



# ST. JOHN'S CREDIT UNION LIMITED

Financial Statements

For the year ended 31 March 2024



**St. John's Credit Union Limited**

**Financial statements**

For the year ended 31 March 2024

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE BOARD OF DIRECTORS St. John's Credit Union Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

We have audited the financial statements of **St. John's Credit Union Limited (SJCUL) (the Credit Union)**, which comprises the statement of financial position as at 31 March 2024, the statement of income and expenses, the statement of changes in fund balances and the statement of cash flows for the year then ended and explanatory notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of St. John's Credit Union Limited as at 31 March 2024 and of its financial performance for the year then ended and its cash flows for the year then ended in accordance with the modified cash basis of accounting.

##### **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 St. John's Credit Union Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Belize 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 form a basis for our opinion.

##### **Basis of accounting**

Without modifying our opinion, we draw attention to Note 2.1 to the financial statements, which describes the modified cash basis of accounting used to prepare the financial statements.

**Other matter**

The financial statements for the Credit Union for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those statements as of 15 June 2023.

**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 the modified cash basis of accounting, 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 Credit Union'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 Credit Union or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 Organization'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 Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Credit Union to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Credit Union's audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Moore Belize LLP.*

**Chartered Accountants**  
**Belize City, Belize, C.A.**  
**04 June 2024**

**St. John's Credit Union Limited**

Statement of financial position - modified cash basis

As at 31 March 2024

In Belize dollars

	Notes	2024	2023 (Restated)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents - unrestricted	2.5, 3	10,655,056	13,347,759
Cash and cash equivalents - restricted	2.5, 14	476,296	530,080
Short term investments in financial assets - unrestricted	2.6, 4	5,386,199	10,364,685
Short term investments in financial assets - restricted	2.6, 5	40,000	40,000
Other receivables and prepayments	2.7, 6	761,553	1,162,311
Current portion loans and receivable from members	2.8, 7	3,728,037	3,413,215
<b>Total current assets</b>		<b>21,047,141</b>	<b>28,858,050</b>
<b>Non-current assets</b>			
Loans receivable from members	2.8, 7	56,036,990	56,430,247
Less - allowance for loan losses	2.9, 7	(3,298,628)	(3,000,858)
Property, plant and equipment - net	2.1, 2.11, 2.12, 8	8,491,011	5,042,282
Investment property - net	2.12, 2.13, 9	154,447	268,636
Long term investments in financial assets - unrestricted	2.6, 10	19,899,300	12,899,300
Long term investments in financial assets - restricted	2.6, 14	110,000	10,000
Intangible assets	2.7, 11	6,643	200,322
<b>Total non-current assets</b>		<b>81,399,763</b>	<b>71,849,929</b>
<b>Total assets</b>		<b>102,446,904</b>	<b>100,707,979</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Accounts payables	2.14	251,444	49,345
Other liabilities	2.15	813,554	771,859
Members' deposits	2.16, 12	14,002,617	16,534,234
Current portion severance payable	2.17, 13	276,062	264,905
<b>Total current liabilities</b>		<b>15,343,677</b>	<b>17,620,343</b>
<b>Non-current liabilities</b>			
Severance payable	2.17, 13	84,217	47,233
Pension liability	2.18, 14	869,424	818,441
Long term debt	2.19, 15	111,212	111,212
<b>Total non-current liabilities</b>		<b>1,064,853</b>	<b>976,886</b>
<b>Total liabilities</b>		<b>16,408,530</b>	<b>18,597,229</b>
<b>Equity</b>			
Members' shares - mandatory	2.20	3,439,721	3,345,841
Members' shares - voluntary	2.20	70,789,593	67,631,266
Burial scheme fund	2.21	769,190	735,549
Revaluation reserve	2.11, 16	354,953	354,953
Statutory reserve fund	2.22	7,994,874	7,743,589
Undistributed surplus	2.24, 17	2,265,450	1,874,959
Other reserves	2.23	424,593	424,593
<b>Total equity</b>		<b>86,038,374</b>	<b>82,110,750</b>
<b>Total liabilities and equity</b>		<b>102,446,904</b>	<b>100,707,979</b>

The accompanying notes form pages 8 to 22 an integral part of these financial statements.

The financial statements on pages 4 to 7 were approved and authorized for issue by the Board of Directors on 04 June 2024 and are signed on its behalf by.

Signature of Director: 

Print Name of Director: ALVIN HAYNES



Signature of Director: 

Print Name of Director: Rashida Castillo

**St. John's Credit Union Limited**

Statement of income and expenses - modified cash basis

For the year ended 31 March 2024

In Belize dollars

	Notes	2024	2023
<b>Income</b>	<b>2.25</b>		
Interest income on loans	<b>18</b>	<b>5,454,172</b>	5,221,081
Investment income		<b>1,154,359</b>	1,033,967
Other income		<b>316,909</b>	67,797
Fees and commission income		<b>651,805</b>	693,149
<b>Gross income</b>		<b>7,577,245</b>	7,015,994
<b>Operating expenses</b>	<b>2.25</b>		
Advertising		<b>53,357</b>	50,300
Annual general meeting		<b>78,040</b>	61,460
Impairment expense		<b>300,000</b>	200,000
Bank charges and overdraft interest		<b>18,562</b>	18,190
Belize Credit Union Assurance Services Insurance		<b>665,076</b>	618,445
Committee meetings		<b>48,471</b>	11,720
Software system maintenance		<b>420,455</b>	269,068
Credit Union Week		<b>16,804</b>	18,821
Depreciation		<b>389,002</b>	515,155
Donations		<b>11,050</b>	19,632
Education		<b>-</b>	2,256
General insurance		<b>19,676</b>	28,243
Interest expense - Members deposits		<b>127,831</b>	238,761
Office supplies		<b>86,060</b>	73,463
Other		<b>129,102</b>	109,841
Pension contribution		<b>51,312</b>	48,693
Professional fees		<b>76,709</b>	103,544
Property taxes		<b>11,105</b>	8,378
Rent		<b>76,500</b>	73,500
Repairs and maintenance		<b>160,583</b>	176,112
Salaries, wages and allowances		<b>1,543,694</b>	1,553,455
Security		<b>352,679</b>	307,884
Severance		<b>71,002</b>	41,967
Social security		<b>61,791</b>	63,108
Supervision fees		<b>8,000</b>	14,000
Travel and subsistence		<b>73,273</b>	63,655
Uniform		<b>732</b>	48,112
Utilities		<b>213,532</b>	214,227
<b>Total operating expenses</b>		<b>5,064,398</b>	4,951,990
<b>Surplus</b>		<b>2,512,847</b>	2,064,004

*The accompanying notes form pages 8 to 22 an integral part of these financial statements.*

**St. John's Credit Union Limited**

Statement of changes in fund balances - modified cash basis

For the year ended 31 March 2024

In Belize dollars

	Burial scheme fund	Revaluation reserve	Statutory reserve fund	Undistributed surplus	Other reserves	Total
<b>Balance as at 01 April 2023</b>	735,549	354,953	7,743,589	1,874,959	424,593	<b>11,133,643</b>
Burial scheme payments	(362,500)	-	-	-	-	<b>(362,500)</b>
Burial scheme additions	396,140	-	-	-	-	<b>396,140</b>
Dividends and rebates declared and paid (see Note 2.24 and 17)	-	-	-	(1,871,071)	-	<b>(1,871,071)</b>
Surplus	-	-	-	2,512,847	-	<b>2,512,847</b>
Surplus distribution (see Note 20)	-	-	251,285	(251,285)	-	<b>-</b>
<b>Balance as at 31 March 2024</b>	<b>769,189</b>	<b>354,953</b>	<b>7,994,874</b>	<b>2,265,450</b>	<b>424,593</b>	<b>11,809,059</b>
<b>Balance as at 01 April 2022</b>	391,441	354,953	7,537,189	1,595,937	424,593	<b>10,304,113</b>
Burial scheme payments	(430,000)	-	-	-	-	<b>(430,000)</b>
Burial scheme additions	774,108	-	-	-	-	<b>774,108</b>
Dividends and rebates declared and paid (see Note 2.24 and 17)	-	-	-	(1,578,582)	-	<b>(1,578,582)</b>
Surplus	-	-	-	2,064,004	-	<b>2,064,004</b>
Surplus distribution (see Note 20)	-	-	206,400	(206,400)	-	<b>-</b>
<b>Balance as at 31 March 2023</b>	<b>735,549</b>	<b>354,953</b>	<b>7,743,589</b>	<b>1,874,959</b>	<b>424,593</b>	<b>11,133,643</b>

*The accompanying notes form pages 8 to 22 an integral part of these financial statements.*



**St. John's Credit Union Limited**  
Statement of cash flows  
For the year ended 31 March 2024  
In Belize dollars

	2024	2023
<b>Cash flows from operating activities</b>		
Surplus	2,512,847	2,064,004
Adjustments for:		
Depreciation and amortization	389,003	515,156
Interest income on investments	(1,154,359)	(1,033,967)
Severance	71,002	41,967
Pension contribution	51,312	48,693
Impairment expense	300,000	200,000
Operating surplus before working capital changes	2,169,805	1,835,853
Changes in:		
Other receivables and prepayments	292,700	(507,144)
Loans receivable from members	76,205	(4,620,481)
Accounts payable	202,099	(87,104)
Other liabilities	41,695	(56,527)
Members' deposits	(2,531,618)	(151,238)
Pension liability	(329)	(126,589)
Cash provided by/ (used in) operating activities	250,557	(3,713,230)
Severance paid	(22,861)	(42,985)
Net cash provided by/ (used in) operating activities	227,695	(3,756,215)
<b>Cash flows from investing activities</b>		
Interest received from investments	1,262,417	900,604
Purchase of short term investments - unrestricted	4,978,486	(20,787)
Purchase of long term investments - restricted	(7,000,000)	(1,489,800)
Purchase of long term investments - unrestricted	(100,000)	-
Purchase of property, plant and equipment	(3,529,863)	(1,110,321)
Net cash used in investing activities	(4,388,960)	(1,720,304)
<b>Cash flows from financing activities</b>		
Changes in shares - mandatory	93,880	80,529
Changes in shares - voluntary	3,158,327	2,307,161
Change in burial scheme - net	33,641	344,108
Dividends and rebates paid	(1,871,071)	(1,578,582)
Net cash provided by financing activities	1,414,777	1,153,216
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(2,746,487)</b>	<b>(4,323,303)</b>
<b>Net transfer to cash and cash equivalents - restricted</b>	<b>53,785</b>	<b>82,569</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>13,347,759</b>	<b>17,588,493</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>10,655,056</b>	<b>13,347,759</b>

*The accompanying notes form pages 8 to 22 an integral part of these financial statements.*

## **St. John's Credit Union Limited**

Notes to the financial statements

For the year ended 31 March 2024

In Belize dollars

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### **1. General information**

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**St. John's Credit Union (the Credit Union)** was incorporated under and by virtue of the Credit Unions Act. The Credit Union is currently governed by the Belize Credit Union Act Chapter 314 Revised Edition 2011 as amended 2020 and 2023. The Credit Union promotes savings, enterprises and the cooperative principle among its members' financial resources and to provide personal and corporate banking, loans, and investments.

The Credit Union operates from its principal office situated at No. 4 Basra Street, Belize City, Belize. Apart from a second Belize City branch, offices are located in the City of Belmopan and Dangriga Town. As at 31 March 2024, the Credit Union had 29,195 members (2023: 28,566).

The Credit Union is supervised by the Registrar of Credit Unions. As per the Credit Unions Act, the Registrar of Credit Unions is the Governor of the Central Bank of Belize.

### **2. Significant accounting policies**

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#### **2.1 Basis of presentation**

The Credit Union uses a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis, certain revenues are recognised when received rather than when earned and certain expenses and purchases are recognised when cash is disbursed rather than when the obligation is incurred. Charges to depreciation of property, plant and equipment and loan impairment are recognised in the period incurred.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets. Historical cost is generally based on the consideration given in exchange for assets.

#### **2.2 Functional and presentation currency**

The financial statements are presented in Belize dollars (BZD), unless otherwise indicated. The Belize dollar is considered to be the functional currency as the majority of the Credit Union's transactions are denominated, measured, or funded in Belize dollars. All financial information presented in Belize dollars has been rounded to the nearest dollar.

#### **2.3 Foreign currency transactions/translation**

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Transactions in United States currency and balances at the balance sheet have been converted at the rate of USD 1.00 to BZD 2.00. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. All differences arising on settlement or translation of monetary items are taken to the income statement.

#### **2.4 Changes in accounting policies**

No changes to the accounting policies were identified and the comparative information has accordingly remained unchanged since the prior reporting period.

## **2. Significant accounting policies (continued)**

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### **2.5 Cash and cash equivalents**

Cash and cash equivalents comprises of cash balances and term deposits held with various financial institutions. All cash and cash equivalents have original maturities of 3 months or less.

### **2.6 Investments in financial assets**

Investments in financial statements held on a short term basis consist of fixed deposits held at the bank with maturity dates within 1 year from the reporting date. Investments with maturity dates beyond 1 year from the reporting date are classified as long term investments in financial assets. Investments in equity instruments comprise of minority equity investments held at their nominal value.

### **2.7 Other receivables and prepayments**

Other receivables represent miscellaneous receivables. Prepayments represent costs paid in advance of their intended use of coverage. Prepayments are expensed over the period the service is delivered.

### **2.8 Loans receivable from members**

Loans are recognised when cash is advanced to the member and are stated at cost. Loans receivables are derecognised when the rights to receive cash flows from the financial assets have expired or extinguished.

### **2.9 Allowance for loan losses**

The Credit Union is subject to the Credit Unions Act CUA No. 2 (2013) guidelines as required by the Central Bank of Belize in accounting for the allowance for non-performing loans. Guidelines define the non-performing classification to be used in assessing loans on a quarterly basis. Loan loss %s for each classification are also provided for within these guidelines. The allowance account is established through charges to income as a provision expense of charging off loans and other assets or portions of such loans and other assets which have been adversely classified.

### **2.10 Property, plant and equipment**

Property, plant and equipment are carried at cost except for land which is carried at valuation.

Depreciable assets are held at cost less accumulated depreciation and accumulated impairment losses. Depreciation is determined by using the straight-line method at the following rates:

<b>Description</b>	<b>Years</b>
Buildings, driveways & leasehold improvements	5, 25 & 50 years
Furniture & fixtures	5 & 10 years
Computer, equipment & accessories	5 & 10 years
Motor vehicle	5 years

Land is not depreciated. Other classes of assets commence depreciation when they are available for use.

## **2. Significant accounting policies (continued)**

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### **2.10 Property, plant and equipment (continued)**

Leasehold improvements are amortised on a straight-line basis over the lesser of their estimated useful life or the initial lease term.

Maintenance and repairs are expensed as incurred. Major asset additions and expenditures that significantly increase value or extend useful asset life are capitalised. The cost and related accumulated depreciation of assets sold or retired are eliminated from the accounts and gains or losses on disposal are included in income for the year.

An item of property, plant and equipment and any significant part recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

### **2.11 Revaluation**

Assets held under the revaluation model are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses. Revaluations are performed with such regularity that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

The cost and accumulated depreciation accounts are restated proportionately with the revaluation. Any increase arising on the revaluation of such asset is recognised as a transfer in equity under the heading of revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit and loss. In which case, the increase is credited to profit and loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such asset is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to undistributable surplus except when an asset is derecognised.

### **2.12 Impairment of non-financial assets**

The Credit Union assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is higher of an asset's or cash generating unit's fair value less cost to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

An impairment loss is recognised immediately in the statement of income and expenses, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation.



## **2. Significant accounting policies (continued)**

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### **2.12 Impairment of non-financial assets (continued)**

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **2.13 Investment property**

Investment property is land and building which are held to earn rental income. Investment property is measured at cost and subsequently amortised using the same policies as property, plant and equipment (refer to Note 2.10).

Rental income from investment property is recognised on the statement of income and expenses.

### **2.14 Accounts payable**

Accounts payable is comprised of miscellaneous payable balances held at their nominal values.

### **2.15 Other liabilities**

Other liabilities represent beneficiaries payable and accrued interest payable on members' fixed deposits.

### **2.16 Members' deposits**

Members' deposits, savings and fixed savings are treated as current liabilities and measured at cost.

### **2.17 Severance payable**

Severance payable represents the accrual of salaries payable to employees in the event of their resignation or termination. The Credit Union recognises termination benefits in accordance with the Labour Act Chapter 297 of the Laws of Belize Revised Edition 2020.

### **2.18 Pension liability**

The Credit Union has available on a voluntary basis, a defined contribution pension plan for all permanent employees. The pension plan is not a legal entity separate from the Credit Union and the liability is recognized on the books of the Credit Union. The plan is funded by contributions from both employees and the Credit Union at fixed rates of 3% and 5% of salary respectively.

### **2.19 Long-term debt**

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

## **St. John's Credit Union Limited**

Notes to the financial statements

For the year ended 31 March 2024

In Belize dollars

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### **2. Significant accounting policies (continued)**

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#### **2.20 Members' shares**

As per the Credit Unions Act, members' shares in the Credit Union represent members' capital. Mandatory shares are the minimum of shares a person must have in order to be considered a member of SJCUC. Non-mandatory shares are additional shares held by members of the credit union. These can be withdrawn at any time and may be used as collateral for loans by members. These are reflected in equity on the statement of financial position.

#### **2.21 Burial scheme fund**

The Burial scheme is a death benefit of \$5,000 which will be paid to plan members' selected beneficiary(ies) based on meeting qualifying membership rules in the plan. The fund balance is reported net of collections and payments during the year.

#### **2.22 Statutory reserve fund**

The Statutory Reserve fund is a reserve fund that is mandated by the Credit Unions Act, Chapter 314 of the Substantive Law of Belize, Revised Edition 2020. At least 10% of the net earnings of the Credit Union must be added to the fund at the end of each fiscal year. In addition, all entrance fees and fines collected from members each year are transferred to this fund. The Statutory reserve fund cannot be distributed to members.

#### **2.23 Other reserves**

Other reserves are amounts set aside by the Board of Directors to be used for any purpose that the Credit Union may need to utilise it for. Allocation of surplus to these reserves are recommended by the Board of Directors and to be confirmed at the annual general meetings as permitted by the Credit Unions Act.

#### **2.24 Dividends and rebates**

Dividends not exceeding 8% are declared and paid annually on member shares/deposit balances. Dividends are calculated based on the average of the lowest share balance during each quarter of the financial year.

Rebates are declared and paid annually to each member in proportion to the volume of loan business done with the Credit Union during the year.

These dividends are credited to the members' shares/deposit accounts along with interest rebates given to members who qualify. Dividends and rebates are recommended by the Board of Directors and approved at SJCUC's Annual General Meeting.

#### **2.25 Income and expense recognition**

Interest income on loans, dividends and other income are recognised when collected. Interest income on fixed deposits is recognised when earned. Interest and other expenses are recognised when paid. Interest on special deposits and personal checking accounts are paid quarterly, monthly or annually, respectively. Interest on term deposits may be paid quarterly or monthly. The interest rates paid on member accounts are determined by the Board of Directors.

**St. John's Credit Union Limited**

Notes to the financial statements

For the year ended 31 March 2024

In Belize dollars

**2. Significant accounting policies (continued)****2.26 Taxes**

Management evaluates situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

**2.27 Restatement to correct prior period presentational reclassification**

In order to meet the criteria for IAS 38, Intangible Assets, the balance sheet presentation for the period ended 31 March 2023 reflects the following asset reclass net of accumulated amortization.

**Statement of financial position**

<b>Assets</b>	<b>As Presented 31 March 2023</b>	<b>Reclass</b>	<b>31 March 2023 (Restated)</b>
<b>Current assets</b>			
Cash and cash equivalents - unrestricted	13,347,759	-	13,347,759
Cash and cash equivalents - restricted	530,080	-	530,080
Short term investments in financial assets - unrestricted	10,364,685	-	10,364,685
Short term investments in financial assets - restricted	40,000	-	40,000
Other receivables and prepayments	1,162,311	-	1,162,311
Current portion loans and receivable from members	3,413,215	-	3,413,215
<b>Total current assets</b>	<b>28,858,050</b>	<b>-</b>	<b>28,858,050</b>
<b>Non-current assets</b>			
Loans receivable from members	56,430,247	-	56,430,247
Less - allowance for loan losses	(3,000,858)	-	(3,000,858)
Property, plant and equipment - net	5,242,604	(200,322)	5,042,282
Investment property - net	268,636	-	268,636
Long term investments in financial assets - unrestricted	12,899,300	-	12,899,300
Long term investments in financial assets - restricted	10,000	-	10,000
Intangible Assets - net	-	200,322	200,322
	<b>71,849,929</b>	<b>-</b>	<b>71,849,929</b>
<b>Total assets</b>	<b>100,707,979</b>	<b>-</b>	<b>100,707,979</b>

**3. Cash and cash equivalents - Unrestricted**

	<b>2024</b>	<b>2023</b>
Cash on hand	<b>602,868</b>	435,659
Cash at bank	<b>10,052,188</b>	12,912,100
	<b>10,655,056</b>	13,347,759

**St. John's Credit Union Limited**

Notes to the financial statements

For the year ended 31 March 2024

In Belize dollars

**4. Short term investment in financial assets - unrestricted**

Financial institution	Maturity	Rate	2024	2023
Atlantic Bank Limited	24 August 2024	2.00%	<b>2,000,000</b>	-
Atlantic Bank Limited	24 August 2024	1.75%	<b>1,000,000</b>	-
Atlantic Bank Limited	2 April 2024	1.75%	<b>1,000,000</b>	-
Blue Creek Credit Union Ltd.	30 January 2025	3.50%	<b>636,199</b>	-
Atlantic Bank Limited	23 March 2025	1.75%	<b>400,000</b>	-
Atlantic Bank Limited	14 May 2024	1.75%	<b>200,000</b>	-
Atlantic Bank Limited	11 May 2024	1.75%	<b>150,000</b>	-
Atlantic Bank Limited	22 August 2023	3.00%	-	3,000,000
Atlantic Bank Limited	22 August 2023	3.00%	-	2,000,000
Atlantic Bank Limited	24 August 2023	2.00%	-	2,000,000
Atlantic Bank Limited	24 August 2023	1.75%	-	1,000,000
Atlantic Bank Limited	02 April 2023	1.75%	-	1,000,000
Atlantic Bank Limited	23 March 2024	1.75%	-	400,000
Atlantic Bank Limited	14 May 2023	3.00%	-	200,000
Atlantic Bank Limited	11 May 2023	3.00%	-	150,000
Blue Creek Credit Union Ltd.	30 January 2024	3.50%	-	614,685
			<b>5,386,199</b>	<b>10,364,685</b>

**5. Short term investment in financial assets - restricted**

The following are held on behalf of the pension fund (see also Note 13).

Financial institution	Maturity	Rate	2024	2023
Atlantic Bank Limited	14 May 2024	1.75%	<b>40,000</b>	-
Atlantic Bank Limited	14 May 2023	3.25%	-	40,000
			<b>40,000</b>	<b>40,000</b>

**6. Other receivables and prepayments**

	2024	2023
Heritage Bank Limited ATM/POS Project	<b>50,000</b>	50,000
Belize Credit Union League Limited NPS	<b>138,470</b>	30,356
Other receivables	<b>295,430</b>	674,542
Prepayments	<b>43,045</b>	64,747
Accrued interest	<b>234,608</b>	342,666
		<b>761,553</b>
		<b>1,162,311</b>



**St. John's Credit Union Limited**

Notes to the financial statements

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**6. Other receivables and prepayments (continued)**

The Credit Union has entered into a Joint Investment Agreement with the Heritage Bank Limited and five other institutions, called the ATM/POS Project. Since the project is still in process of being finalised, the initial investment is classified as other receivables and prepayment at 31 March 2024.

**7. Loans receivable from members**

	2024	2023
Business loans	2,310,839	2,962,233
Educational loans	405,132	525,886
Housing and home improvement loans	23,662,559	23,464,479
Motor vehicle loans	1,116,683	1,191,342
Personal loans	31,476,620	30,836,270
Real estate loans	793,194	863,252
Total loans receivable	59,765,027	59,843,462
Less: current portion	(3,728,037)	(3,413,215)
Long term portion	56,036,990	56,430,247
Total loans receivable	59,765,027	59,843,462
Less - allowance for loan losses	(3,298,628)	(3,000,858)
Total loans receivable - net	56,466,399	56,842,604

The allowance for losses comprise the following:

Balance, beginning of year	3,000,858	3,988,574
Impairment expense	300,000	200,000
Write-offs	(2,230)	(1,228,212)
Recoveries	-	40,496
Balance, end of year	3,298,628	3,000,858

**St. John's Credit Union Limited**

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**8. Property, plant and equipment**

	Land	Buildings, driveways & leasehold improvements	Furniture & fixtures	Compute, equipment & accessories	Motor vehicle	Work-in- process	Total
Cost (c) / Valuation (v)	(c), (v)	(c)	(c)	(c)	(c)	(c)	
As at 01 April 2023	1,871,253	2,776,970	566,494	2,304,633	5,035	1,062,941	<b>8,587,326</b>
Additions	-	194,866	12,850	379,482	-	2,942,666	<b>3,529,863</b>
Transfer to Investment Property	(18,452)	-	-	-	-	-	<b>(18,452)</b>
Transfer from Investment Property	56,800	106,745	-	-	-	-	<b>163,546</b>
<b>As at 31 March 2024</b>	<b>1,909,601</b>	<b>3,078,581</b>	<b>579,344</b>	<b>2,684,115</b>	<b>5,035</b>	<b>4,005,607</b>	<b>12,262,283</b>
<b>Accumulated depreciation</b>							
As at 01 April 2023	-	1,119,654	467,614	1,953,355	4,421	-	<b>3,545,044</b>
Additions	-	49,957	23,292	118,000	614	-	<b>191,863</b>
Transfer from Investment Property	-	34,365	-	-	-	-	<b>34,365</b>
<b>As at 31 March 2024</b>	<b>-</b>	<b>1,203,976</b>	<b>490,906</b>	<b>2,071,355</b>	<b>5,035</b>	<b>-</b>	<b>3,771,273</b>
<b>Net Book Value as at 31 March 2024</b>	<b>1,909,601</b>	<b>1,874,605</b>	<b>88,437</b>	<b>612,760</b>	<b>-</b>	<b>4,005,607</b>	<b>8,491,011</b>

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**8. Property, plant and equipment (continued)**

**2023 Property, Plant and Equipment - RESTATED**

	Land	Buildings, driveways & leasehold improvements	Furnitures & fixtures	Computer, equipment & accessories	Motor Vehicle	Work-in- progress	Total
<b>Cost</b>							
As at 01 April 2022	635,217	2,776,970	561,059	3,117,957	5,035	113,123	<b>7,209,361</b>
Additions	-	-	5,435	155,068	-	949,818	<b>1,110,321</b>
Transfer to Investment Property	-	-	-	-	-	-	-
Transfer from Investment Property	1,236,036	-	-	-	-	-	<b>1,236,036</b>
Restatement Adjustment	-	-	-	(968,392)	-	-	<b>(968,392)</b>
<b>As at 31 March 2023</b>	<b>1,871,253</b>	<b>2,776,970</b>	<b>566,494</b>	<b>2,304,633</b>	<b>5,035</b>	<b>1,062,941</b>	<b>8,587,326</b>
<b>Accumulated depreciation</b>							
As at 01 April 2022	-	1,003,792	436,664	2,359,292	3,808	-	<b>3,803,556</b>
Additions	-	115,862	30,950	362,133	613	-	<b>509,558</b>
Restatement Adjustment	-	-	-	(768,070)	-	-	<b>(768,070)</b>
<b>As at 31 March 2023</b>	<b>-</b>	<b>1,119,654</b>	<b>467,614</b>	<b>1,953,355</b>	<b>4,421</b>	<b>-</b>	<b>3,545,044</b>
<b>Net Book Value as at 31 March 2023</b>	<b>1,871,253</b>	<b>1,657,316</b>	<b>98,880</b>	<b>351,278</b>	<b>614</b>	<b>1,062,941</b>	<b>5,042,282</b>

**St. John's Credit Union Limited**

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**9. Investment property**

	2024	2023
<b>Land &amp; building</b>		
<b>Cost</b>		
Balance, beginning of year	365,000	1,732,090
Net transfer to property, plant and equipment	(145,093)	(1,367,090)
Balance, end of year	219,907	365,000
<b>Accumulated depreciation</b>		
Balance, beginning of year	96,364	221,820
Additions	3,462	5,598
Transfer to property, plant and equipment	(34,366)	(131,054)
Balance, end of year	65,460	96,364
<b>Net book value</b>	<b>154,447</b>	<b>268,636</b>

Other investment property is comprised of building and land used for storage but for which Management considers for sale. In 2023, the Credit Union reclassified property previously held for sale as operational which will be used for the Credit union's new headquarter location which is currently under construction. Construction is scheduled to be completed in June 2025.

**10. Long term investments in financial assets - unrestricted**

	2024	2023
Atlantic Bank Limited time deposit 22 August 2025 3.00%	3,000,000	-
Atlantic Bank Limited time deposit 22 August 2025 3.00%	2,000,000	-
Belize Electricity Limited Series 6 debentures with interest rate of 6.5% per annum payable quarterly, maturing 31 December 2030	2,850,000	2,850,000
Belize Electricity Limited Series 7 debentures with interest rate of 6% per annum payable quarterly, maturing 31 March 2028	2,025,000	2,025,000
Belize Electricity Limited Series 8 debentures with interest rate of 6% per annum payable quarterly, maturing 30 June 2032	2,500,000	2,500,000
Belize Water Services Limited Series 1 debentures with interest rate of 6.25% per annum payable semi-annually, maturing 31 December 2030	2,500,000	2,500,000
Belize Water Services Limited Series 2 debentures with interest rate of 4.50% per annum payable semi-annually, maturing 31 August 2033	2,000,000	-
Investment in Belize Credit Union League Limited - 50 redeemable preferred shares	24,300	24,300
Investment in Belize Telemedia Limited - 200,000 common shares with par value of \$1.00	1,000,000	1,000,000
Government of Belize Treasury Notes with interest rate of 2.25% per annum payable by half yearly installments, maturing 10 December 2025	500,000	500,000
Subscription paid for Belize Tourism Board Series 1 Transformation Bond was issued 20 April 2023 and is redeemable 20 April 2033	1,500,000	1,500,000
	<b>19,899,300</b>	<b>12,899,300</b>



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**11. Intangible assets**

	2024	2023
<b>Cost</b>		
Balance, beginning of year	968,392	11,073
Restatement Adjustment	-	957,319
<b>Balance, end of year</b>	<b>968,392</b>	<b>968,392</b>
<b>Accumulated depreciation</b>		
Balance, beginning of year	768,070	2,215
Additions	193,678	-
Restatement Adjustment	-	765,855
<b>Balance, end of year</b>	<b>961,748</b>	<b>768,070</b>
<b>Net Book Value</b>	<b>6,644</b>	<b>200,322</b>

Intangible assets are primarily comprised of the Credit Union's main banking platform Sharetec Core Banking System which is being amortized over a five year period.

**12. Members' deposits**

	2024	2023
Savings accounts	9,247,242	9,940,099
Term deposits	4,755,375	6,594,135
	<b>14,002,617</b>	<b>16,534,234</b>

**13. Severance payable**

	2024	2023
Balance, beginning of year	312,138	313,156
Additional provision	71,002	41,967
Benefits paid	(22,861)	(42,985)
Balance, end of year	360,279	312,138
Less: current portion	(276,062)	(264,905)
Long term portion	84,217	47,233

**St. John's Credit Union Limited**

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**14. Pension fund liability**

	2024	2023
<b>At 31 March, the pension fund was represented by:</b>		
<b>Pension fund assets</b>		
Cash and cash equivalents - restricted	476,296	530,080
Short term investments in financial assets - restricted	40,000	40,000
Long term investments in financial assets - restricted	110,000	10,000
SJCU - fixed deposit managed by SJCU for the pension fund	243,129	238,361
<b>Total pension fund assets</b>	<b>869,424</b>	<b>818,441</b>
<b>Pension fund liability</b>	<b>869,424</b>	<b>818,441</b>

**15. Long term debt**

	2024	2023
Social Investment Fund interest-free loan of \$100,000 (fully drawn down) for a period of 25 years with no fixed repayment terms. Loan is to be used for on-lending to eligible borrowers for housing construction or improvement in accordance with agreement dated 19 September 2005.	11,212	11,212
Social Investment Fund interest-free loan of \$100,000 (fully drawn down) for a period of 25 years with no fixed repayment terms. Loan is to be used for on-lending to eligible borrowers for housing construction or improvement in accordance with agreement dated 28 December 2006.	100,000	100,000
	<b>111,212</b>	<b>111,212</b>

**16. Revaluation reserve**

During the financial year ended 31 March 2004, the Credit Union had an independent appraiser value its land. The resulting increase in value was recorded as a revaluation reserve.

**17. Dividend and rebates**

After consultation with the Central Bank of Belize, distribution of surplus for fiscal year ended 31 March 2023 dividends of 2.5% on regular shares and 5% on mandatory shares and rebates of 3.00% were proposed and accepted. Previously at the 76th Annual General Meeting, distribution of surplus for fiscal year end 31 March 2022 to dividends of 2.25% on regular shares and 3% on mandatory shares and rebates of 2.25% were proposed and accepted.

**St. John's Credit Union Limited**

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**18. Interest income on loans**

	2024	2023
Business loans	256,053	218,251
Educational loans	52,628	64,161
Housing and home improvement loans	1,626,714	1,565,618
Motor vehicle loans	108,678	121,218
Personal loans	3,347,729	3,184,695
Real estate loans	62,370	67,138
	5,454,172	5,221,081

**19. Commitments, contingent liabilities and regulatory matters**

The Credit Union is subject to regulatory oversight, regulations and directives by the Registrar of Credit Unions in Belize, who is the Governor of the Central Bank of Belize who regulates inspections, information gathering requests and remedial actions stipulated by the Registrar.

The Credit Union currently has two ongoing claims to seize assets for loan non-payment. As per Management and legal counsel, there have been no other litigation, claims or assessments brought against the Credit Union.

**20. Taxation**

As a registered credit union in Belize, SJCU is exempt from taxes on interest income, under the Income and Business Tax Act. However, subject to threshold requirements under the Act, the Credit Union pays 15% on commissions and 3% on rent income.

General Sales Tax of 12.5% is a tax on consumer spending that is collected at the point of sale of business' good and service. SJCU pays General Sales Tax as a regular consumer.

**21. Related parties**

Related parties include the members of the Board of Directors ("Directors"), Supervisory Committee, Credit Committee, key management personnel and other related parties. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the Credit Union's activities, directly or indirectly. Other related parties include employees.

Details of transactions and balances with related parties as at 31 March 2024 and during the year then ended are set out in the following table:

**St. John's Credit Union Limited**  
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**21. Related parties (continued)**

	Directors and key management	Other related parties	Total
<b>31 March 2024</b>			
Loans to customers	904,657	956,354	1,861,011
Member deposits	833,692	141,703	975,395
	<b>1,738,349</b>	<b>1,098,058</b>	<b>2,836,407</b>
<b>31 March 2023</b>			
Loans to customers	997,184	833,521	1,830,705
Member deposits	754,304	141,680	895,984
	<b>1,751,488</b>	<b>975,201</b>	<b>2,726,689</b>

**22. Surplus distribution**

	2024	2023
Statutory reserve fund 10% (2023: 10%)	251,285	206,400
Undistributed surplus 90% (2023: 90%)	2,261,562	1,857,604
	<b>2,512,847</b>	<b>2,064,004</b>

**23. Post-reporting date events**

There were no adjusting or significant non-adjusting events that occurred between the 31 March 2024 reporting date and the date of authorisation for issuance, 04 June 2024.

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