products & Services Offered:

Welcome to the West Coast Co-operative Credit Union Ltd.

Family Fun Day 2017

Welcome to the West Coast Co-operative Credit Union Ltd.

Welcome to the West Coast Co-operative Credit Union Ltd.



WEST COAST CO-OPERATIVE CREDIT UNION LTD.

FINANCIAL STATEMENTS

for the year ended December 31st 2017

MARVLYN ESTRADO FCPA, FCGA
Chartered Certified Accountant
P.O Box 202, Roseau, Dominica
Tel# 1-767-448-2511/767-235-1023

INDEPENDENT AUDITOR'S REPORT

To the Members of the West Coast Co-operative Credit Union Limited

I have audited the accompanying financial statements of West Coast Co-operative Credit Union Limited which comprise the statement of financial position as at December 31, 2017 and the statement of income and appropriations, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, these financial statements present fairly in all material respects, the financial position of the Society as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards 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.



Roseau, Dominica
April 13, 2018

STATEMENT OF FINANCIAL POSITION

As at December 31st 2017

	Notes	2017 \$	2016 \$
ASSETS			
Cash and bank balances	4	5,535,152	3,081,032
Statutory reserve deposit	5	957,166	957,166
Government securities	6	2,003,520	2,006,182
Shares in Dominica Co-operative Societies League Ltd	7	20,647	20,647
Investment securities – held to maturity	8	2,041,000	1,922,387
Investment securities – available for sale	9	332,731	332,731
Originated loans	10	23,750,533	20,753,538
Other assets	11	104,199	292,449
Property, plant and equipment	12	850,386	878,864
TOTAL ASSETS		35,595,334	30,244,996
LIABILITIES			
Members' savings/ordinary deposits	13	25,027,785	21,410,900
Term deposits	14	7,346,027	6,300,794
Accounts payable and provisions	15	67,161	70,508
Interest on term deposits	16	273,082	392,258
Technical Assistance Grant	17	17,481	17,481
TOTAL LIABILITIES		32,731,536	28,191,941
MEMBERS' EQUITY			
Members' Capital (permanent shares)	18	481,650	404,350
Statutory Reserve (guarantee fund)	19	686,776	532,978
Education Fund	20	55,661	30,463
Scholarship fund reserve	21	17	923
Building fund reserve	22	62,284	62,284
Fair value gain reserve	9	111,234	111,234
Development fund	23	73,480	48,496
Retained surplus		1,392,696	862,327
TOTAL SHAREHOLDERS EQUITY		2,863,798	2,053,055
TOTAL LIABILITIES & MEMBERS' EQUITY		35,595,334	30,244,996

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

APPROVED BY THE BOARD ON April 13, 2018 AND SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



PRESIDENT



TREASURER

STATEMENT OF INCOME AND APPROPRIATIONS

For The Year Ended December 31st 2017

	Notes	2017 \$	2016 \$
Interest income	24	2,393,524	2,086,104
Interest expense	24	523,607	482,798
Net interest income	24	1,869,917	1,603,306
Other income	25	256,000	93,669
Operating income		2,125,917	1,696,975
Operating costs	26	(1,144,761)	(1,142,829)
Provision for loan impairment	10	(152,635)	(162,221)
Depreciation	12	(63,759)	(54,429)
Surplus before other comprehensive income		764,762	337,496
Other comprehensive income			
Fair value (loss)/gain on investments		-	(5,491)
Total comprehensive income before appropriation		764,762	332,005
Transfer to fair value gain reserve		-	5,491
		764,762	337,496
Appropriations:			
Transfer to statutory reserve		(152,953)	(67,499)
Transfer to education fund		(38,238)	(16,875)
Transfer to development fund		(38,238)	(16,875)
Net Surplus for the year		535,333	236,247

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

STATEMENT OF CHANGES IN EQUITY

For The Year Ended December 31st 2017

	Members' Capital EC\$	Statutory Reserve EC\$	Education Fund EC\$	Building Fund EC\$	Scholarship Fund EC\$	Fair Value Reserve EC\$	Development Fund EC\$	Retained Surplus EC\$	Total EC\$
Balance at 31/12/15	361,900	464,734	27,744	62,284	2,433	116,725	40,615	639,454	1,715,889
Appropriation	-	67,499	16,875	-	-	-	16,875	-	101,249
Net surplus	-	-	-	-	-	-	-	236,247	236,247
Shares issued	42,450	-	-	-	-	-	-	-	42,450
Disbursements	-	-	(14,156)	-	(1,510)	-	(8,994)	-	(24,660)
Entrance fee	-	745	-	-	-	-	-	-	745
Fair value adjustment	-	-	-	-	-	(5,491)	-	-	(5,491)
Dividend	-	-	-	-	-	-	-	(13,374)	(13,374)
Balance at 31/12/16	404,350	532,978	30,463	62,284	923	111,234	48,496	862,327	2,053,055
Appropriation	-	152,953	38,238	-	-	-	38,238	-	229,429
Net surplus	-	-	-	-	-	-	-	535,333	535,333
Shares issued	77,300	-	-	-	-	-	-	-	77,300
Disbursements	-	-	(13,040)	-	(906)	-	(13,254)	-	(27,200)
Entrance fee	-	845	-	-	-	-	-	-	845
Prior year adjustment	-	-	-	-	-	-	-	(4,964)	(4,964)
Dividend	-	-	-	-	-	-	-	-	-
Balance at 31/12/17	481,650	686,776	55,661	62,284	17	111,234	73,480	1,392,696	2,863,798

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

STATEMENT OF CASH FLOWS

For The Year Ended December 31st 2017

	2017 \$	2016 \$
Cash flows from Operating Activities		
Surplus before appropriation	764,762	337,496
Adjustments for:		
Depreciation	63,759	54,429
Loss on disposal of property, plant and equipment	1,685	-
Prior year adjustments	(4,964)	-
Cash flows before changes in operating assets and liabilities	825,242	391,925
Increase in statutory reserve deposit	-	(100,000)
(Increase) / decrease in originated loans	(2,996,995)	(2,339,654)
Decrease /(increase) in other assets	188,250	(93,060)
Increase in members' savings/ordinary deposits	3,616,885	1,919,407
Increase in term deposits	1,045,233	610,392
Increase / (decrease) in accounts payable and provisions	(3,347)	22,474
(Decrease) / increase in interest on term deposit	(119,176)	117,776
Net cash from operating activities	2,556,092	529,260
Cash flows from investing activities		
Purchase of fixed assets	(36,966)	(246,834)
Purchase of investment securities: held to maturity	(118,613)	(33,139)
Purchase of investment securities – available for sale	-	-
Purchase of Government securities - net	2,662	-
Net cash from investing activities	(152,917)	(279,973)
Cash flows from financing activities		
Dividend paid	-	(13,374)
Increase in share capital	77,300	42,450
Disbursements from fund balances	(27,200)	(24,660)
Fund receipts	-	-
Entrance fee	845	745
Net cash from financing activities	50,945	5,161
Net cash flows	2,454,120	254,448
CASH – beginning of year	3,081,032	2,826,584
CASH – end of year	5,535,152	3,081,032

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

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

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 counseling to its members.

2. Changes in accounting policies resulting from adoption of International Accounting Standards.

The co-operative has adopted the following International Accounting Standards, which has resulted in changes in accounting policies as explained below.

IAS 39, *Financial Instrument: Recognition and Measurement*, introduced a comprehensive framework for accounting for all financial instruments. The effect of adopting this standard is that the investment in listed equity securities (classified as an 'available-for-sale' financial instrument) will be carried at fair value, with changes in fair value being reflected currently in retained earnings.

3. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied as at the year presented unless otherwise stated.

All figures are stated in Eastern Caribbean dollars (EC\$) which is the local currency of the Commonwealth of Dominica. US\$1 = EC\$2.7.

a. Basis of Preparation

These financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS) under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

3. Summary of Significant Accounting Policies cont'd

b. Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise balances which mature within 90 days of the date of acquisition, including cash, savings and current account balances with commercial banks.

c. Foreign Currencies

Assets and liabilities expressed in foreign currencies are translated into Eastern Caribbean currency at rates of exchange ruling on the balance sheet date. Transactions arising during the year involving foreign currencies have been translated at rates prevailing on the dates of the transactions. Differences arising from fluctuations in exchange rates are included in the statement of income and appropriations.

d. Property, plant and equipment and depreciation

All property, plant and equipment are stated at cost.

Depreciation is provided for on the reducing balance basis at rates estimated to write off the cost of the assets over their expected useful lives. The rates currently in use are:

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

e. Interest income and expense

Loan interest income is recognized when received. Interest income and expenses are recognized in the income statement for all other interest bearing instruments on an accrual basis using effective interest rates. Interest income includes income on fixed investments.

f. Dividends

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

Section 5 of the Co-operative Societies Regulations S.R.O. 26 of 2001 authorizes the Credit Union to pay a dividend on its shares at a rate which is greater than three percent above the savings rate set by the Eastern Caribbean Central Bank (ECCB). As at December 31, 2017, the ECCB savings rate was 2%.

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.

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

3. Summary of Significant Accounting Policies cont'd

g. Financial Assets

The credit union classifies its financial assets in the following categories: financial assets at fair value through profit and loss; originated loans; held to maturity investments; and available for sale investments. Management determines the classification of its investments on initial recognition and re-evaluates the designations at every reporting date.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for selling in the short term or if so designated by management.

Originated loans and Provision for loan impairment

Loans originated by the Credit Union are monies provided directly to the borrower at drawn down debt securities, which are purchased at original issuance where funds are transferred directly by the issuer. These are categorized as loans originated by the Credit Union and are carried at amortized cost.

Amortized cost is defined as fair value of cash consideration given to originate those loans as is determinable by reference to market prices at originated date. Any third party expenses such as legal fees incurred in securing the loan would be added to the loan amount requested. All loans and advances are recognized when cash is advanced to the borrower.

Allowance for loan impairment is established if there is evidence that the Society will not be able to collect all amounts due according to the original contractual terms of loans. The provision is calculated as the difference between the carrying amount and the recoverable amount, being the present value of the expected cash flows, including amounts recoverable from collateral, discounted based on the interest rate at inception

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that the credit union's management has the positive intention and ability to hold to maturity. Were the credit union to sell other than an insignificant amount of held to maturity assets, the entire category would be tainted and reclassified as available for sale.

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

3. Summary of Significant Accounting Policies cont'd

g. Financial Assets cont'd

Available for sale investments

Available for sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Unrealized gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognized in the income statement. Investment securities are initially recognized at cost (which includes transaction costs)

Impairment of financial assets

Impairment tests are carried out on delinquent loans and other financial assets based on and measured by the present value of discounted future cash flows against the carrying value of the asset and other observable features of the financial assets.

Financial asset

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of the impairment loss for assets carried at amortized cost is calculated as the difference between the assets carrying amount and the present value of the expected future cash flows discounted at the financial instruments original interest rate by comparison

The amount of the impairment loss is recognized in the income statement. The recoverable amount of an instrument measured at fair value is the present value of expected cash flows discounted at the current market rate of interest for a similar financial asset. Interest earned whilst holding investment securities is reported as interest income.

Assets carried at amortized cost

The credit union assesses yearly whether a financial asset suffered any impairment. Should there be evidence of an effect on future cash flows arising from a financial asset, then a reliable estimate of the impairment of the financial asset is to be made in the financial statements. Financial assets that are collectively evaluated for impairment are estimated on the basis of cash flows and other similar characteristics. In respect of the present value of the estimated future cash flows of a collateralised financial asset will be the foreclosure loss arising from selling the collateral. Uncollectible loans are written off against the provision for loan impairment.

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

3. Summary of Significant Accounting Policies cont'd

h. Taxation

The Society is exempt for Income Tax under Section 25(1) (m) of the Income Tax Act Chapter 67:01 of the Revised Laws of the Commonwealth of Dominica.

4. Cash and Bank Balances

	2017 \$	2016 \$
Cash on hand	669,925	539,571
Current account	551,383	177,491
Savings accounts	4,313,844	2,363,970
	<u>5,535,152</u>	<u>3,081,032</u>

5. Statutory Reserve Deposit

	2017 \$	2016 \$
Demand deposit at Dominica Co-op Societies League Ltd (note 19)	957,166	957,166

6. Government Securities

	2017 \$	2016 \$
Government of St Lucia Treasury Bill	1,000,000	1,000,000
Government of St. Lucia – Bond	1,000,000	1,000,000
Government of Dominica debenture at 3 – 5%	3,520	6,182
	<u>2,003,520</u>	<u>2,006,182</u>

7. Shares at Dominica Co-operative Societies League Ltd

	2017 \$	2016 \$
Shares at cost	<u>20,647</u>	<u>20,647</u>

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

8. Investment securities: held to maturity

	2017 \$	2016 \$
Fixed deposits at League and Credit Unions	2,041,000	1,922,387
Fixed deposits at banks and other institutions	2,066,178	2,066,178
	4,107,178	3,988,565
Less : Impairment loss on investments	(2,066,178)	(2,066,178)
	2,041,000	1,922,387

9. Investment Securities: available for sale

	2017 \$	2016 \$
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	10,000	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
	332,731	332,731

The fair value gain on investments is not available for distribution.

Original cost of investment	111,294	111,294
Fair value gain of \$3 per share	55,602	55,602
Fair value gain of \$3.25 per share at 31/12/12	13,908	13,908
Fair value gain of \$4 per share at 31/12/13	41,724	41,724
Fair value gain of \$4.10 per share at 31/12/15	5,491	5,491
Fair value loss of \$4 per share at 31/12/16	(5,491)	(5,491)
	222,528	222,528

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

10. Originated loans

	2017 \$	2016 \$
(a) Members loans		
Personal	4,204,535	3,681,578
Mortgage	9,862,650	8,853,532
Home improvement & repair	1,412,165	1,087,677
Vehicles	3,431,342	3,013,818
Land	1,891,421	1,408,551
Debt consolidation	2,402,385	2,250,337
Business	247,177	173,321
Stabex (agriculture)	235,341	138,998
Appliance	79,370	72,779
Education	381,383	317,548
	24,147,769	20,998,139
Less: Provision for loan impairment	397,236	244,601
	23,750,533	20,753,538
(b) Provision for loan impairment		
Provision at beginning of year	244,601	82,380
Bad debts written off against the provision	-	-
	244,601	82,380
Additional provision made	152,635	162,221
	397,236	244,601

11. Other Assets

	2017 \$	2016 \$
Interest on statutory reserve invested at the League	23,451	25,038
Interest on fixed deposit	30,948	94,501
Utilities commission	3,541	2,811
Moneygram	8,625	132,036
Inventory – supplies non-trade	23,496	12,638
FIP Receivable	2,659	5,000
Security deposit – Electricity/Rent	4,550	4,550
League share dividend	619	1,239
CUNA dividend receivable	-	4,762
Other	6,310	9,874
	104,199	292,449

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

12. Property, Plant & Equipment

	Land EC\$	Building EC\$	Furniture & Equipment EC\$	Computer System EC\$	Total EC\$
Cost					
Balance – January 1, 2016	93,481	441,647	368,354	306,895	1,210,377
Additions for the year	-	154,123	52,464	40,247	246,834
Disposals during the year	-	-	-	-	-
Balance – December 31, 2016	93,481	595,770	420,818	347,142	1,457,211
Additions for the year	-	3,393	16,180	17,393	36,966
Disposals during the year	-	-	(2,852)	(109,487)	(112,339)
Balance – December 31, 2017	93,481	599,163	434,146	255,048	1,381,838
Accumulated Depreciation					
Balance – January 1, 2016	-	111,356	170,098	242,464	523,918
Eliminated on disposal	-	-	-	-	-
Depreciation expense	-	9,506	18,885	26,038	54,429
Balance – December 31, 2016	-	120,862	188,983	268,502	578,347
Eliminated on disposal	-	-	(2,242)	(108,412)	(110,654)
Depreciation expense	-	12,001	22,466	29,292	63,759
Balance – December 31, 2017	-	132,863	209,207	189,382	531,452
Net Book Value					
Beginning of year	93,481	474,908	231,835	78,640	878,864
End of year	93,481	466,300	224,939	65,666	850,386

13. Members Savings/Ordinary Deposits

	2017 \$	2016 \$
Members' savings	19,310,178	16,954,232
Special savings	251,314	238,334
Ordinary deposit accounts	5,352,870	4,123,346
Members' pension savings	36,479	24,049
Junior savings	76,944	70,939
	25,027,785	21,410,900

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

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

14. Term Deposits

	2017 \$	2016 \$
Interest bearing fixed deposits at rates in range of 1.75 – 4.5% p.a.	7,346,027	6,300,794

15. Accounts Payable and Provisions

	2017 \$	2016 \$
St Gerard Credit Union	12,953	12,953
CUNA claims payable	-	1,838
Provision for annual general meeting	15,000	12,000
Provision for audit fees	7,150	7,130
Patronage fund (Fair Trade)	5,294	5,294
Provision for Honoraria	1,800	900
CUNA FIP payable	-	5,848
Other	24,964	24,545
	67,161	70,508

16. Interest on Term Deposits

	2017 \$	2016 \$
	273,082	392,258

17. Technical Assistance Grant

	2017 \$	2016 \$
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	17,481	17,481

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

18. Members' Capital (permanent shares)

	2017 \$	2016 \$
9,633 (2016: 8,087) shares of \$50 each	481,650	404,350

The liability of each member is limited to the paid 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.

19. 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.

	2017 \$	2016 \$
Movements during the year were as follows:-		
Balance – beginning of year	532,978	464,734
Add: Entrance fees	845	745
Appropriation from surplus	152,953	67,499
Balance – end of year	686,776	532,978

The Society's statutory reserve is invested at the League. See note 5.

20. Education Fund

This represents funds appropriated from surplus for members' education.

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

21. Scholarship Fund Reserve

This represents funds appropriated from surplus for scholarship to members' children.

22. Building Fund Reserve

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

23. 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.

24. Net Interest Income

	2017	2016
	\$	\$
Interest income		
Interest from loans	2,186,333	1,862,198
Interest from savings account	50,071	51,992
Fixed deposit interest	55,677	62,249
Interest on statutory reserve invested at League	24,141	25,038
Treasury bill interest	26,291	30,860
Government bond interest	51,011	53,767
	<u>2,393,524</u>	<u>2,086,104</u>
Interest expense		
Interest on regular savings	261,087	209,520
Interest on term deposits	230,407	236,628
Interest on Christmas savings club	2,185	1,577
Interest on regular deposits	29,928	35,073
	<u>523,607</u>	<u>482,798</u>
Net interest income	<u>1,869,917</u>	<u>1,603,306</u>

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

25. Other Income

	2017 \$	2016 \$
Dividend from League	619	619
Dividend from other investments	16,690	22,253
CUNA Dividend	4,517	4,762
Commission utility companies & Moneygram	16,210	23,487
Sale of passbooks	6,445	6,180
Commission FIP	7,063	5,965
Phone cards	-	2,050
Phone card commission	1,921	3,448
Other income	19,474	24,905
Investment Revenue (BAICO)	183,061	-
	<u>256,000</u>	<u>93,669</u>

26. Operating Costs

	2017 \$	2016 \$
Personnel expenses (see note 27)	528,087	526,246
Governance (Board & Committees' expenses and honoraria)	9,807	7,939
Members' interest & protection	194,649	170,019
Annual general meeting	14,731	7,980
Audit fee	7,150	7,150
Fraternity expenses (League dues)	34,079	34,079
Occupancy expenses	7,468	12,300
Utilities (electricity, telecommunications & water)	80,932	85,957
Building insurance	7,675	5,763
General expenses	260,183	285,396
	<u>1,144,761</u>	<u>1,142,829</u>

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

27. Personnel Expenses

	2017	2016
	\$	\$
Salaries	472,916	468,179
Social security	28,851	30,050
Pension & insurance	16,173	17,897
Uniforms	10,147	10,120
	<u>528,087</u>	<u>526,246</u>

28. 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.

29. 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, 2017, related parties had the following balances with the Credit Union.

Loans and deposits of related parties:

	2017	2017	2016	2016
	Loans	Savings/deposit	Loans	Savings/deposit
			\$	\$
Directors	741,106	139,614	871,459	171,943
Committee Members	186,973	194,359	186,973	194,359
Management/staff	961,156	171,625	963,134	189,778
	<u>1,889,235</u>	<u>505,598</u>	<u>2,021,566</u>	<u>556,080</u>

30. Contingencies and Commitments

(a) Loans committed but not yet drawn down at the balance sheet date: \$526,127.97

(b) Legal – None.

(c) Capital commitment: None.

NOTES TO FINANCIAL STATEMENTS

For The Year Ended December 31st 2017

31. Human Capital Management

	2017	2016
Number of employees	18	18
Staff cost/ total revenue	20.38%	24.14%
Revenue per employee	\$147,196	\$121,098
Asset per employee	\$1,977,519	\$1,680,278

32. Financial Instruments

Financial assets of the Society include cash, accounts receivable, fixed deposits and members' loans. Financial liabilities of the Society include accounts payable and provisions, term deposits, members fixed and savings deposits.

a) Credit Risk

The Society takes on exposure to credit risk that is the risk that a member will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred at the balance sheet date. The Society is guided by a general loan policy which is reviewed regularly, taking into consideration changes in the economy or the state of a particular industry segment that represents a concentration in the Society's portfolio. The Credit Union also uses Board and other committees to manage and review other associated risks.

b) Interest Rate Risk

The effect of fluctuations in the prevailing levels of market interest rates is ultimately scrutinized to minimize any possible over exposures. The Board however endeavors to maintain an interest rate which would still attract adequate liquidity for possible demands. The interest rate on term deposits is in the range of 1.75% to 4.5% p.a.

c) Liquidity Risk

The liquidity risk is maintained by carefully managing its associated credits. The Credit Union is prudent in ensuring that there is adequate liquidity to service members' demands and at the same time not too much funds are kept on non-earning accounts.

CREDIT COMMITTEE'S REPORT

For The Year Ended December 31st 2017

We are pleased to present the Credit Committee's report for the period ended December 31, 2017. The Committee carried out its duties and functions in accordance with the Cooperative Societies Act and Regulations as well as the bye-laws and policies of the West Coast Cooperative Credit Union.

Composition of Committee

For the period, the Committee, comprised:

Chairman	-	Mr. Francis Paul
Secretary	-	Ms. Desrey Ambo
Members	-	Mr. Ken George
		Ms. Rhona Daniel
		Ms. Nyla Austrie
		Mrs. Judith Shipley
		Mrs. Revillia Vidal

Ms. Austrie replaced Mr. Lennox Bedneau whose term had expired. We wish to thank him for his service to the Committee and the society.

Meetings

Despite the passage of hurricane Maria and its after effects the Credit Committee held eleven (11) meetings. At these meetings the Committee did not restrict itself solely to reviewing and approving loan applications but deliberated on strategies to improve the loan experience as well as to mitigate any negative impact on the loan portfolio.

The attendance of members at meetings was as follows:

Judith Shipley	11
Desrey Ambo	11
Revillia Vidal	9
Francis Paul	8
Ken George	6
Rhonda Daniel	5
Nyla Austrie	5
Lennox Bedneau	0

Mr. Lennox Bedneau served up to the last Annual General Meeting.

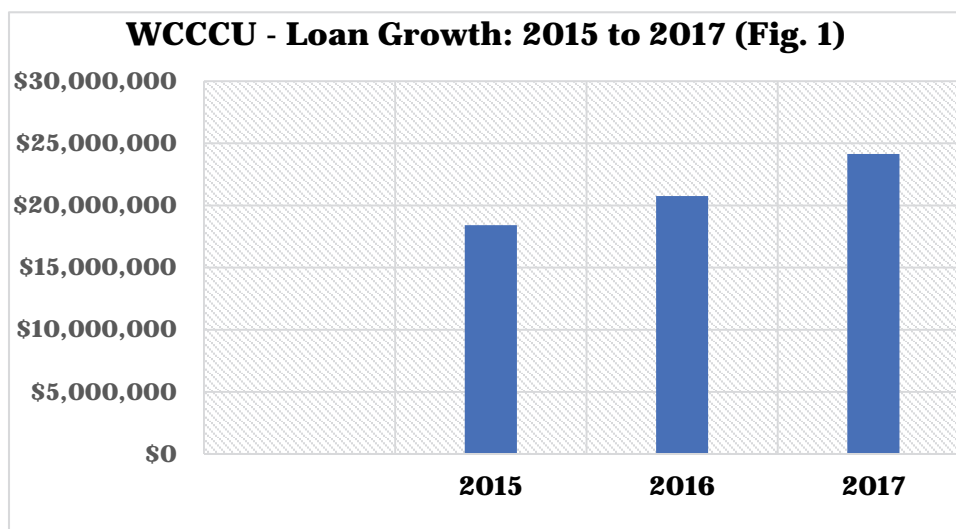
Interviews

There were no interviews held for the period under review.

Loans

The Committee considered 811 loans valued at \$10,101,831.98 as compared with 855 loans last year valued at \$11,046,770.87. The previous year the number of loans was at 917 and was valued at \$8,531,008.00. This shows a decline in the number of loans. Although there was a decrease in the number of loans of 106 over the previous year, there was at the same time a significant increase in the value of the loans in excess of \$1,570,823.98 or 18.41%. The number of loans for this period under review was lower by 44 over the same period last year with the corresponding value also being lower by \$944,938.89 or 8.55%. This is not alarming given the significant impact of Hurricane Maria on operations and on the national economy.

Although the Society recorded a marginal decrease in loans, the total loan portfolio increased by 16.34% from \$20,753,538.00 last year to \$24,148,993.05 and by 31.15% (from \$18,413,884.00) the previous year (fig. 1 refers).



Loans by Purpose

The category of 'Refinanced loans' has consistently constituted the largest tranche of the loan portfolio. For the year under review, this was recorded at 36.06% followed by 'Vehicle Purchase' and 'Domestic Purposes' at 14.19% and 11.37% respectively.

It is noteworthy that productive sector investment was low, with 'Agriculture' loans forming only 0.8% of the portfolio. Table 1 indicates loans granted by purpose:

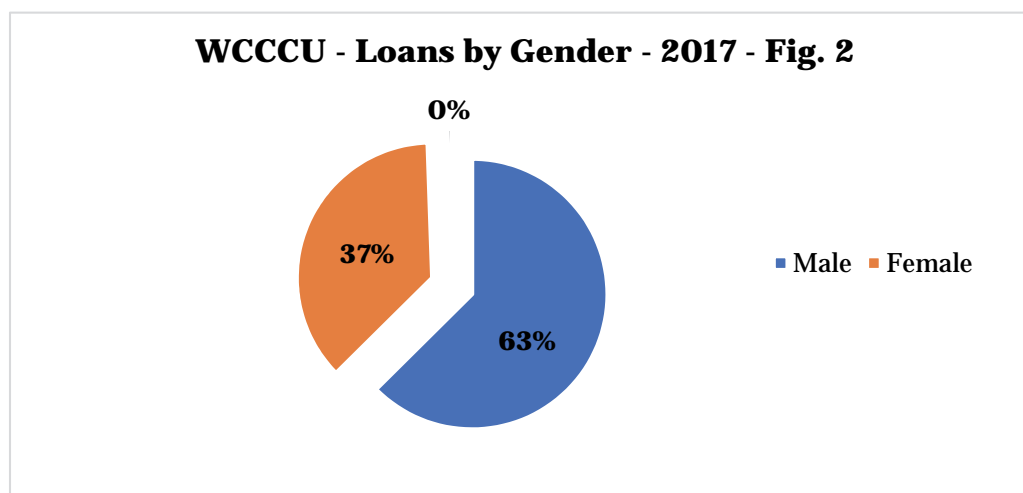
Table 1: WCCCU - Loans by Purpose - 2017

Loan Purpose	Count	Value	Percentage
Refinance	258	\$3,642,634.12	36.06%
Vehicle Purchase	40	\$1,483,352.62	14.19%
Domestic	342	\$1,148,772.66	11.37%
Debt Consolidation	28	\$923,615.48	9.14%
Land Purchase	7	\$770,731.00	7.63%
Building Houses	5	\$601,201.43	5.95%
Loan Rescheduling	12	\$481,991.70	4.77%
Home Improvement and repairs	23	\$322,132.73	3.19%
Business	19	\$175,980.95	1.74%
Education	7	\$173,461.35	1.72%
Vehicle Repairs	18	\$124,520.76	1.23%
Agriculture	12	\$81,102.02	0.80%
Travel	12	\$72,610.02	0.72%
Construction and Land Development	3	\$49,100.00	0.49%
Medical	7	\$49,076.41	0.49%
Other	18	\$51,548.00	0.51%

Loans by Gender

Figure 2 and corresponding table 2 (above) clearly show that although the number of loans granted to males and female were almost the same in number (406 and 402), the value of loans taken by males was much larger. Loans by males accounted for 62.57% of the portfolio.

Loans by Gender	Count	Value	Percentage
Male	409	\$6,375,497.43	63.1%
Female	402	\$3,726,334.55	36.89%



Loans by Age

An analysis of loans granted by age showed that a significant proportion of the loans were taken by people between the ages of 31 to 60. This group accounts for 75.25% of total loans. For this period under review, people between the ages of 51 and 60 were granted the highest number of loans.

Millennials had a share of 28.77% of the total loans granted. This figure can be increased considerably by devising better ways to serve this group, particularly with the application of modern technology and devising products to meet their needs (Table 3 refers).

Loans by Age	Count	Value	Percentage
1-18 years	1	\$5,600.00	0.06%
19-25 years	61	\$506,663.82	5.02%
26-30 years	75	\$985,254.73	9.75%
31-35 years	119	\$1,414,313.19	14%
36-40 years	98	\$1,533,168.28	15.18%
41-45 years	85	\$1,352,298.51	13.39%
46-50 years	121	\$1,448,071.13	14.33%
51-60 years	172	\$1,853,322.73	18.35%
61-70 years	71	\$960,102.42	9.50%
71 and Over	8	\$43,019.17	0.43%
Total	811	\$10,101,831.98	100%

General Comments

We are quite pleased that the new loan process which was put into effect had a positive impact on the loan portfolio. We can report that the automation of the loan application process is still outstanding and work in this area is continuing.

Delinquency

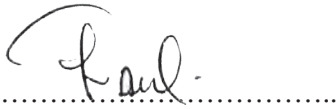
At December 31, 2017, the rate of delinquency was less than 5%. Whilst this ranks as acceptable in relation to the prudential standards, the society will not relent in its efforts to eliminate delinquency.

Outlook

We are of the view that our Credit Union has a strong brand and has the capability to continue to grow the loan portfolio. Next year is expected to be challenging but with the right strategy we will weather the storm. We suggest another review of the loan policy and increased innovativeness regarding our products. The move towards increased automation of services concomitantly seeks to reduce our transaction costs. Whilst loans continue to be the most significant revenue earner for the Society, it could be the opportune time to look at ways to diversify our sources of revenue.

We wish to thank the Board of Directors, Supervisory Committee, Management and staff for their cooperation and support in the execution of our duties. Finally, and most importantly our sincere thanks to you fellow members for your support and willingness to conduct business with this institution upon which the continued growth and survival upon which the West Coast Credit Union relies.

THANK YOU!!

A handwritten signature in black ink, appearing to read 'Paul', followed by a dotted line.

Francis Paul
Chairman

SUPERVISORY & COMPLIANCE COMMITTEE'S REPORT

For The Year Ended December 31st 2017

Pursuant to 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, 2017.

Members serving on the Supervisory and Compliance Committee for the year ended December 31st, 2017 were as follows:

- Miss Leesia Lewis – Chairperson (January – December)
- Mrs. Connie Joseph-Louis – Secretary (January – December)
- Miss Dana St. Jean – Member (January – March)
- Miss Moscia Payne – Member (May – June)
- Miss Lyn Vidal – Member (January – December)
- Mr. Sean Scotland – Member (January – December)
- Mr. Richardson Edwards – Member (January – December)
- Mr. Julien Burgins – Member (May – December)

The Supervisory and Compliance Committee met to design a work plan in order to fulfill its responsibilities, obligations and monthly duties. It was decided that the second (2nd) Thursday at 6:30 pm of each month would be set aside for committee meetings.

The Supervisory and Compliance Committee monitors all aspects of the Credit Union's activities. It is charged with the responsibility of ensuring that the Credit Union is prudently managed and members' assets are safeguarded. This responsibility includes, but is not limited to the following:

- 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 of 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' pass books and records/accounts held at the Credit Union;

- Ensuring that all advances, loans, deposits, other transactions and decisions involving Directors, Committee members and employees are in compliance 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, 2017:

- Reviewed the Credit Committee and Board of Director's Files
- Examined the Management Reports
- Reviewed the loan files of random members
- Conducted end of year cash count
- Reviewed operating expenditure
- Examined random members' passbooks against a snap shot of system generated financial listing.
- Reviewed the Compliance Department, Marketing Department and Operations Department Reports
- Inspect the Colihaut, Coulibistrie and St. Joseph Branch officers' security features.
- Reviewed the monthly Financial Statements
- Examined the Report received from the Financial Services Unit, to include the FSU CFT Policy, AML/CFT & Compliance Manual

Cash Reconciliation

The Supervisory and Compliance Committee, along with the External Auditor conducted a cash count at the end of the financial year. The cash count was only conducted at the main office as the other branches were closed due to the passage of Hurricane Maria.

Loans & Members' Accounts

The Committee conducted an audit of random members' loan files. During the audit, clarifications for problem areas were forwarded to the Loan's Department. The Committee noted that the loans were issued in accordance with the Loan's Policy of the institution and were within the approval limits established for the Loans Manager, General Manager, Credit Committee and the Board of Directors.

The review of random members' passbooks against the system generated snap shot reports revealed that all entries were correctly posted in the members' passbooks.

Physical Structure and Security

The Committee visited the branch offices in order to inspect and ensure that the offices are properly secured. Recommendations were forwarded to the Board of Directors and Management.

Other Areas of Review

All queries and recommendations obtained as a result of the reviews conducted by the Committee were

forwarded to the necessary parties.

The Committee was unable to conduct some of its duties due to the passage of Hurricane Maria, namely:

- Review of the societies fixed assets against the asset register
- Review of the actual securities (COT & BOS) against the securities register
- Meeting with the Board of Directors

This year Mrs. Connie Joseph-Louis will retire after completing her tenure of office. Mrs. Louis has served the Society diligently. On behalf of the Society, we thank her for her contributions over the years.

In accordance with Section 70 of the Cooperatives Societies Act No. 2 of 2011, one member was removed from the committee.

The Supervisory and Compliance Committee would like to report that to the best of its knowledge, the Management, Staff, as well as the Management 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 Co-operative 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 money as the Credit Union strives to provide you and your family with excellent member services.

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 the recovery state of the economy post Hurricane Maria, to all the valued members, we express our appreciation and encourage you to remain committed to the Society as we seek to enhance the services in the upcoming years. We recognize the hard work undertaken by all to maintain and improve the support and services provided by the West Coast Co-operative Credit Union to its members.

A handwritten signature in black ink, appearing to read 'Leesia', is enclosed within a large, loopy, oval-shaped scribble. Below the signature, there is a horizontal dotted line.

Leesia Lewis (Miss)

Chairperson (For and on behalf of the Supervisory and Compliance Committee)

NOMINATION COMMITTEE'S REPORT

For The Year Ended December 31st 2017

The Board of Directors appointed the Nomination Committee to nominate suitable members to fill vacant positions at the Society.

The members of the committee are:

Mr. Eric Serrant
Mrs. Kishma Jno. Baptiste -Blanc
Miss Leesia Lewis
Mrs. Judith Shipley

Recommendations

The committee met and selected persons in accordance with section 53, 59, 65 and 73 of the Co-operatives Societies Act of 2011 and Section 11(2) of the regulations, the committee recommends to the membership the following:

Board of Directors

NAME	TERM	EXPIRY DATE	NOMINEES
Mr. David Fritz Jr	1 st	2018	Re-nominated
Mr. Glenroy Toussaint	2 nd	2018	Dana St. Jean
Mr. Eric Serrant	1 st	2020	
Mrs. Eunie John	1 st	2018	Re-nominated
Ms. Helen Ambo	1 st	2019	
Miss Anica Valentine	2 nd	2020 (Resigned)	Julien St. Jean
Mrs. Kishma Jno. Baptiste-Blanc	2 nd	2019	
Mr. Kervin Vidal	2 nd	2019	
Mr. Nicholas George	1 st	2019	

Credit Committee

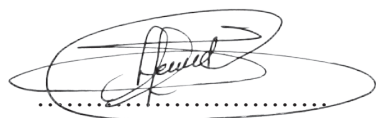
NAME	TERM	EXPIRY DATE	NOMINEES
Mr. Francis Paul	1 st	2018	Re-nominated
Mrs. Revillia Vidal	2 nd	2020	
Ms. Rhona Daniel	1 st	2018	Re-nominated

NAME	TERM	EXPIRY DATE	NOMINEES
Ms. Nyla Austrie	1 st	2020	
Mr. Ken George	2 nd	2018	Davis Laudat
Mrs. Judith Shipley	1 st	2020	
Miss. Desery Ambo	1 st	2020	

Supervisory and Compliance Committee

NAME	TERM	EXPIRY DATE	NOMINEES
Ms. Moscia Payne	1 st	2020	Co-opt- Joewella Henderson
Miss. Lyn Vidal	1 st	2018	Re-nominated
Miss Leesia Lewis	2 nd	2019	
Mr. Richardson Edwards	1 st	2019	
Mr. Julien Burgins	1 st	2020	
Miss Connie Joseph	2 nd	2018	Carla Douglas
Mr. Sean Scotland	1 st	2019	

The committee would like to express thanks to persons who have dedicated themselves in providing voluntary service to our Credit Union and welcome the newly elected.



Leesia Lewis (Ms)

Chairperson, Nominations Committee

TESTIMONIALS

Pleasant day

I must first say thanks to you guys for reaching out to me. I trust that these words are adequate for the purpose they were intended.

"I never thought that I could feel like part of a family at my financial institution; especially when going through the loan application process. This is exactly what happened at WCCCU. Their flexibility, willingness to go above and beyond and superb customer service are the main reasons why I chose WCCCU and will continue to do business with them. Driving to Salisbury whenever I needed to was without remorse, as I knew that I had finally found a financial institution that was working on my behalf. As a young professional, I encourage others like myself to become members at the WCCCU.

Regards

Ms. Genise Pascal

My name is Valentine Vidal being part of the West Coast Co-operative Credit Union has been a great experience to me as a young woman in my community. The West Coast Cooperative Credit union has helped me to develop the skills needed to save the little that I have, till I could purchase my own home. The staff of the West Coast Co-operative Credit Union are very warm and friendly and always willing to help in any way that they can. There is no prejudice as to whom may obtain a loan or any service at the credit union, because the staff and management are very well trained. Furthermore, with the help of a good manager this credit union will be the number one credit union in Dominica. So I am calling on everybody that's not a member, to be part of the west coast cooperative credit union and their life will be different. So go save and be part of that west coast family!!!!!!

I have been a member of the west coast co-operative credit union for just over 10years and I can attest that this institution demonstrates a great level of concern, care and commitment to its members. During the previous year, unfortunately I was involved in an accident. This plunged me under serious financial constraint. There seemed to be no way out of this. I thank god for the west coast cooperative credit union which went out of it way to facilitate me. I am very certain that no other financial institution would regard or view me as qualified to obtain a loan. This proves that the welfare of its members greatly. I am encouraging everyone especially those who are not yet a member of this organization to become part of it. Your interest is of vital importance to WCCCU. Rest assured that you will be well taken care of.

Satisfied member

Wendell Lawrence

After the Storm hits
And the rivers get muddy
There is no pipe bourn water...

Who are you going to call for that
lifesaving glass of fresh water?



Come speak to us about the easy terms at
any of our branches in **St. Joseph, Salisbury,
Colihaut & Coulibistrie**, or call us at
295 2682 to learn more.

The West Coast Co-operative Credit Union Ltd
builds partnerships for life.

Talk to the
friendly staff at the
**West Co-operative
Credit Union** about our
WATER TANK LOAN.
You can get up to

\$4,000

for the purchase of the Tank
and equipment right away.



**West Coast
Co-operative Credit Union Ltd**

EASIMAX^{PRO}



**in 2
hours!**
to Existing
Members

**Fast
Money**

When You Need It Most

P.O. Box 794
Roseau
Dominica
wccu.net

Visit our locations in
SALISBURY
449 6556
617 6477
295 9343

ST JOSEPH
446 6917
617 6463

COLIHAUT
446 6540

COULIBISTRIE
446 6829

Terms & conditions apply.