

# **MINUTES OF THE 41<sup>ST</sup> ANNUAL GENERAL MEETING**

**HELD ON TUESDAY MAY 21, 2024**

**AT THE ST KITTS MARRIOTT HOTEL BALLROOM,**

**FRIGATE BAY, SAINT KITTS**

Minutes of the 41<sup>st</sup> Annual General Meeting (AGM) of the St. Kitts Co-operative Credit Union Ltd. convened at the St Kitts Marriott Hotel Ballroom on Tuesday, May 21, 2024

The following was the Agenda:

1. Call to Order
2. Invocation
3. National Anthem
4. Welcome Remarks
5. Feature Address: Theme "**Financial Resilience for a Sustainable and Inclusive Tomorrow**"
6. Ascertainment of Quorum
7. Minutes of 40th Annual General Meeting, Amendments, Matters Arising and Adoption
8. Presentation and Acceptance of Reports
9. Auditors' Report and Presentation and Acceptance of Financial Statements
10. Treasurer's Report and Declaration of Dividends
11. Setting Maximum Liability Ceiling
12. Appointment of Auditors
13. Question and Answer Session
14. Election of Officers
15. Acknowledgement of Retiring Volunteers
16. Any Other Business
17. Vote of Thanks
18. Adjournment

## **GENERAL SESSION**

### **ITEM 1: CALL TO ORDER**

The Annual General Meeting (“AGM”) of the St. Kitts Co-operative Credit Union (SKCCU) was called to order at 5:25 pm by Mr. Edward Gift, President of the Board of Directors and Chairperson of the meeting (hereafter also referred to as “the Chair”).

### **ITEM 2: INVOCATION**

The Chair invited Pastor Isilin Lewis, Lay Pastor of the Bethesda Moravian Church to bless the proceedings. Pastor Lewis invoked God’s blessings on the AGM proceedings. The meeting attendees then recited the Credit Union Prayer in unison.

### **ITEM 3: NATIONAL ANTHEM**

A recorded version of the National Anthem of the Federation of Saint Kitts and Nevis was played.

### **ITEM 4: WELCOME REMARKS**

President Edward Gift, as Chair of the meeting presented opening remarks. He welcomed the Registrar of Cooperatives, the volunteers of the various committees, the Board, specially invited guests, staff of the Credit Union, members of the Credit Union and guests attending both virtually and in person. He reiterated the mission of the Credit Union to build generational wealth and financial partnership on the foundation of exceptional customer service. He focused on members helping each other for the generational benefit of all.

### **ITEM 5: FEATURE ADDRESS - "Financial Resilience for a Sustainable and Inclusive Tomorrow"**

Mrs. Bibiana Hamilton-Henry, Member of the Board of Directors, introduced the guest speaker, Mr. Wendell Lawrence, OBE, MSc, CPA, CGMA:

Mr. Wendell Lawrence OBE, MSc, CPA, CGMA has considerable experience in assisting clients in an array of matters including governance, finance, leadership, general management, strategic planning and risk management. His intimate knowledge of Saint Kitts and Nevis and of the Caribbean region helped to establish the Caribbean Governance Consultants Inc, the company he founded, as one of the Caribbean's leading providers of financial consultancy and governance services to a wide range of clients. He has acquired in-depth knowledge of the legal and regulatory framework, and business climate of various Caribbean jurisdictions through his roles as: Financial Secretary and Director of Audit for the Government of Saint Kitts and Nevis; Director of the Eastern Caribbean Central Bank; Chairman of the Regional Debt Coordination Committee (RDCC); Director of the Caribbean Development Bank, member of the Regional Judicial and Legal Services Commission; and the Saint Kitts and Nevis Ambassador Plenipotentiary and Extraordinary (with accreditation to the Caribbean Community (CARICOM), the Organization of Eastern Caribbean States (OECS), and the Association of Caribbean States (ACS)).

His education and professional qualifications include a Master of Science degree in Accounting from the University of the West Indies; Master of Science degree in Financial Economics from the University of London; and membership of the American Institute of Certified Public Accountants (AICPA). He also holds the Chartered Global Management Accountant designation issued jointly by the AICPA and the Chartered Institute of Management Accountants (CIMA).

Mr. Lawrence took the podium and presented his keynote address on the theme, "Financial resilience for a sustainable and inclusive future", as follows:

He began by commenting that the theme showed that the SKCCU is focused on the matters of greatest relevance to the wellbeing of its members. He briefly reminisced on his own volunteer experience on the Board of the SKCCU. He expressed pride that the SKCCU has accumulated assets at over one quarter of a billion dollars since its inception 41 years ago from its humble roots. The SKCCU has demonstrated that some of the important pathways out of poverty are cooperation, unity, love, harmonious relations, the pooling of skills and resources as well as effective organization. He spoke of the technological advances and the resulting customer experience being as good as that of any financial institution within the Federation, and better than many.

Mr. Lawrence indicated that the AGM theme was fitting given that the SKCCU has recorded tremendous growth and has been strengthening its financial resilience, that is, the ability of the credit union to stay afloat and maintain its course through stormy waters. The SKCCU has demonstrated resilience notwithstanding the impact of the Covid-19 pandemic. Over the last five years from 2019 to 2023, it had grown assets in that period by 44% when other entities were struggling to survive. It increased its cash by 48.1% over the same 5-year period; and made comprehensive income that has not dropped below EC\$1.6m in any of the years of the Covid-19 crisis, reaching as high at EC\$6m in 2023. He lauded the Chief Executive Officer (CEO), Management and Board for safeguarding the members' funds through the years.

He reminded the organization that building financial resilience is a long-term, continuous process that requires: enhanced focus on the expansion of the membership base; product diversification; increasing loan portfolio; strengthening performance management systems through effective metrics; effective cost control; building a comprehensive enterprise risk management policy; the deployment of innovative technology including artificial intelligence and data analytics; and greater cooperation among credit unions in the Federation and beyond. Such cooperation, he indicated, could involve the sharing of certain functions: investment and risk management, technological development, human resources and education; all of which will develop economies of scale in the pooling of resources while enhancing individual competitiveness.

He continued by stating that the financial resilience of the SKCCU and the financial resilience of its members are distinct but co-dependent. The resilience of the credit union is dependent on the resilience of its members; and the resilience of members is dependent on the Credit Union continuing to provide its members with access to finance and to advance the well-being of its members. A credit union must devote its resources to the financial resilience of its members. The environment we currently live in is a threatening one: namely climate change, geopolitical risk and increased tensions in different parts of the world. These all have potential to push countries into recession and economic hardships. Members also face challenges on an individual level where illness, injury, job loss, and divorce can amplify the impact of these geopolitical problems and create significant emotional problems.

This underscores the importance of resilience to withstand and recover from economic shocks and to adapt and transform in the face of changing circumstances. Financial resilience is developing the capacity to earn money during good times and during tough times by acquiring marketable skills, adopting a feasible and sustainable lifestyle, and managing savings and

investments wisely. The SKCCU has a large role to play in helping members build financial resilience. He recommended that the SKCCU must shift to education, training, entrepreneurship to enhance its member capacity to earn income. It must be responsive by improving its processes to timely respond in crises and emergencies. It must expand in financial counselling and literacy as well as training in personal financial management. This is an area of great scope for cooperation with credit unions, the Caribbean Cooperative Credit Union (CCCU) and National Co-operative League.

Notwithstanding the role of the Credit Union in enhancing financial resilience, the members must take the lead in advancing financial resilience and engage in effective personal financial management. He enunciated a few key principles to guide members:

1. Having a clear vision of objectives and goals
2. Aligning beliefs, ideas and value system with that vision
3. Crafting a budget to guide financial decisions. Evaluating goals and priorities is a critical part of managing finances.
4. Expenditure control; avoid spontaneous purchases
5. Seeking earning opportunities. More learning is at hand these days than in any previous period in history. There are many ways to learn a specific skill and members are encouraged to take advantage of these opportunities.
6. Avoid borrowing to support lifestyle; rather borrow to build the future.

Mr. Lawrence concluded by congratulating the SKCCU for making such a meaningful impact on the lives of members over the 41 years of its existence.

The Chair thanked Mr. Lawrence and expressed gratitude for the words of wisdom, and the principles outlined in his key address.

The Chair then presented a token of thanks to Lay Pastor Lewis for the invocation. Mrs. Janet Harris, Chief Executive Officer (CEO) of the SKCCU presented a gift basket to Mr. Lawrence in gratitude for the keynote address.

## **ITEM 6: ASCERTAINMENT OF QUORUM**

Mrs. Kjellin Rawlins-Elliott, Registrar of Credit Unions, confirmed that the number of members present in person and online constituted a quorum for the Annual General Meeting. She declared the Business Session of the Annual General Meeting open.

## **BUSINESS SESSION**

## **ITEM 7: MINUTES OF THE 40TH ANNUAL GENERAL MEETING, MATTERS ARISING AND ADOPTION**

The Minutes were previously circulated via the SKCCU website and are found on pages 8-20 of the AGM booklet.

Mrs. Tashna Powell Williams, Secretary, led the meeting through the pages for the identification of any amendments. The following amendments were identified:

- Item 6, Ms. Shermell Edwards' position should read "officer of the Registrar of Credit Unions"
- Page 17 the name Emeleta Warner-Paul should be spelt 'Emileta' Warner- Paul

The minutes were accepted as amended on a motion moved by Mrs. Emileta Warner-Paul and seconded by Mr. Cleon Bradshaw; and carried by the majority without objection.

There were no matters arising on the Minutes of the 40<sup>th</sup> Annual General Meeting.

## **ITEM 8: PRESENTATION AND ACCEPTANCE OF REPORTS**

Chairman Gift indicated that the Reports of the Board of Directors and Committees had been circulated prior with the full text of reports also contained in the AGM booklet.

He presented the highlights of the Report of the Board of Directors as circulated. He thanked the Management, the Board of Directors, and the Supervisory and Credit Committees for their collaboration in the work of the Credit Union to mitigate the challenges and foster growth. He thanked the members for the confidence reposed in the SKCCU.

Chairman Gift then invited the Chairperson of the Credit Committee, Mr. Auren Manners, to present that Committee's report. Mr. Auren Manners thanked the meeting for the opportunity to report on the stewardship of the Credit Committee in the year 2023. He recognized Mrs. Vernice Morton, who resigned from the Committee, for her service on the Credit Committee for over five years. He then gave highlights of the report, as circulated: During the year the Credit Committee implemented reforms to improve efficiency and close credit policy gaps, for example, how to treat with overseas loan applicants; and the standardization of financial statements presented by members. He reported that the loan portfolio at the end of 2023 was comprised of 3,819 loans valued at EC\$157.5M which was an increase of approximately EC\$8.2M from 2022. The delinquency rate decreased from 12.9 % in 2022 to 9.55% in 2023 and Mr. Manners outlined the measures that contributed to this decrease. He closed by reassuring the members that the Credit Committee continues to use a member centric approach while protecting the financial integrity of the SKCCU.

CEO Harris intervened to recognize the fact that the Morton family has had three generations serving as volunteers in various capacities to the SKCCU: Ms. Anita Morton was the first President of the SKCCU; Ms. Vernice Morton who previously served on the Credit Committee, is the daughter of Ms. Anita Morton; and Mr. Clyde Caines, the son of Ms. Vernice Morton now serves on the Credit Committee.

Mr. Gift then invited the interim Chairperson of the Supervisory and Compliance Committee to render the report of that Committee. Ms. Althea Esdaille gave the highlights of that committee's work for the year 2023. She gave an overview of the role of the SCC to provide supervisory responsibility and reported the Committee's findings that the internal controls of the Credit Union are sound. She highlighted the activities of the Committee during the year; and ended by recognizing the efforts of the Committee's members; as well as that of the management and the staff to provide reports and to implement the recommendations of the Supervisory and Compliance Committee.

Chairman Gift took a moment to recognize the tremendous work and effort of volunteers to the SKCCU.

There were no questions with regard to the Reports from the floor or online. Therefore, the Chair tendered the following reports for acceptance, as circulated:

- The Report of the Board of Directors
- The Report of the Credit Committee
- The Report of the Supervisory and Compliance Committee

Mrs. Willa Liburd moved a motion to accept the report of the Board of Directors as circulated. The motion was seconded by Joanna Collins and carried without objections from the floor or online.

Mrs. Emileta Warner-Paul moved a motion to accept the report of the Credit Committee, as circulated. The motion was seconded by Ms. Keesha Thomas. There being no dissent, the motion was carried by majority.

Mrs. Willa Liburd moved the motion to accept the report of the Supervisory and Compliance Committee, as circulated. The motion was seconded by Ms. Joanna Collins; and carried by majority without objection.

## **ITEM 9: REPORT OF THE EXTERNAL AUDITORS AND PRESENTATION AND ACCEPTANCE OF FINANCIAL STATEMENTS**

The Independent Auditor's Report was previously circulated. Ms. Lisa Roberts of Grant Thornton indicated the external auditors had issued an unqualified opinion in relation to the financial statements, which means the financial statements are fairly stated in all material respects.

There were no questions in relation to the report of the External Auditor. Mr. Cleon Bradshaw moved the motion, seconded by Ms. Cheryl Dolphin, that the report of the external auditors be accepted as circulated. There being no dissent, the motion was carried by majority, and the Independent Auditor' Report was accepted as circulated.

## **ITEM 10: TREASURER'S REPORT AND DECLARATION OF DIVIDENDS**

The Treasurer's Report was previously circulated.

Mrs. Juliette Warde, Treasurer highlighted the following salient points from the Treasurer's Report for the year ended 31<sup>st</sup> December 2023:

The SKCCU achieved profit for the year 2023 in the amount of \$3,194,428 compared to \$1,545,552 in 2022 an increase of \$1,648,876 or 106.6%. Total Assets increased to \$243,733,475 in 2023 from \$221,566,585 in 2022 which represents an increase of \$22,166,890 or 10.00%. Total Liabilities were \$198,079,749 compared to \$179,907,450 in 2022 which represents an increase of \$18,172,299 or 10.1%. Member's deposits increased moderately by \$13,567,245 or 7.76% from \$174,794,404 in 2022 to \$188,361,649 in 2023. Member's shares increased to \$13,475,806 from \$11,905,714 in 2022 which represents an increase of \$1,570,092 or 13.18%.

Cash and cash equivalents increased by \$8,302,854 or 23.24% in 2023 to \$44,021,048 while total interest income increased slightly in 2023 to \$13,409,999 from \$13,340,134 in 2022.

### **Statement of Financial Position formerly known as the Balance Sheet:**

Total Assets as of December 31, 2023 grew by 10% or \$22.1 million compared to 8.3% or \$16.9 million in 2022. Changes in the asset portfolio were as follows: 1) Cash and cash equivalents which increased by 23.2% or \$8.3 million 2) Other assets, mainly investment in the Scenic View Housing Project, increased by 45.7% or \$1.7 million and 3) Members' shares which increased by 13.2% or \$1.5 million in 2023 compared to 13.6% or \$1.4 million for 2022.

### **Statement of Comprehensive Income otherwise known as the Income Statement**

Operating Income decreased by 6.6% or \$8,525 in 2023 compared to an increase of 11.8% or \$1.3 million in 2022. The main revenue stream, interest income on loans to members, increased by a modest 0.47% or \$59,381. Operating expenses **decreased by 14.7% or \$1.6 million** compared to an increase by 32.2% or \$2.7 million in 2022. The major contributor to the decrease in operating expenses in 2023 was the improvement in provision for expected credit losses expense by 62.3% or \$2.9 million.

### **Delinquency**

The SKCCU continues to monitor delinquency and apply strategies to reduce the rate of delinquency. The rate of delinquency at 31 December 2023 was reduced to 9.5% from 12.9% in 2022. The aim is to have this reduced to 5% or below by end of 2024.

There were no questions in relation to the Treasurer's Report. Mr. Chad Allen moved a motion to accept the Treasurer's report. The motion was seconded by the Ms. Patrice Afortu-Ofre. On a vote taken by show of hands, the motion was carried by majority and without objection.

### **Declaration of Dividends:**

The Treasurer declared a cash dividend of ten (10%) percent. On a motion moved by Ms. Keesha Thomas, and seconded by Mrs. Emileta Warner-Paul, the motion to accept the dividends as declared was carried by a majority of members indicating by show of hands.

### **ITEM 11: SETTING MAXIMUM LIABILITY CEILING**

The Treasurer indicated that the Board of Directors recommended that the maximum liability ceiling remain set at EC\$5 million. Ms. Monica Hodge moved the motion to accept the recommendation, which was seconded by Mr. Leonardo Christmas. There were no objections; and the motion was carried.

### **ITEM NO 12: APPOINTMENT OF THE EXTERNAL AUDITORS**

The Treasurer indicated that the Board of Directors recommends retaining the firm, Grant Thornton as external auditors for the fiscal year 2024. Mr. Samuel Lawrence moved the motion to accept the recommendation and appoint Grant Thornton as external auditors for the financial year 2024. The motion was seconded by Ms. Doreen Petty. The members voted by show of hands and the motion was carried without objection.

The Chair then announced that the dividend has been posted to member accounts.

### **ITEM NO: 13 QUESTION AND ANSWER**

There were no questions from the floor or online in relation to the Financial Reports. The meeting proceeded to Item No 14.

### **ITEM NO 14: ELECTION OF OFFICERS.**

Mrs. Sheila Cable, Chairperson of the Nominating Committee presented the Report of the Nominating Committee. Mrs Cable explained the work of the Committee. In accordance with Article XIII, section 41 (1) of the By-Laws of the St. Kitts Co-operative Credit Union Ltd., the Board of Directors appoints a Nominating Committee to nominate and accept nominations for each vacant position on the Board of Directors and Committees.

There were two vacancies on the Supervisory and Compliance Committee to replace Ms. Desiree Connor and Ms. Janice Esdaille; and one replacement for the Credit Committee due to the early retirement of Ms. Vernice Morton. There was one vacancy on the Board due to resignation of Mr. Ivor Keithley Phillip. In addition, the Board proposed to increase its complement by two due to its workload.

Mrs. Cable, on behalf of the Nominating Committee also expressed gratitude to the retiring volunteers and board members for their service to the Credit Union: Mr. Ivor Keithley Phillip who served on the Board for over 5 years; Ms. Desiree Connor and Ms. Althea Esdaille who served on the Supervisory and Compliance Committee; and Ms. Vernice Morton who served on the Credit Committee.

She then introduced the nominated persons, as follows:

- For election to the Board: Mr. Cleon Bradshaw to replace Mr. Ivor Keithley Phillip; and Ms. Deniece Alleyne and Mr. Chad Allen to increase the number of Board members from nine to eleven
- For election to the Supervisory and Compliance Committee: Ms. Nekisha O’Loughlin to replace Ms. Desiree Connor; and Ms. Patrice Afortu-Ofre to replace Ms. Althea Esdaille who was retiring.
- For election to the Credit Committee: Mr. Clyve Caines to replace Ms. Vernice Morton, who retired early
- For re-election for a second three-year term: Mrs. Ikeisha Esdaile-Turo of the Board and Mr. Joel Morton of the Supervisory and Compliance Committee

Mrs. Vadeesha John-Brookes of John-Brookes Law Firm, Attorneys for the SKCCU then conducted the election of Volunteers. She invited nominations from the floor; and there were no nominations from the floor either to the Board or the Committees.

The following volunteers were duly elected:

**Supervisory and Compliance Committee:**

- Ms. Patrice Afortu-Ofre
- Ms. Nekisha O’Loughlin
- Mr. Joel Morton was re-elected to serve a second three-year term

**Credit Committee:**

- Mr. Clyve Caines

**Board of Directors:**

- Mr. Cleon Bradshaw
- Ms. Deniece Alleyne
- Mr. Chad Allen
- Mrs. Ikeisha Esdaille-Turo was re-elected to serve a second three-year term

**ITEM 15: ACKNOWLEDGEMENT OF RETIRING VOLUNTEERS**

Mrs. Shirmel Woods, Director, presented a token of thanks to Ms. Althea Esdaille upon her retirement on behalf of the Board of Directors, the management, and staff of the SCC.

**ITEM 16: ANY OTHER BUSINESS**

Mr. St. Clair Hodge, Product Development Manager (PDM) of the SKCCU and member of the AGM Planning Committee conducted the Credit Union Academic Scholarship drawing. The winners were announced by CEO Janet Harris as follows:

- Ayden Peets for primary school category; and Khiana Williams for high school category.

PDM Hodge engaged the meeting in prizes and giveaways for the members in attendance at the AGM, whether online or in person. The prizes were donated by various corporate partners.

- Prize for the first member who arrived and registered today – presented to Ms. Sanya Isaac
- Prize for the oldest member present at the AGM – presented to Mr. Lennis McDowell
- Prize for youngest member present - presented to Ms. Mercia Isaac
- Prize for newest member – presented to Ms. Brontie Duncan
- Prize for the member present with most shares – presented to Mr. Elis Ruan
- Prize for the most engaging member present went to Mrs. Emileta Warner-Paul

There was also a trivia question session for the selection of two members to attend the CCCU Convention in June 2024. Prizes were awarded to Ms. Isilin Lewis and Ms. Eugenia Petty.

**ITEM 17: VOTE OF THANKS**

Mr. Hodge delivered the vote of thanks to all who took part in the proceedings as well as management, Board and members for their role in a successful AGM.

**ITEM 18: ADJOURNMENT**

Mr. Cleon Bradshaw moved a motion to adjourn the Annual General Meeting. The motion was seconded by Ms. Sanya Isaac and was carried without dissent. Chairman Gift declared the Annual General Meeting adjourned at 7:59 pm.



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Edward Gift, President



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Tashna Powell Williams, Secretary