

CARIBBEAN CONFEDERATION OF CREDIT UNIONS
DEVELOPMENT FOUNDATION

Financial Statements

December 31, 2019

(Expressed in United States Dollars)

CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Table of Contents

	<i>Pages</i>
Independent Auditors' Report to the Board of Councillors	1-2
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7-11





Tel: 268-462-8868
268-462-8869
268-462-8992
Fax: 268-462-8808

Cnr. Factory Road and Carnival Gardens
P.O. Box 3109
St. John's
Antigua

INDEPENDENT AUDITORS' REPORT

To the Board of Councillors of
CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Opinion

We have audited the financial statements of the Caribbean Confederation of Credit Unions Development Foundation ("the Foundation"), which comprise the statement of financial position as at December 31, 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT *(cont'd)*

To the Board of Councillors of
CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Chartered Accountants
June 11, 2020

Antigua and Barbuda

CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Statement of Financial Position

December 31, 2019

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Assets			
Current assets			
Cash at bank	3	\$ 227,827	248,620
Fixed deposits	4	540,946	380,185
Accounts receivable		12,000	12,800
Due from related party	5	<u>2,827</u>	<u>-</u>
Total Assets		\$ <u>783,600</u>	<u>641,605</u>
Liabilities			
Accrued expenses		\$ 2,930	2,400
Due to related party	5	<u>-</u>	<u>45,380</u>
Total Liabilities		<u>2,930</u>	<u>47,780</u>
Equity			
Development Foundation Fund	6	249,975	249,975
Everard Dean Memorial Fund	7	12,519	9,018
Accumulated Surplus		<u>518,176</u>	<u>334,832</u>
Total Equity		<u>780,670</u>	<u>593,825</u>
Total Liabilities and Equity		\$ <u>783,600</u>	<u>641,605</u>

Approved by the Board of Councillors on June 11, 2020

Councillor.......... Councillor..........

The notes on pages 7 to 11 are an integral part of these financial statements.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Statement of Comprehensive Income

Year ended December 31, 2019

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Income			
Contributions	8	\$ 29,276	45,800
Donation for disaster relief		210,953	45,575
Everard Dean Donation		11,499	9,108
Miscellaneous income		118	52
Total Income		251,846	100,535
Expenses			
Donations	9	56,870	52,500
Everard Dean expenses		11,499	9,108
Travel		3,988	3,345
Legal & accounting fees		2,600	2,600
Professional fees		2,152	2,272
Meeting expenses		-	1,586
Other expenses		514	475
Total Expenses		77,623	71,886
Operating income before finance income		174,223	28,649
Finance income		11,417	11,058
Finance cost		(2,296)	(1,307)
Finance income, net		9,121	9,751
Surplus for the year		183,344	38,400
Total Comprehensive Income for the Year		\$ 183,344	38,400

The notes on pages 7 to 11 are an integral part of these financial statements.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Statement of Changes in Equity

Year ended December 31, 2019

(Expressed in United States Dollars)

	Development Foundation Fund	Everard Dean Memorial Fund	Accumulated Surplus	Total
Balance as of December 31, 2017	\$ 249,975	18,126	296,432	564,533
Surplus for the year	-	-	38,400	38,400
Transfer from the Everard Dean Memorial Fund	-	(9,108)	-	(9,108)
Balance as of December 31, 2018	\$ 249,975	9,018	334,832	593,825
Surplus for the year	-	-	183,344	183,344
Transfer to the Everard Dean Memorial Fund	-	3,501	-	3,501
Balance as of December 31, 2019	\$ 249,975	12,519	518,176	780,670

The notes on pages 7 to 11 are an integral part of these financial statements.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Statement of Cash Flows

Year ended December 31, 2019

(Expressed in United States Dollars)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities			
Surplus for the year		\$ 183,344	38,400
Adjustments for:			
Interest income		(11,417)	(11,058)
Operating income before changes in working capital		171,927	27,342
Changes in working capital balances other than cash			
Change in accounts receivable		(2,027)	(800)
Change in accrued expenses		530	-
Change in due to related party		(45,380)	7,714
Net cash provided by operating activities		125,050	34,256
Cash flows from investing activities			
Increase in fixed deposits		(160,761)	(11,058)
Interest received		11,417	11,058
Net cash used in investing activities		(149,344)	-
Cash flows from financing activity			
Movement in the Everard Dean Memorial Fund		3,501	(9,108)
Net cash provided by/(used in) financing activity		3,501	(9,108)
(Decrease)/increase in cash during the year		(20,793)	25,148
Cash at beginning of year		248,620	223,472
Cash at end of year		\$ 227,827	248,620
Represented by:			
Cash at bank	3	\$ 227,827	248,620

The notes on pages 7 to 11 are an integral part of these financial statements.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Notes to Financial Statements

December 31, 2019

(Expressed in United States Dollars)

1. Principal Activity:

The Caribbean Confederation of Credit Unions Development Foundation (the "Foundation") was registered under the Laws of St. Christopher and Nevis pursuant to the Foundation Act Section 4 on May 17, 2006. The founder of the Foundation is the Caribbean Confederation of Credit Unions. The registered office of the Foundation is the Corner of Wilkin St & St. Johnston Avenue, Fortlands, Basseterre, St. Kitts.

The Caribbean Confederation of Credit Unions, the founder, is registered in accordance with the Companies Act, No 22 of 1996 in the Federation of St. Christopher and Nevis.

The Objectives of the Development Foundation are to develop, operate and administer a fund or funds for the following purposes:

- (i) The stimulation of activities benefitting Caribbean Co-operatives nationally and regionally;
- (ii) The provision of services, through co-operative projects for the relief of special disasters or emergencies;
- (iii) The promotion and advancement of education and the development of co-operative principles within the Caribbean;
- (iv) The promotion of youth development in the Caribbean through educational opportunities and leadership training towards self-reliance.
- (v) To provide tangible and in-kind assistance to organisations working to empower Caribbean people and communities with special focus on minority groups, rural communities, small business and small farmers; and
- (vi) To co-operate with governmental and non-governmental organisations which have objectives similar to those of the Foundation.

2. Basis of Preparation and Accounting Policies:

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

(a) Basis of preparation:

The financial statements of the Caribbean Confederation of Credit Unions Development Foundation have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's) adopted by the International Accounting Standard Board (IASB).

These financial statements were approved by the Board of Councillors on June 11, 2020.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Notes to Financial Statements (*cont'd*)

December 31, 2019

(Expressed in United States Dollars)

2. **Basis of Preparation and Accounting Policies:** (*cont'd*)

(b) *Basis of measurement:*

The financial statements are prepared on the historical cost basis.

(c) *Cash at Bank:*

Cash is comprised of cash at bank held in a deposit account.

(d) *Impairment of assets:*

At each reporting date the assets of the Foundation are reviewed to determine whether there is objection evidence of impairment. If any such indication exists, the asset recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized immediately to profit or loss.

A previously recognized impairment loss is reversed if there has been a change in the estimation used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately to profit or loss.

(e) *Accounts receivable:*

Accounts receivable are amounts due from debtors at cost less impairment loss.

(f) *Accrued Expenses:*

Accrued expenses are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Foundation.

(g) *Provisions:*

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

(h) *Revenue recognition:*

The Foundation recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Foundation's activities as described below.

(i) *Contributions:*

Contributions are received from the league and affiliates to aid in the operations of the Foundation. Contributions are recognised as income when the cash is received.

(ii) *Interest income:*

Interest income is recognised in the statement of comprehensive income for all interest bearing instruments on the accrual basis using the effective yield method. Interest income includes interest earned on cash balances and fixed deposits.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Notes to Financial Statements (cont'd)

December 31, 2019

(Expressed in United States Dollars)

2. Basis of Preparation and Accounting Policies: (cont'd)

(i) *Functional and Presentation Currency:*

The financial statements are presented in United States dollars which is the Foundation's functional and presentation currency.

(j) *Foreign Currency Transactions:*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(k) *Use of Estimate and Judgements:*

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3. Cash at Bank:

	2019	2018
St. Kitts-Nevis-Anguilla National Bank	\$ 227,638	248,620
First Federal Co-operative Credit Union	189	-
	<u>227,827</u>	<u>248,620</u>

Cash includes amounts held at the St. Kitts-Nevis-Anguilla National Bank which carry interest rates in the range of 0% to 1%. (2018: 0% to 1%).

CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Notes to Financial Statements (cont'd)

December 31, 2019

(Expressed in United States Dollars)

4. Fixed Deposits:

	2019	2018
One (1) year fixed deposit at Nevis Co-operative Credit Union Limited maturing on October 5, 2020 bearing interest at a rate of 3%	\$ 311,210	302,145
One (1) year fixed deposit at First Federal Co-operative Credit Union Limited maturing on November 1, 2020 and bearing interest at a rate of 3.25%	149,344	-
One (1) year fixed deposit at St. Kitts Co-operative Credit Union Limited maturing on August 22, 2020 and bearing interest at a rate of 3%	77,340	75,118
	537,894	377,263
Interest receivable	3,052	2,922
	<u>\$ 540,946</u>	<u>380,185</u>

5. Related Party Transactions:

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties can arise by way of common ownership, common directors and management.

The Foundation has various transactions with its founder, Caribbean Confederation of Credit Unions relative to donations.

The outstanding balances of related party transactions are as follows:

Due from related party:

	2019	2018
Caribbean Confederation of Credit Unions	\$ 2,827	-

Due to related party:

	2019	2018
Caribbean Confederation of Credit Unions	\$ -	45,380

Related party balances are unsecured, non-interest bearing and have no fixed terms of repayment.

Key management personnel of the Foundation do not receive any compensation or any form of short-term employee benefits from the Foundation.

CARIBBEAN CONFEDERATION OF CREDIT UNIONS DEVELOPMENT FOUNDATION

Notes to Financial Statements (cont'd)

December 31, 2019

(Expressed in United States Dollars)

6. **Development Foundation Fund:**

The Funds of the Development Foundation are represented by fixed deposits and earn interest as per Note 4.

7. **Everard Dean Memorial Fund:**

The Everard Dean Memorial Fund was established to assist in providing financial assistance through educational initiatives and scholarships to individuals to further their education in Co-operative Studies and to improve the awareness of the benefits of co-operatives.

8. **Contributions:**

	2019	2018
General contributions	\$ 29,276	45,800

9. **Donations:**

	2019	2018
Dominica Co-operative Societies League	\$ 35,500	22,500
Bahamas Co-operative League	20,000	-
World Council of Credit Unions	1,000	20,000
Sandy point Agricultural Co-operative Society	370	-
Grand Bay Retaining Wall	-	10,000
	\$ 56,870	52,500

10. **Taxation:**

The Foundation is exempt from corporation and other taxes under the Foundations Act 2003 of St. Christopher and Nevis.