

2008

**HOLY REDEEMER CREDIT UNION
LIMITED**



1944

2008



64

Years of Service



*In Remembrance of a
dedicated volunteer...*



Joan Elizabeth Waight, JP (1923-2007)

Faithful servant to her credit union from 1967 to 2007 - 40 years

As humbly put by chairperson Marion Marsden, MBE/JP...

*... "Our trusted colleague, life long friend, faithful servant,
and reliable secretary of HRCU's Credit Committee passed away on
December 11th, 2007 and was laid to rest on December 13th, 2007".*

She will be greatly missed and may her soul rest in peace...

Annual General Meeting

Business Agenda

1. **MEETING CALLED TO ORDER BY PRESIDENT**
2. **OPENING PRAYER** (See inside back cover of booklet)
3. **ROLL CALL**
4. **APPROVAL OF MINUTES** (Annual General Meeting 2007)
 - a. Matters Arising from Minutes
 - b. Confirmation of Minutes
5. **REPORTS**
 - a. Board of Directors
 - b. Credit Committee
 - c. Treasurer's Report (Balance Sheet with Accounts)
 - d. Burial Scheme Program Report
 - e. Supervisory Committee
6. **DISCUSSION AND ACCEPTANCE OF REPORTS**
(Declaration of Dividends)
7. **CHAIRMAN'S REMARKS**
8. **ELECTION OF OFFICERS:**

Board of Directors	-	1 Vacancy
Credit Committee	-	1 Vacancy
Supervisory Committee	-	3 Vacancies
9. **NEW BUSINESS**
 - a. Confirmation of External Auditors
10. **ADJOURNMENT OF BUSINESS MEETING**



Wednesday, April 23th, 2008 - S.J.C. Gymnasium
8:00p.m. Sharp



Minutes of HRCU's 63RD Annual General Meeting SJC Landivar Gym, Belize City, Wednesday, April 25TH, 2007

CALL TO ORDER:

At 8:00 PM with exactly 2,115 member-owners in attendance, President Karl Menzies sounded the gavel calling the 63RD AGM to order. He expressed his gratitude to the World Council of Credit Unions for providing the informative documentary presentations that were shown on the Sri Lankan and Bolivian Credit Union Movements just prior to the start of the AGM.

Vice-President Fred Smith then led the gathering in prayer by reciting the Lord's Prayer "Our Father". He next called on member-owners to recite the Peace Prayer of St. Francis of Assisi. A moment of silence was observed for the 120 member-owners (63 females and 57 males) who had passed away during the financial year April 1ST, 2006 to March 31ST, 2007. Among the deceased was the Chairman of the Credit Committee, Mr. Raymond Barrow, who had died on October 14TH, 2006. Reference was made of the centerfold of the AGM booklet which had a tribute in remembrance of Mr. Barrow.

Invited delegates from our sister Credit Unions throughout Belize were next welcomed by President Menzies. He acknowledged the presence of officials from the League, the Central Bank, and even took time out to welcome Fr. Smalls. Warmest greetings were also extended to the many HRCU member-owners who took time out to come to listen to what was happening with their credit union - HRCU.

CONFIRMATION OF MINUTES:

Member-owners were once again asked by President Menzies to carefully study the Minutes of the 62ND AGM published in the booklet. He begged their indulgence in accepting the Minutes without having to formally read them. This motion was once again unanimously carried. There being no corrections or amendments, the Minutes were accepted on a motion from Mrs. Jaimala Vasquez and seconded by Mr. Dean Warrior. All expressed their satisfaction by saying "aye".

BOARD OF DIRECTORS REPORT:

President Menzies on behalf of the directors and committee members stated that they were once again being called upon to give account of their stewardship and to ensure that member-owners monies was **safe and secure** at HRCU.

He began his report by informing member-owners that the repatriation of all funds to CUNA Mutual was almost completed. By the next AGM they would have completed this exercise returning to CUNA Mutual profits in excess of \$8 million dollars.



“Our unique Burial Scheme” continued Mr. Menzies “is in its second year of operation”. This was another successful story for HRCU and although profits were not expected in the early years of the Scheme, such was not the case. Mr. Menzies invited everyone to study carefully the reports printed in the AGM booklet. On the Family Indemnity Plan (FIP) insurance HRCU administers for CUNA Mutual, he reported that this was running smoothly and that three deaths had occurred on which final payments were all settled.

Member-owners were also informed of what could be considered an outright case of fraud by one of their trusted tellers. The president stated that the matter was in the hands of the DPP and Police to determine the course of action to be taken, if any, and that a claim was made against the CUMIS Fidelity Bond Coverage insurance so the credit union will lose no money. He further reiterated that because of this alleged embezzlement many changes had been made to prevent any future reoccurrence of such a disturbing and unfortunate incident. He called upon member-owners to do their part, particularly in updating their membership database files with a current picture ID. “This would make it easier” explained Mr. Menzies “for the tellers to know exactly who they are dealing with at all times”.

The President next congratulated Management on the enrollment of some 2,130 new member-owners. He commended Miss Jane and her dedicated staff and called for a round of applause from everyone present for a job well done. He touched on delinquency which for the first time had fallen below 10% without factoring in securities held such as shares and mortgages. He also commented on the excellent job that the Henry Charles “Eagles” Usher Educational Grant Program was doing. Over \$100 thousand dollars was awarded in almost 100 grants to primary, secondary, and tertiary level students who were member-owners or the children of member-owners of HRCU.

Cooperation with the League was next discussed with the President informing that we had assisted them with the sponsorship of their locally held Credit Union Convention. He informed that a few directors and committee members had formed a part of the League's delegation to the regional Caribbean Confederation of Credit Union's (CCCU) annual international convention. Together with the League they also made representation to Prime Minister Said Musa when Trade Licensing Fees were being imposed upon them. This resulted in a special Statutory Instrument being passed to exempt all credit unions from paying exorbitant fees that were being levied upon them. To this end, and after receiving a letter to rejoin the League, the directors felt, as they had always felt, that it was in the best interest of both parties since “in unity there is strength”.

After commenting on the wonderful accomplishments highlighted in the Financials, particularly the growth in assets, investments, savings, reserves, and profits, the President closed off his report by informing member-owners that they were being assisted by the Jamaica Cooperative Credit Union League to document and customize HRCU's Policy & Procedural Manual, a project that had been long overdue.



On calling for the acceptance of the President's Report, member-owners were reminded that if it was accepted the recommended Dividend Rate of 7.5% and Rebate Rate of 10% would automatically be accepted. The report was accepted on a motion of Ms. Sherilee Samuels and seconded by Ms. Adelia Young. All were in favor.

CREDIT COMMITTEE REPORT:

Acting Chairperson, Marion Marsden, began her report by mentioning the sad news of the death of Raymond Barrow who was a steady force on the Credit Committee for over 30 years. In her own words she said: "Mr. Ray was a faithful servant of his credit union. He loved and he believed in HRCU".

"Regular meetings on Wednesdays" stated Miss Marsden "were held to discuss countless loan applications". She informed the meeting that theirs was an important role for a loan that is not properly vetted could be worrisome for the credit union when it came time for collection. She emphasized the important procedure involved in granting loans while at the same time being able to differentiate between the good risks and bad risks involved. "If the job is not thoroughly and properly done before disbursement, this will only cause havoc for delinquency" continued Miss Marsden.

Addressing delinquency she continued by saying that: "if you are privileged to be granted a loan you must do all in your power to repay that loan". She encouraged everyone not to ruin their good name by falling into the category of delinquency. "Do not take advantage of your credit union" stated Miss Marsden "because you never know when you will truly be in need".

Regarding the loan activity during the financial period under review, Miss Marsden made mention of the significant impact HRCU has been making on the Belizean economy. After factoring in new loans less total loan repayment the loan portfolio balance stood at \$188.8 million dollars or 71.8% of total assets. This percentage was well within that recommended by the Pearls standards of excellence for loans set by the World Council of Credit Unions.

Due to the great demand for loans, Miss Marsden reported that an in-house Credit Committee was being put in place to help ease the overwhelming number of loans that the Credit Committee had to vet each Wednesday. This was a first for HRCU and would allow the existing Credit Committee to play more of an oversight roll similar to the Board of Directors and the Supervisory Committee.

In concluding Miss Marsden thanked the member-owners present for their patience and asked them to study carefully the loan charts and loan graphs that were included in the AGM booklet. This Report was accepted on a motion from Veronica Vasquez and seconded by Louise Pollard. All were in favor.



TREASURER'S REPORT:

Treasurer Mrs. Jane Usher from the onset informed everyone that it was not her usual style to submit a written report. However, because she was told that what she had to say was indeed very important she decided to include one in the AGM booklet but that she would not read over it but rather only make reference to it.

Miss Jane pointed out that we had reached yet another milestone in HRCU's history. We crossed over the \$250 million dollar mark in assets on Friday, October 27th, 2006. She referred to the credit union as being a business. "We own it and we run it and only we can decide if we want it to be a success or a failure" stated Miss Jane. She commented on the growth in assets and savings of HRCU since the year 2000 and went on to say that together we had another very successful year in 2007. This success has enabled us to pay a dividend of 7.5% and return to borrowers 10% in interest rebates. All this will be posted to your account on May 1st so whenever you come by the office after that date you will be able to see your dividends and rebates informed Miss Jane.

"Another important product being offered by your credit union" stated Miss Jane "was the Term Deposit Plus which was launched in November 2006". This is a very excellent product she informed because it allows you to save towards your desired goal. It is also good for member-owners who have already retired and who depend on a good source of monthly interest income to live by.

Referring to the financials Miss Jane stated that our position remained very healthy and that our Statutory Reserves were at the maximum 10% of assets as required by Law. She reiterated that it was necessary to have a sound financial structure in place because only this will lead to both positive and productive rates of growth. She also mentioned that the financials were audited by Castillo Sanchez and Burrell and our duly elected Supervisory Committee. Reports were also sent over to the Central Bank in their requested format and copies of the System generated reports were sent over to the League. She also noted that HRCU was awaiting an onsite inspection visit from the Central Bank but so far no definite date had been set.

Other noteworthy comments made by Miss Jane was that membership had reached 39,351 with females outnumbering their male counterpart by almost 3,000. There were 10,390 members under Age 25 and 2,462 over Age 70. She mentioned that she felt so good as she walked up the aisle earlier seeing so many of the old faithful credit union member-owners who were the true pioneers of the early HRCU years. They were the ones who built the credit union by saving \$.25 cents a week. They were the ones that made their children and grandchildren join HRCU as infants hence the reason for the youthful base that HRCU is so very proud of. "In fact many of them are here with us tonight" stated Miss Jane.

In closing Miss Jane thanked the member-owners for the long-service award that was given to her last year when she completed 50 years as General Manager and Treasurer of HRCU.



She thanked them for the confidence they had placed in her over all those years and hoped to continue serving HRCU for as long as she possibly could so long as member-owners elected her to serve. On a final note Miss Jane said that she was looking forward to another excellent year for HRCU and that only a disaster could hamper her prediction, something we all hope and pray will never happen to our beloved Belize. This report was accepted on a motion from Suzette Balam and seconded by Mr. Albert Cattouse. All were in favor.

SUPERVISORY COMMITTEE REPORT:

Chairman Rene Blanco before reading his formal report into the Minutes informed the gathering that his committee had met 12 times during the year, once each month. He mentioned that all their questions and queries to Management were all satisfactorily answered and that he was indeed happy to be able to report this to member-owners.

In his formal report Mr. Blanco reported that the books and records of HRCU were properly maintained pursuant to the Credit Union Act, Chapter 314 of the Laws of Belize. He informed that the books and records of HRCU were audited by the international accounting firm of Castillo Sanchez & Burrell, LLP. He further informed that in their opinion, based on the independent external audit, the Balance Sheet, together with the Income and Expense Statement and Cash Report, presented fairly the state of HRCU's affairs at March 31st, 2007. This Report was accepted by Rosa Reyes and seconded by Dwight Gentle. All present were in favor.

BURIAL SCHEME PROGRAM REPORT:

Director Ernesto Vasquez reported to member-owners that HRCU's Burial Scheme Program was now in its second year of operations. He stated how proud he was to be able to report on such a unique service, especially knowing that the benefits derived from the Scheme had brought financial relief to many of our deceased member-owners families at a difficult time.

Mr. Vasquez reminded member-owners that the administration of our FB (Funeral Benefit) was taken over on January 1st, 2005. Regrettably he informed that CUNA Mutual had refused to pay claims not presented within two (2) years hence HRCU had agreed to honor any such claims. "No member-owner should lose his/her benefit because the claim was not submitted within a certain time frame" stated Director Vasquez.

Following all claim settlements for both FB and LP & LS the special accounts opened to facilitate claim payments were left with \$399,059.20 and \$784,277.30 respectively stated Mr. Vasquez. He further invited member-owners to study carefully the summary reports and graphs published in the AGM booklet as there was much information to be had from these. Information on the varying causes of deaths for member-owners and also from different occupations were all extracted from the death certificates presented at the time the claims were being processed stated Mr. Vasquez.



In concluding Mr. Vasquez encouraged member-owners to ensure that they are covered under the Burial Scheme. "To enjoy maximum benefits member-owners accounts must be up-to-date" informed Mr. Vasquez. He made it clear that HRCU was doing its part in providing the best services for its member-owners but that it was up to them to take full advantage of these services. This report was accepted on a motion of Loli Elrington and seconded by Lucia Burgess. All present were in favor.

CHAIRMAN'S REMARKS:

During the chairman's remarks President Menzies informed member-owners of the upcoming CCCU Convention aboard the cruise boat. He mentioned that when the boat docks in Belize with credit union delegates from some 18 different countries he hoped that some of HRCU member-owners would be on hand to welcome them to Belize.

President Menzies also stressed on the importance of updating your database records at HRCU with your picture ID. He called on all member-owners to stop by the office as soon as possible and proceed with this important request of the Board since it was in their best interest to do so.

Following both these announcements from the President, Director Vasquez formally introduced the members of the various committees of HRCU - the Board of Directors, the Credit Committee and the Supervisory Committee.

ELECTION OF OFFICERS:

President Menzies then called on the official from the Central Bank and the person who was deputizing for the Registrar, Ms. Angela Reneau, to conduct the election of officers. Ms. Reneau upon reaching the podium proceeded to explain this very important and necessary process. She congratulated all the Board and Committee members of HRCU and called upon member-owners present at the AGM to thank the dedicated Management and Staff of HRCU for another job well done. Before accepting the nominations from the Nominating Committee she asked that very important question to each and every one of the nominees present: "if elected are you willing to serve?" For the individual being nominated to the Credit Committee, Mrs. Carol Babb, who was out of the country on important work related matters she read from a hand written letter her desire to serve if elected. Ms. Reneau also stated her intention to receive nominations from the floor, if any, since this was enshrined in the By-Laws of HRCU and was the important way of demonstrating democracy at its best within the Credit Union Movement.

Board of Directors: Director's Karl Menzies and Oscar Riveroll 3-year term on the Board of Directors ended tonight but they both had previously accepted to continue serving if afforded the opportunity. Since there were no other nominations from the floor, Mr. Paul Rodriguez moved that Mr. Menzies and Mr. Riveroll be re-elected. This motion was seconded by Mr. Dean Warrior. All present were in favor.



Credit Committee: Chairman Raymond Barrow's term of office expired upon his death and the two remaining members of the Credit Committee were up for re-election but had previously agreed to serve another 3-year term of office if afforded the opportunity. The Nominating Committee had previously selected Mrs. Carol Babb who also accepted to serve. The floor was once again opened for nominations but there being none, Mr. Albert Cattouse moved that Ms. Marsden, Ms. Waight, and Mrs. Babb be elected to serve. This motion was seconded by Mr. Angel Alpuche. All present were in favor

Supervisory Committee: Two of the three out-going members, Mr. Rene Blanco and Mr. Jose Can, both gave their consent to continue serving. The Nominating Committee selected Mr. Felix Reyes who had previously given his consent to serve also. There being no other nominations from the floor all three were elected to serve for a one year term on a motion from Mr. Dean Warrior and seconded by Mr. Alberto Robinson. All present were in favor.

CONFIRMATION OF EXTERNAL AUDITORS:

The accounting firm of Castillo Sanchez & Burrell, LLP, independent correspondent firm to Deloitte Touche Tohmatsu, was once again nominated by the Board of Directors, Committees, and Management to be HRCU's external auditors for the upcoming year. This important nomination for the external auditors of HRCU was unanimously approved by member-owners without a dissenting vote.

OTHER BUSINESS:

Of the twenty-five \$1,000 dollar prizes, ten prizes were selected at the start of the meeting to be punctuality prizes in order to reward the early comers to the AGM. The President then conducted the drawing of the remaining prizes. The first big winner of \$1,000 dollars was Rosa Sampson. Included among the lucky winners for the night were:

Glenn Thompson	Violet Maximo	Dana Rowanda	Victoria Slaunch
Tanesha Castro	Keisha Rodriguez	Ernie Arnold	Josefina Flores
Olivia Ovado	Carol Avila	Josephine Bowen	Marsha Budd
Malenie Butler	Samuel Bernardez	Ebony Wright	Pamela Baird
David Henderson	Cynthia Sutherland	Miriam Gillett	Rosemarie Tillett
Gertrude Flowers	Anselma Ford	Victoria Williams	Gerald Flowers

At exactly 9:55 PM, the final count for member-owners in attendance being 2,673, the President moved that the 63RD Annual General Meeting be adjourned. This motion was accepted by Mr. Maurice Underwood and seconded by Mrs. Dorothy Menzies.

Karl H. Menzies, CSC/JP - President
Oscar Riveroll, JP - Secretary



Board of Directors Report

(April 1ST, 2007 to March 31ST, 2008)

Holy
Redeemer
Credit
Union
Limited

The great credit union pioneers that have gone before us would never have imagined that the fruits of their labors would have produced the success story that is HRCU's and by extension, the wider Credit Union Movement in Belize. Credit Unionism in Belize has been a success! Surely we have had our ups and downs but, which movement of people can honestly say that they have withstood the test of time without aches and pains?

As your President I stand before you tonight to report on 64 years of **“saving regularly, borrowing wisely, and repaying promptly and as promised”**. This is the true credit union motto which HRCU has adopted and has been encouraging all its member-owners to live by. Tonight, for this particular reason we can say that we are over 40,000 member-owners strong with assets totaling in excess of \$290 million dollars. Looking back through the corridors of time I am reminded by what the great credit union pioneer, Henry Charles “Eagles” Usher, once said: **“we have attracted members and increased savings to a point where no member is a millionaire, but together we have become multi-millionaires”**.

Shortly after our last AGM the powers that be at CUNA Mutual demanded all their monies back hence, in May 2007, we had to repatriate the final \$1.8 million in one single lump sum. Luckily for us we were very liquid at the time that request was made hence it did not negatively affect our lending program. We also received our insurance settlement for \$100 thousand from CUNA Mutual being the embezzlement claim we had submitted. We have now begun the painful process of reconstructing those accounts that were affected but this will take time as almost all the accounts were dormant or deceased accounts.

Since 1971 we have established a sort of receiving station in the village of Independence where member-owners from there and surrounding villages have been able to conduct limited business. It has been more of a station where member-owners could save and repay their loans inside Tony's Superstore, the hardware supermarket of Beth and Tony Zabaneh. Recently we have been including in our AGM reports information on our Independence Receiving Station and we have been able to observe the rapid growth rates that we have been experiencing in this area. We have watched membership increase to 1,742 with savings of almost \$7 million and loans outstanding of some \$4.4 million. This is comparable, by any measure whatsoever, to a mid-size credit union in Belize. Your directors have decided that it is now time that we make our real presence felt in this area by establishing a full fledged HRCU branch where member-owners will have access to all our services including our 24-Hour ATM and Depository services. This has been long overdue. In March 2008, your directors and management accompanied our building architect to view the proposed location on Fadden Avenue, Independence Village, where our first Branch will be located. We are confident that this is the right decision and we have included in our AGM report pictures of what the proposed building will look like.



In January 2008 we were honored by a visit to HRCU from officials from the World Council of Credit Unions (WOCCU) and Southwest Corporate Federal Credit Union. This visit was arranged by the Belize Credit Union League (BCUL), and your directors and committee members were proud to host them for a working luncheon inside the Jane Usher Resource Center. Our special guests were in Belize to establish a partnership agreement between the Belize credit unions via the League and Southwest Corporate via WOCCU. It was indeed a fruitful visit and we were happy to have been able to assist the League in this important step for the Credit Union Movement in Belize.

Speaking of the League...with your overwhelming approval at our last AGM we have now taken our rightful place as a dues-paying member of the League. Because of the size of our credit union we are guaranteed two positions on the League's Board of Directors currently held by myself as President and our Financial Controller representing management. We were also invited to be the Treasurer of the League's Board, that position held by our Financial Controller. We continue to support financially and otherwise the League's efforts to bring the best possible quality services to the Belize Credit Union Movement only that now we are on the inside and we play an active role in the decision-making process. We must inform you that the current League under its existing executive director, Mrs. Natalie Goff, has made tremendous efforts at clearing its burdensome loan obligations inherited from previous administrations. The final debt that has been like a noose around the League's neck has been cleared off by a \$143 thousand dollar grant from HRCU. The new debt-free League, on the doorsteps of achieving full reunification, will be able to chart its own course and play an active role in advocating and lobbying for the entire Belize Credit Union Movement.

During the financial year under review we were audited quarterly by our external auditors, Castillo Sanchez and Burrell (CSB), and for the first time ever we received an on-site inspection visit from the Central Bank of Belize (CBB). We welcome all audits and inspections for at HRCU we strive at being open and transparent in everything we do. In particular the inspection visit from CBB was a first for HRCU and they spent almost three months with us, not only going over our records but, offering constructive criticisms as their inspection visit progressed. Almost all of CBB's recommendations have been implemented and those that were still pending were adopted when our Policy Manual became effective on April 1st, 2008. It took us some time to get those policies documented and now that they are, proper procedures will be the order of the day at HRCU. No director, committee member, or staff member will have to rely solely on verbal procedures or past experiences since everything is now documented in black and white at HRCU. Yes! Some may have taken advantage of the lack of written policies and procedures in the past. However, this will no longer be tolerated by the Board or Management of HRCU.

Based on our audits and inspection, together with the careful eyes of our Supervisory Committee (the watchdogs of the Credit Union Movement), I am happy to report to you on HRCU's financial position. At March 31st, 2008, assets totaled \$290.4 million, an increase



of 10.4%. Membership has reached 40,642 a net increase of 3.3%. Investments total \$79.7 million after an additional \$20 million in Fixed Deposits purchased. Savings total \$216.2 million or equal to 74.4% of liabilities. Outstanding Loans total \$196.1 million or 67.5% of total assets, a little below what is recommended by Pearls standards of excellence. Our Reserves total an impressive \$74.3 million. These Reserves continue to remain liquid reserves invested in commercial bank Fixed Deposits. Finally our Gross Profit has reached \$27.0 million and Expenses total \$6.6 million leaving a Net Profit of \$20.5 million. From this business conducted during the financial year, your Directors are recommending another Dividend rate of 7.5% and an Interest Rebate rate of 10% to all members with loans in good standing. This has been another successful year for HRCU. If only all those who borrow from HRCU would make good on their loans, we would be able to increase our dividend and rebate rates offered. Delinquency is still the cancer that affects all credit unions and HRCU is no exception. Fortunately, we have been making great efforts to decrease our delinquency rate which at March 31ST, 2008 stood at 9.1% (5.4% after factoring in securities held) using CBB's standards. With Central Bank's guidance and the fact that we must now report all delinquent accounts to them, hopefully this will serve as an encouragement for member-owners to honor their debt commitments at HRCU. Your good name is too important to have it ruined by non-payment of your just debt commitments.

On an upbeat "finale" I would like to inform member-owners that when the cruise boat "Carnival Valor" with hundreds of credit union delegates from all 18 member countries of the Caribbean Confederation of Credit Unions (CCCU) docked in Belize, many of them visited the offices of HRCU. Your hard-working management and staff found the time to host an "open house" for all of the delegates who stopped by. Your directors were among them and I must say that we too were impressed with the professionalism that was displayed. We received so many congratulatory comments and awesome praises from the visiting delegates that obviously we must be doing something right at HRCU. However, as Miss Jane constantly reminds us: **"we can never feel satisfied until we have reached out to every person who depends on and needs the services of a credit union in this beautiful jewel of ours"**. Thus the hard work must continue at HRCU. With God's Blessings and the continued support of all member-owners we will continue to grow and play an active role in the development of Belize for we do love our beautiful country - *"Land of the Free by the Carib Sea"*.

Your Board of Directors,

Karl H Menzies, CSC/JP - President
Fred Smith, CSC/JP - Vice President
Oscar Riveroll, JP - Secretary
Jane E.M. Usher, CBE/JP - Treasurer
Ernesto Vasquez - Director



Credit Committee Report

(April 1ST, 2007 to March 31ST, 2008)

Dear member-owners:

Once again we were saddened by the news of the death of another member of our Credit Committee our secretary of 40 years, Miss Joan Waight J.P. Ms. Joan succumbed to her short illness on December 11, 2007. Ms. Joan was a dedicated member of the credit committee and always looked forward to her Wednesday meetings. As secretary, she took her post seriously hardly missing meetings unless she was away or ill. The blow of her death was great and the shock severe, little did we think the end was near. Although she parted so suddenly, her fond memories will keep her near. Farewell Ms. Joan. Ms. Eleanor Gillett was then confirmed as acting Secretary to the Credit Committee.

Over the past year as mentioned in our report of 2006/2007, we implemented a Loans Department, in which members were able to discuss their loan application with a loans officer and this minimized their waiting period. Secondly, some approvals were done in-house once the borrower met all requirements. This enabled a much faster process instead of waiting for a week.

Your credit committee continues to meet on Wednesdays where we carefully deliberate over each loan to ensure that each member application is viewed and discussed. It means that each loan will be vetted to ensure that they have the repayability, security, and that the purpose is productive amongst other criteria.

When a credit union member applies for a loan and has a good credit history the decision becomes easier since the record shows the member is in good standing. However, if the member has a credit problem, then the job becomes more difficult and our committee has to take into consideration the purpose, equity, security and the repayability. In doing so, we try to avoid the loan going delinquent.

Delinquency can easily occur if you do not budget properly or if you are not committed to your credit union. Do not allow your loan to fall into the non-performing category. Members who borrow must ensure that their loan is paid on time and as promised. If for some reason you cannot meet your payments, come in and talk with us. Remember that credit unions exist to assist you in good times and in bad times. Credit unions continue to be the financial institution that will do the most to help their members work through any financial difficulties. Do not be a delinquent! Do not run the risk of not belonging to the HRCU family.

In the 12-month period ending March 31, 2008, we made 15,892 loans amounting to \$56,726,239.21. Our average loan is \$3,569.49. When we add the new loan disbursements to the beginning balance of \$188,772,730.25 and deduct loan repayments of \$49,411,969.69



our ending balance is \$196,086,999.77. Our total loan portfolio with 9,365 loans amounts to \$196,086,999.77 or 67.52% of total assets. For your information on Page 14 you will find our table of loan disbursements with the accompanying charts on Page 15. Of all the different types of loans that our credit union made during 2007/2008 housing is the largest percentage of the total loan portfolio with 33.60% or \$19,061,493.89.

We strive to ensure that the credit union is empowered to make the best decisions to serve the diverse needs of our members. Our new Model Credit Union has done this by establishing an environment that encourages innovation, flexibility and a continued focus on service to existing members. As a member you enjoy all of the services that the credit union has to offer and you are not just a customer, you are an owner.

In closing as chairperson of the Credit Committee, I would like to thank our volunteer members of the Credit Committee for their time and effort devoted to the credit union. I would also like to thank all the loans officers whose efforts and professionalism have added value and prestige to our Loans Department. We must contribute a large portion of the success of HRCU to our staff. I would like to take this opportunity to congratulate each of you as members-owners of HRCU and for all the accomplishments achieved at HRCU. I am pleased to present this report and it is always my pleasure to serve you. Remember save regularly, borrow wisely, and repay promptly and as promised.

Thank you.

Your Credit Committee:

Marion Marsden MBE, J.P - Chairperson

Eleanor Gillett J.P - Secretary

Carol Babb - Member

A man distraught by all the pain and suffering he saw all around him broke down and banged his fists into the dirt.

His head turns upward and he yells at his God. "Look at this mess, Look at all this pain and suffering, Look at all this killing and hate. God, Oh God! WHY DON'T YOU DO SOMETHING!!"

And his God spoke to him and said "I did, I sent you."



Loans Issued from April 1st, 2007 to March 31st, 2008

Pearls Codes	Loans By Purpose	AMOUNT TOTALS	AMOUNT %	NUMBER TOTALS	NUMBER %
3	Appliance & Household Goods	\$ 884,556.50	1.56%	706	4.44%
1	Boat Purchase & Repairs	\$ 255,805.04	0.45%	38	0.24%
4	Christmas & Easter Expenses	\$ 547,329.08	0.96%	503	3.17%
4	Dental & Medical	\$ 2,322,147.41	4.09%	1,726	10.86%
6	Education (All Levels)	\$ 4,484,248.52	7.91%	2,341	14.73%
4	Funeral Expenses	\$ 265,074.00	0.47%	203	1.28%
4	Government Taxes & Insurance	\$ 1,074,725.20	1.89%	262	1.65%
5	House Repairs & Renovations	\$ 16,026,886.40	28.25%	2,170	13.65%
2	Investment (Business)	\$ 12,967,322.69	22.86%	748	4.71%
1	Fishing & Farming	\$ 145,995.00	0.26%	24	0.15%
7	Consolidation of Debts	\$ 2,346,861.28	4.14%	162	1.02%
5	Legal Fees	\$ 234,435.00	0.41%	70	0.44%
3	Miscellaneous Expenses	\$ 1,496,885.19	2.64%	1,278	8.04%
5	Homes & Housing Starts	\$ 677,052.37	1.19%	88	0.55%
1	Outboard Engine & Repairs	\$ 45,000.00	0.08%	2	0.01%
3	Personal Expenses	\$ 2,271,026.28	4.00%	2,633	16.57%
5	Land Purchase	\$ 2,123,120.12	3.74%	204	1.28%
2	Investment (Real Estate)	\$ 1,255,156.72	2.21%	21	0.13%
3	Sporting Equipment	\$ 300.00	0.00%	3	0.02%
4	Travel & Vacation	\$ 1,147,394.00	2.02%	507	3.19%
4	Utility Bills	\$ 579,820.39	1.02%	1,077	6.78%
1	Vehicle & Vehicle Repairs	\$ 5,469,448.02	9.64%	1,091	6.87%
4	Wedding Expenses	\$ 105,650.00	0.19%	35	0.22%
	GRAND TOTALS:	\$ 56,726,239.21	100.00%	15,892	100.00%
(PEARLS Categories)					
1	Micro- Enterprize	\$ 5,916,248.06	10.43%	1,155	7.27%
2	Commerce	\$ 14,222,479.41	25.07%	769	4.84%
3	Consumer	\$ 4,652,767.97	8.20%	4,620	29.07%
4	Service	\$ 6,042,140.08	10.65%	4,313	27.14%
5	Housing	\$ 19,061,493.89	33.60%	2,532	15.93%
6	Education	\$ 4,484,248.52	7.91%	2,341	14.73%
7	Other	\$ 2,346,861.28	4.14%	162	1.02%
	GRAND TOTALS:	\$ 56,726,239.21	100.00%	15,892	100.00%

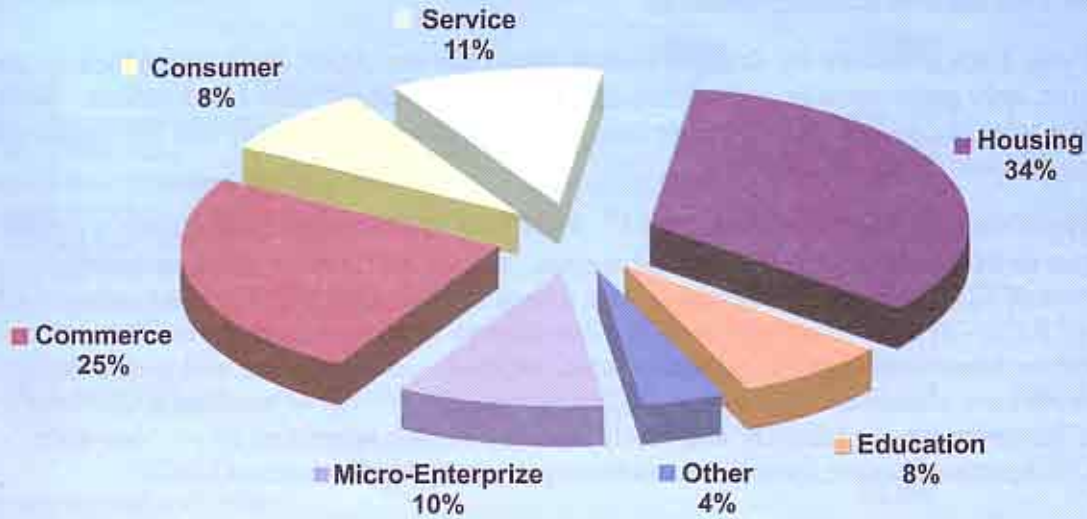
*Credit Unions help you to help yourself financially.
Be a part of this self-help movement.*

JOIN A CREDIT UNION NOW

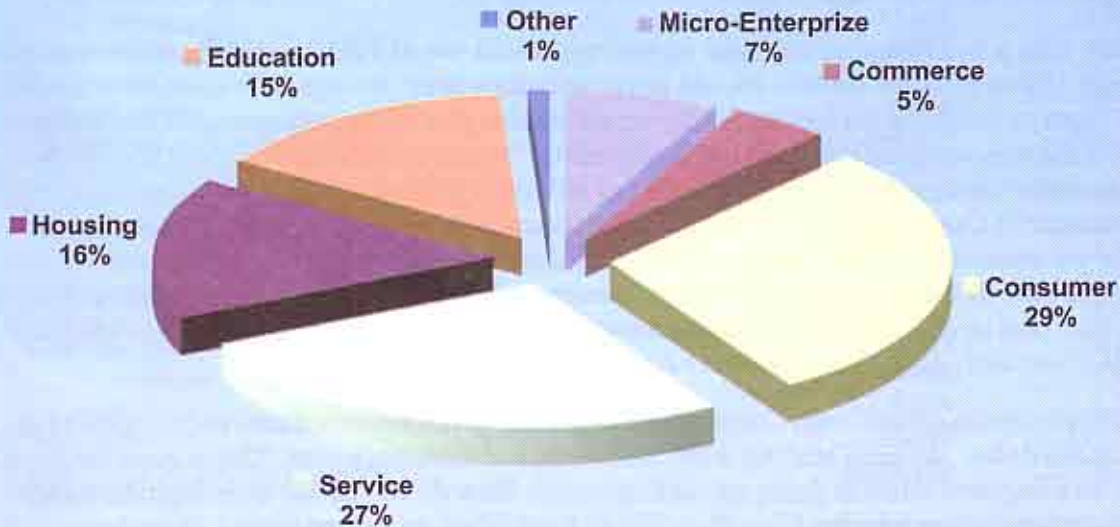
Holy Redeemer Credit Union - WELCOMES YOU



Loans by Numbers (PEARLS Categories)



Loans by Numbers (PEARLS Categories)



General Manager/Treasurer's Report:

(April 1ST, 2007 to March 31ST, 2008)

To our ever faithful member-owners:

Last year I made history by doing a formal report for our AGM Booklet. Much to my surprise, only good remarks and comments came my way about what I had written. Well, another year has passed and it is time once more to take account of all that has happened during this past financial year.

We began the credit union year on April 1ST, 2007 with \$263.0 million dollars and we ended the year on March 31ST, 2008 with \$290.4 million. Simple arithmetic will tell us that this is an increase of \$27.4 million dollars or a growth rate of 10.4%. Compared to last year's growth rate of 9.1% - **of course we did better!** Our savings have increased; so too has our loan portfolio. Most impressive of all is that when we study our figures we will notice that our Reserves have almost doubled within the last five years. Worthy of mention is the fact that these Reserves remain securely and safely invested for the benefit of all member-owners. This is important because these Reserves belong to you as "the" owners of HRCU.

If you are like me you feel a sense of achievement whenever a milestone is reached. At HRCU we have achieved many milestones and whenever they happen I take pleasure in sharing them with you. Normally, our milestones mostly have to do with money, but this time we are talking membership. We felt as if we were going to reach the 40,000 mark in time for Christmas but we actually reached that number on Wednesday, January 2ND, 2008, the first working day of the New Year. When we ran our end-of-day program on that day our membership count stood at 40,007. During this year alone we enrolled some 2,184 members and after factoring in closed accounts, we finished the period with a membership of 40,642 of which 6,089 are under Age 18 and 2,597 are over Age 70.

There was a considerable increase in savings which we at HRCU are pleased to report. Credit Union member-owners should never withdraw their savings but rather, they should use them as collateral for loans. Each year we remind you of the importance of this because this is the way we build equity in our credit union. You as an individual benefit and likewise your credit union benefits when you do not withdraw your savings. When you study our Statement of Cash Receipts and Cash Disbursements you will notice that this past financial year we received in total savings \$101.6 million but only withdrew \$94.1 million. In comparison to the year before member-owners saved \$98.4 million but withdrew \$94.7 million. Let us also not forget that when you don't touch your savings it earns dividends and HRCU certainly pays a very attractive dividend rate of 7.5%.

The chairperson of the Credit Committee has already given a comprehensive overview of the Loan Portfolio. We keep lending more, and more, and more each year. This is good but there can be a negative offset in doing so - delinquency! How do we handle those legitimate cases of member-owners who have lost their jobs or have fallen upon hard times? How do we deal with member-owners who ignore our delinquent notices or simply refuse to pay? The latter might seem simple because you can either take them to Court or cash in on securities held if



the loan is not a “character” loan. The reality of that situation is that such a process can be time consuming, may prove quite costly, and, even when judgement is in the credit union's favor the member-owner may still refuse to pay or goes “missing-in-action” hoping never to be found. As for those legitimate cases where the member-owner has fallen upon hard times, well, at HRCU we try to work with them by refinancing, rescheduling, or by consolidating their debts. They in turn must work with their credit union until such time as things begin to improve and they can resume their regular pledged payments. Above all these member-owners must be honest with their credit union because after all **“credit unions exist to help member-owners to help themselves financially”**. We must never forget that the Credit Union Idea was born due to famine, debts of economic proportions, and unscrupulous money lenders. Poor people wanted better for themselves and their families so they pooled their savings together and loaned to each other in times of need. Yes! Life is full of hardships. You never know when it will be your turn so, do not take advantage of your credit union because you never know when you will truly be in need. So, delinquent member-owners we at HRCU want to work with you. Stop by the office at No.1 Hydes Lane and speak to our delinquency officers. Don't let us have to come after you because the monies you were loaned really belongs to 40,642 member-owners.

When you closely examine the Statement of Income and Expenses you will notice that our greatest income earner is the interest we collected on loans which this year amounted to \$21.1 million. There was also a large increase in the income we received from our Fixed Deposits at the commercial banks. This is because we now have substantial monies set aside in Fixed Deposits to help keep our Reserves liquid so that what HRCU is worth is not merely a paper transaction. On the expense side, our largest items of expenses were the interest we paid out for our Deposit programs amounting to \$3.0 million and the monies we set aside to run our much relied upon Burial Scheme program amounting to \$1.2 million. Both are very beneficial programs available to all member-owners so the monies we must invest in them are indeed monies well spent.

Other expenses listed are in connection with keeping HRCU operating efficiently for the benefit of all member-owners. These are expenses in connection with salaries, utility bills, stationery & supplies, postage & stamps, property taxes, equipment maintenance, software support and the like. I might add that we now have a staff complement of 27 full-time employees. This number has almost doubled within the last year or so. As our membership grows it is imperative that we hire sufficient employees to keep everyone happy. Nobody likes to wait in long lines, especially on paydays. Overall our expenses total \$6.6 million resulting in an expense ratio of 24.2%. This means that it costs HRCU about \$.24 cents out of each income dollar to run the office. Remarkable by any measure whatsoever!

Finally, this coming year will be an important year for HRCU for we will reach \$300 million plus in assets and we will make our real presence felt in Independence and surrounding villages. I am depending on all of you to do your part, no matter how small, to continue to make HRCU remain among the leaders of the wider credit union family.

Warmest thanks and much appreciation for your solid support,

Jane E.M. Usher, CBE/JP - General Manager/Treasurer



Independence Receiving Station (Branch Highlights)

	March 31st, 2008	March 31st, 2007	March 31st, 2006
MEMBERSHIP			
# of males	899	835	792
# of females	816	744	703
# of organizations	27	26	17
Total Membership	1,742	1,605	1,512
# of members under Age 50	1,347	1,263	1,186
# of members Age 50 and over	368	316	309
SHARES/SAVINGS			
Total received	\$2,664,900.71	\$2,405,899.67	
Total withdrawn	\$1,794,027.48	\$1,872,921.20	
Total shares/savings	\$6,965,203.87	\$6,094,330.64	\$5,561,352.17
Average shares/savings	\$3,998.40	\$3,797.09	\$3,678.15
LOANS			
Total issued	\$1,904,072.53	\$1,505,370.94	\$1,619,111.58
Total repaid	\$1,289,642.46	\$1,062,962.08	\$1,304,123.47
Total interest collected	\$552,486.43	\$400,803.10	\$360,429.69
# of borrowers	441	418	453
Total loans outstanding	\$4,359,908.43	\$3,745,478.36	\$3,303,069.50
Average loans	\$9,886.41	\$8,960.48	\$7,291.54
BURIAL SCHEME PROGRAM			
FB claim benefits paid	\$28,000.00	\$20,000.00	\$28,000.00
# of member-owners	7	5	7
LP/LS claim benefits paid	\$36,293.82	\$49,538.61	\$12,459.71
# of member-owners	6	7	5
HENRY "EAGLES" USHER GRANTS AWARDED			
# of Tertiary School grants	7	8	4
# of Secondary School grants	16	21	17
# of Primary School grants	10	12	2
Total grants awarded	33	41	23
Dollar value of grants	\$29,600.00	\$40,500.00	\$22,500.00

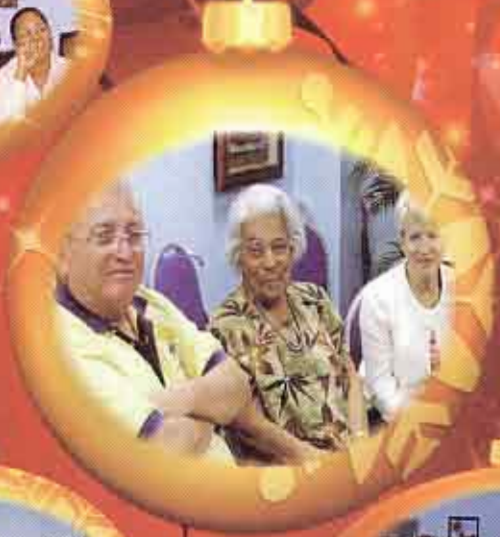
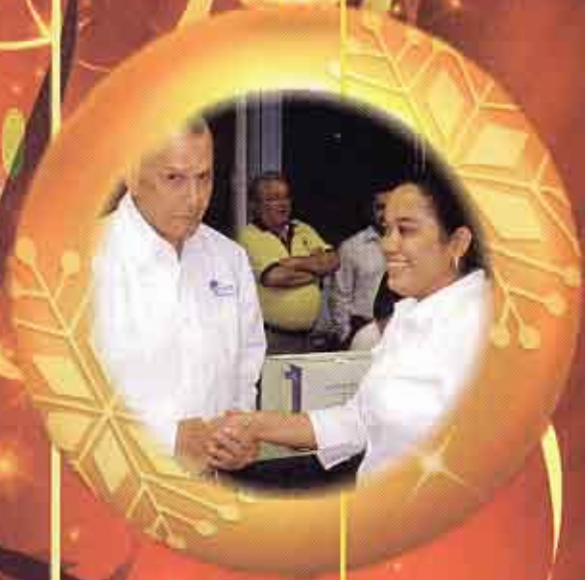
**Branch was fully computerized effective:
October 1st, 2005**





Architect - Anthony Thurton & Associates - HRCU's Independence Branch
See Page "22" for actual pictures of building location, taken when Directors visited in March, 2008.

HRCU Staff Christmas Party 2007





HRCU host visiting delegates from WOCCU Southwest Corporate FCU and BCUL





Building location of Independence HRCU Branch
taken when Directors visited in March, 2008.



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Holy Redeemer Credit Union Limited

Julian Castillo, FCCA
Giacomo Sanchez, CPA
Claude Burrell, CPA CISA

Audit & Risk Advisory
Business Solutions
Outsourcing
Real Estate
Corporate
Paralegal

INDEPENDENT AUDITORS' REPORT

To The Board of Directors and Members of Holy Redeemer Credit Union Limited:

We have audited the accompanying balance sheets - modified cash basis - of Holy Redeemer Credit Union Limited as of March 31, 2008 and 2007 and the related statements of income and expenses - modified cash basis and cash receipts and cash disbursements for the years then ended. These financial statements are the responsibility of the Credit Union's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The Credit Union's policy is to prepare its financial statements on a modified cash receipts and disbursements basis as detailed in Note 1 to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - modified cash basis - of Holy Redeemer Credit Union Limited as of March 31, 2008 and 2007 and its income and expenses - modified cash basis and cash receipts and cash disbursements for the years then ended in accordance with the modified cash receipts and disbursements basis described in Note 1 to the financial statements and in accordance with the Credit Union Act, Chapter 314 of the Laws of Belize (Revised Edition 2002 amended 2005).

Castillo Sanchez & Burrell, LLP

**Chartered Accountants
April 8, 2008**

Independent Correspondent Firm to Deloitte Touche Tohmatsu



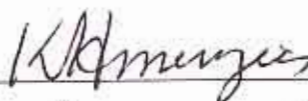
HOLY REDEEMER CREDIT UNION LIMITED

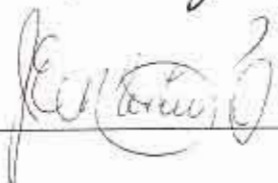
**BALANCE SHEETS – MODIFIED CASH BASIS
MARCH 31, 2008 AND 2007**

<u>ASSETS</u>	<u>Notes</u>	<u>2008</u>	<u>2007</u>
CASH RESOURCES			
Cash and bank		\$ 10,196,272	\$ 10,140,843
INVESTMENTS			
Bank fixed deposits		71,000,000	51,000,000
Other investments	2	8,672,881	8,672,881
OTHER ASSETS			
Stationery and supplies	1	22,000	36,943
LOANS RECEIVABLE			
Members outstanding loans	3	196,086,999	188,772,730
FIXED ASSETS			
Property, plant and equipment – net	1.4	<u>4,429,373</u>	<u>4,433,772</u>
TOTAL		<u>\$290,407,525</u>	<u>\$263,057,169</u>

LIABILITIES AND FUNDS EMPLOYED

LIABILITIES			
Members' deposits, shares and PCA	1	\$216,153,481	\$195,563,048
FUNDS EMPLOYED			
Reserves and fund balances	1.5	<u>74,254,044</u>	<u>67,494,121</u>
TOTAL		<u>\$290,407,525</u>	<u>\$263,057,169</u>

 President

 Treasurer

See notes to financial statements.



HOLY REDEEMER CREDIT UNION LIMITED**STATEMENTS OF INCOME AND EXPENSES – MODIFIED CASH BASIS
YEARS ENDED MARCH 31, 2008 AND 2007***Holy
Redeemer
Credit
Union
Limited*

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
INCOME			
	1		
Interest on current account		\$ 188,537	\$ 164,994
Interest from loans		21,092,550	20,294,101
Interest from fixed deposits		4,799,344	3,275,840
Interest from BEL debentures		715,000	715,000
Dividends from BEL shares		16,014	14,194
Dividends from BWSL shares		32,500	-
Loan mortgage income		121,652	-
Rental income		-	1,075
Other income		<u>48,736</u>	<u>53,442</u>
TOTAL INCOME		<u>27,014,333</u>	<u>24,518,646</u>
OPERATING EXPENSES			
	1		
Advertising and marketing		21,577	25,757
Cash shortage		1,019	1,319
Bank interest and charges		557	132
Collection charges		70,186	68,435
Coverage premiums		1,200,813	1,165,783
CUNA Caribbean Fidelity bond		15,000	13,701
Depreciation		420,437	406,255
Committee expense		3,365	5,319
Equipment maintenance		-	4,952
Generator/UPS/AC maintenance		25,676	25,654
Software systems support		16,800	15,600
Building insurance		25,000	25,000
Property taxes		6,092	6,552
Office expense		39,117	33,284
Postage and stamps		6,636	9,231
Interest expense – deposits/PCA		2,998,019	2,493,332
Loan mortgage expense		2,025	-
Staff salaries/pension/benefits		1,244,133	1,071,513
Auditing and supervision fees		42,400	44,520
Social security expense		21,005	18,006
Stationery and supplies expense		67,759	82,671
Upkeep of office		15,973	22,918
Utilities - electricity		92,232	79,146
- telephone		43,493	33,998
- water		5,410	2,343
Security services		<u>171,468</u>	<u>115,131</u>
TOTAL OPERATING EXPENSES		<u>6,556,191</u>	<u>5,770,552</u>
NET INCOME		<u>\$20,458,142</u>	<u>\$18,748,094</u>

See notes to financial statements.



HOLY REDEEMER CREDIT UNION LIMITED

**STATEMENTS OF CASH RECEIPTS AND CASH DISBURSEMENTS
YEARS ENDED MARCH 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
CASH RECEIPTS		
Members Deposits/Shares/PCA received	\$101,628,438	\$ 98,410,097
Loans repaid	49,411,970	49,430,913
Interest on loans	21,092,550	20,294,101
Loan mortgage income	121,652	-
Interest on fixed deposits	4,799,344	3,275,840
Interest on current account	188,537	164,994
Interest on authorized LOC	32	2
FIP commission	1,984	2,609
ATM/PCA income	6,437	5,714
BEL dividend	16,014	14,194
BEL interest	715,000	715,000
BWSL dividend	32,500	-
Cash overage	459	891
Entrance fees	546	533
Other income	35,079	40,130
Sale of passbook	4,745	4,096
PCA authorized LOC	1,746	875
Rental income	-	1,075
Fixed deposits cashed in	-	400,000
Contingency and special reserves	226	36
CUNA insurance settlement	100,683	-
Loan loss recovery	<u>6,097</u>	<u>666</u>
TOTAL RECEIPTS	178,164,039	172,761,766
BEGINNING CASH IN BANKS	<u>10,140,843</u>	<u>9,048,472</u>
	<u>\$188,304,882</u>	<u>\$181,810,238</u>

See notes to financial statements.



HOLY REDEEMER CREDIT UNION LIMITED*Holy
Redeemer
Credit
Union
Limited***STATEMENTS OF CASH RECEIPTS AND CASH DISBURSEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
CASH DISBURSEMENTS		
Members deposits/shares/PCA withdrawn	\$ 94,115,668	\$ 94,702,662
Loans issued	56,726,239	56,520,104
Loan mortgage expense	2,025	-
Interest expense PCA	45,253	27,537
Interest expense deposits	2,952,766	2,465,795
Generator/UPS/AC systems	-	18,766
Advertising and marketing	21,577	25,757
Building construction	205,667	266,206
Cash shortage	1,019	1,319
Bank interest and charges	558	132
Collection charges	70,186	68,435
CUNA Caribbean Fidelity bond	15,000	13,701
Coverage premiums	1,200,813	1,165,783
Committee and upkeep expenses	19,338	28,237
Education Fund	414,867	427,459
Furniture and fixtures additions	70,371	-
Insurance and property taxes	31,092	31,552
Software system support	16,800	15,600
Equipment maintenance and support	-	4,952
BEL share purchase	-	72,792
Generator/UPS/AC maintenance	25,675	25,654
ATM/computer and accessories	139,998	194,547
PCA Authorized LOC	1,746	875
Office expense and postage	45,753	42,515
Staff salaries/pensions/benefits	1,244,133	1,071,513
Auditing and supervision fees	42,400	44,520
Social Security expense	21,005	18,006
Contingency and special reserves	101,718	104,811
Belize Credit Union League grant	142,563	-
Belize Credit Union League dues	68,961	-
Utilities	141,135	115,487
Security services	171,468	115,131
Fixed deposits purchased	20,000,000	14,000,000
Prepaid stationery	7,057	40,292
Stationery and supplies	45,759	39,255
TOTAL DISBURSEMENTS	178,108,610	171,669,395
ENDING CASH IN BANKS	10,196,272	10,140,843
	<u>\$188,304,882</u>	<u>\$181,810,238</u>

See notes to financial statements.



**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2008 AND 2007**

1. STATUS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Status - Holy Redeemer Credit Union Limited ("HRCU") was incorporated in 1944 under the Credit Unions Act Chapter 314 of the Laws of Belize (Revised Edition 2002 amended 2005). The main objects of a credit union are to promote thrift among its members, to receive savings of its members either as payment on shares or as deposits, and to make loans to members exclusively for provident or productive purposes. HRCU currently has 40,642 members.

Summary of Significant Accounting Policies - HRCU uses a modified cash receipts and disbursements method of accounting. On this basis, revenues are recorded when received and expenses recorded when paid while certain other transactions are recorded as detailed below.

Basis of Presentation - The financial statements have been prepared from the records maintained in the system of HRCU.

- a. Prepayments - Significant expenditures for supplies and stationery are recorded as prepayments and charged to expenses over a three-year period as the supplies are being used. Use of the supplies is analyzed on a regular basis and charges to expenses are increased when necessary.
- b. Property, Plant and Equipment and Depreciation - Property, plant and equipment are carried at cost and, with the exception of land, are depreciated on the straight line basis over their estimated useful lives which, for the major classes of assets, are as follows:

Buildings	20 years
Generator	5 years
Computer and accessories	5 years
Furniture, fixtures and equipment	10 years

Maintenance and repairs are expensed as incurred. Major asset additions and expenditures that significantly increase value or extend useful asset life are capitalized. 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.

- c. Members Shares - Members' shares and savings in the credit union are treated as liabilities on which dividends not to exceed 8% are declared annually. These dividends are credited to the members' share accounts along with interest rebates given to members who qualify each year.
- d. Members' Deposits and PCA - Members' deposits and personal checking accounts (PCA) are treated as liabilities on which interest determined by the Board of Directors is paid quarterly and monthly, respectively. This interest is credited to the members' deposits and PCA accounts accordingly.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2008 AND 2007

1. STATUS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- e. Statutory Reserve – Effective October 5, 2005, in accordance with the amendment to the Credit Unions Act, HRCU transfers at least 10% of its undivided earnings prior to any dividend declaration to a statutory reserve. As per the Credit Unions Act, the statutory reserve is to be accumulated until it reaches 10% of total assets and should not be used for any other purpose except upon liquidation of the Credit Union.
- f. Loan Loss Reserve - In accordance with the 2005 amendments to the Credit Unions Act, HRCU may transfer up to 10% of its undivided earnings prior to any dividend declaration to a loan loss reserve, as necessary. This reserve is to be used for credit facilities, loans, overdrafts, lines of credit, and advances.
- g. Other Reserves - HRCU on an annual basis transfers a percentage of its undivided earnings before any dividend declaration to an education fund and a catastrophic reserve as determined by the Board of Directors, currently 3% and 2%, respectively. The education fund is reduced (debited) for donation expenses for sporting, education and charitable purposes and for annual general meeting expenses.

The contingency and special reserve is increased by members' annual dues and may be additionally increased by up to 10% of its undivided earnings prior to any dividend declaration and by the remaining undivided earnings from any previous year after the payment of all dividends and is reduced (debited) for any purposes authorized by the Board of Directors. HRCU utilizes a guaranty fund to set aside \$0.25 of new members' entrance fees.

- h. Foreign Currencies - Transactions in United States dollars during the year are converted into Belize dollars at the rate of Belize dollars \$2 = United States \$1. Balances outstanding at the balance sheet date are converted at the same rate.
- i. Investments - HRCU accounts for its minority equity investments under the cost method. The investment value is only reduced by permanent declines in the investment value. Under this method dividends are treated as income when received.

Other investments in marketable securities are classified as held to maturity and are accounted for at cost. The related income is recorded when received.



HOLY REDEEMER CREDIT UNION LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2008 AND 2007

2. OTHER INVESTMENTS

	<u>2008</u>	<u>2007</u>
5 - \$1,000,000 series 2 Debentures maturing March 31, 2021 earning 9.5% per annum. The debentures are repayable by Belize Electricity Limited (BEL) at the option of the holders on or after April 30, 2008 and may be called by BEL for payment on or after April 30, 2008.	\$5,000,000	\$5,000,000
2 - \$1,000,000 series 1 Debentures maturing December 31, 2012 earning 12% per annum. The debentures are repayable by BEL at the option of the holders on or after June 30, 2003 and may be called by BEL for payment on or after June 30, 2003.	2,000,000	2,000,000
72,792 ordinary shares at \$2.00 par in BEL.	172,881	172,881
1,000,000 shares at \$1.50 par in Belize Water Services Limited.	<u>1,500,000</u>	<u>1,500,000</u>
	<u>\$8,672,881</u>	<u>\$8,672,881</u>

3. LOANS RECEIVABLE

	<u>2008</u>	<u>2007</u>
Personal and business loans	\$107,355,029	\$103,892,676
Mortgage loans	<u>88,731,970</u>	<u>84,880,054</u>
	<u>\$196,086,999</u>	<u>\$188,772,730</u>

4. PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Buildings	Furniture, fixtures and equipment	Generator and UPS	Total
Brought forward, April 1, 2007	\$502,740	\$4,901,015	\$1,223,145	\$228,616	\$6,855,516
Additions	-	<u>205,669</u>	<u>210,369</u>	-	<u>416,038</u>
Carried forward, March 31, 2008	<u>502,740</u>	<u>5,106,684</u>	<u>1,433,514</u>	<u>228,616</u>	<u>7,271,554</u>
Accumulated Depreciation					
Brought forward, April 1, 2007	-	1,383,842	830,770	207,132	2,421,744
Additions	-	<u>255,335</u>	<u>155,657</u>	<u>9,445</u>	<u>420,437</u>
Carried forward, March 31, 2008	<u>-</u>	<u>1,639,177</u>	<u>986,427</u>	<u>216,577</u>	<u>2,842,181</u>
Net Book Value					
March 31, 2008	<u>\$502,740</u>	<u>\$3,467,507</u>	<u>\$ 447,087</u>	<u>\$ 12,039</u>	<u>\$4,429,373</u>
March 31, 2007	<u>\$502,740</u>	<u>\$3,517,173</u>	<u>\$ 392,375</u>	<u>\$ 21,484</u>	<u>\$4,433,772</u>



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2008 AND 2007**

5. RESERVES AND FUND BALANCES

	Contingency and special reserve	Education fund	Guaranty fund	Catastrophe reserve	Loan loss reserve	Statutory reserve	Undivided earnings	Total
Brought forward, April 1, 2007	\$12,740,714	\$1,902,696	\$17,600	\$2,728,886	\$ 9,100,823	\$26,305,717	\$14,697,685	\$67,494,121
Transfers:								
From undivided earnings	-	-	-	-	1,834,317	-	(1,834,317)	-
Dues	76,940	-	-	-	-	-	-	76,940
Entrance Fees	-	-	546	-	-	-	-	546
Other adjustments	226	-	-	-	6,097	-	-	6,323
Fund Uses:								
Donations, AGM, And related expenses	-	(414,867)	-	-	-	-	-	(414,867)
Dividends and rebates	-	-	-	-	-	-	(12,863,368)	(12,863,368)
BCUL dues	(68,961)	-	-	-	-	-	-	(68,961)
Other adjustments	(143,598)	-	-	-	(291,236)	-	-	(434,834)
Net Income	<u>613,744</u>	<u>613,744</u>	<u>-</u>	<u>409,163</u>	<u>1,022,907</u>	<u>2,735,036</u>	<u>15,063,548</u>	<u>20,458,142</u>
Carried forward, March 31, 2008	<u>\$13,219,065</u>	<u>\$2,101,573</u>	<u>\$18,146</u>	<u>\$3,138,049</u>	<u>\$11,672,908</u>	<u>\$29,040,753</u>	<u>\$15,063,548</u>	<u>\$74,254,042</u>

6. DISTRIBUTION OF NET INCOME

	<u>2008</u>	<u>2007</u>
Burial scheme catastrophe reserve	\$ 409,163	\$ 374,962
Contingency and special reserve	613,744	937,405
Education fund	613,744	562,443
Loan loss	1,022,907	-
Statutory reserve	2,735,036	2,175,599
Undivided earnings	<u>15,063,548</u>	<u>14,697,685</u>
	<u>\$20,458,142</u>	<u>\$18,748,094</u>

During the year ended March 31, 2008 only \$2,735,036 or 13.37% of net income was required to meet the prescribed Statutory Reserve requirement of 10% of assets. See also note 1e, 1f and 1g.

* * * * *



Burial Scheme Program Report (April 1ST 2007 to March 31ST 2008)

We continue to administer our Burial Scheme Program which is now approaching THREE full years of operation. This scheme comprises both the Funeral Benefits and the Loan Protection and Life Savings insurances that each member can enjoy once he/she meets the necessary requirements. Remember, to enjoy maximum benefits, your account MUST be up-to-date!

To qualify for the Funeral benefit, each member MUST maintain a minimum of \$125.00 in his/her account AT ALL TIMES and must have paid the annual premium of \$24.00 at May 1st each year. If an account falls BELOW \$100.00 at any time during the twelve-month period of the financial year, that member has lost the rights to the funeral insurance benefits AND will have to wait a year to be re-instated (once the requirements are met). For an explanation of the Loan Protection and Life Savings Benefits please turn to page 36.

As we look at the detailed information for this year's claims provided on pages 34 and 35, you can see that our youngest claim paid was to a 16-yr old teenager. By comparison, we lost a very young member last year - not even three months old! The oldest member to benefit from the burial scheme was 97 years old and again, by comparison, the oldest member to receive the benefit last year was 98 years old. There was also an increase in the number of deaths caused by traffic accidents - 11 members qualified for the "double indemnity" benefit paid on accidental deaths - as opposed to the 8 paid last year.

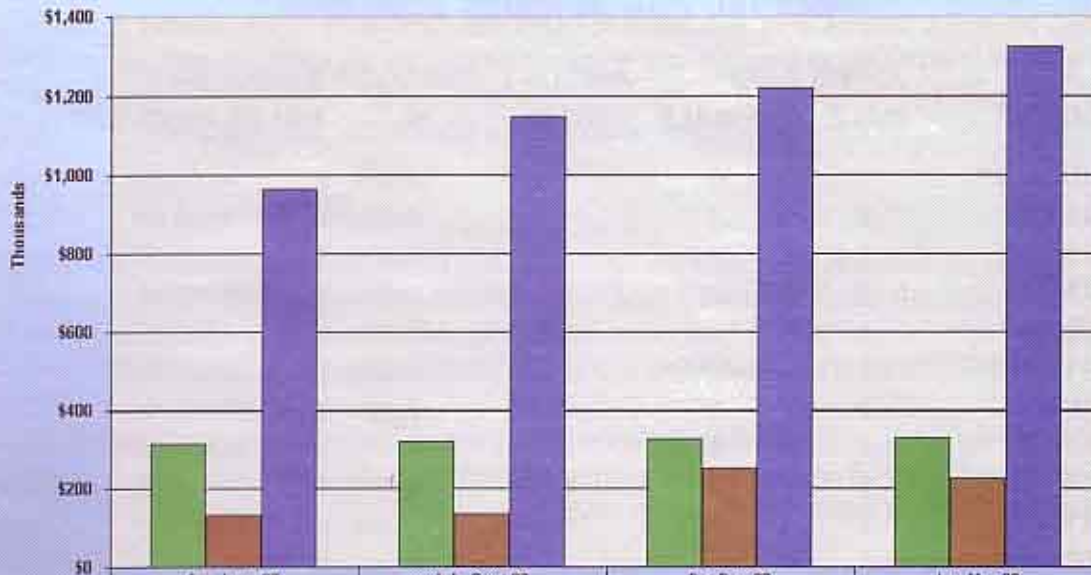
It saddens us to report that there was a noticeable increase in the number of benefits paid during the last financial period, as this signifies an increase in the loss of our members. The Funeral Benefits paid out increased from 120 members last year to 146 this year - an increase of 22% and the Loan Protection and Life Savings Benefits were paid to a total of 126 members last year and this year increased to 155 members - an increase of 23%. Of course, as our credit union continues to grow, we will continue to see an increase in the number of members who will qualify for these services throughout the year.

The main causes of deaths continue to be heart-related, cancer, and respiratory complications. Similarly, the deceased members continue to be employed mostly in the fields of retirees, housewives and homemakers, and self-employed businessmen and women.

HRCU continues to do its part in striving to provide the best for its member-owners. And while we mourn the loss of the members who we lost during this past year, we are satisfied in knowing that we had the foresight to take the necessary steps to provide this much needed and appreciated service. Our Funeral Benefit has brought much relief in assisting with the financial costs of that "final farewell" at a time when families are overcome with grief. The Loan Protection and Life Savings is a FREE insurance for our member-owners. Why not take full advantage of these benefits provided by your credit union? Come in and make sure that you indeed qualify for all your benefits!

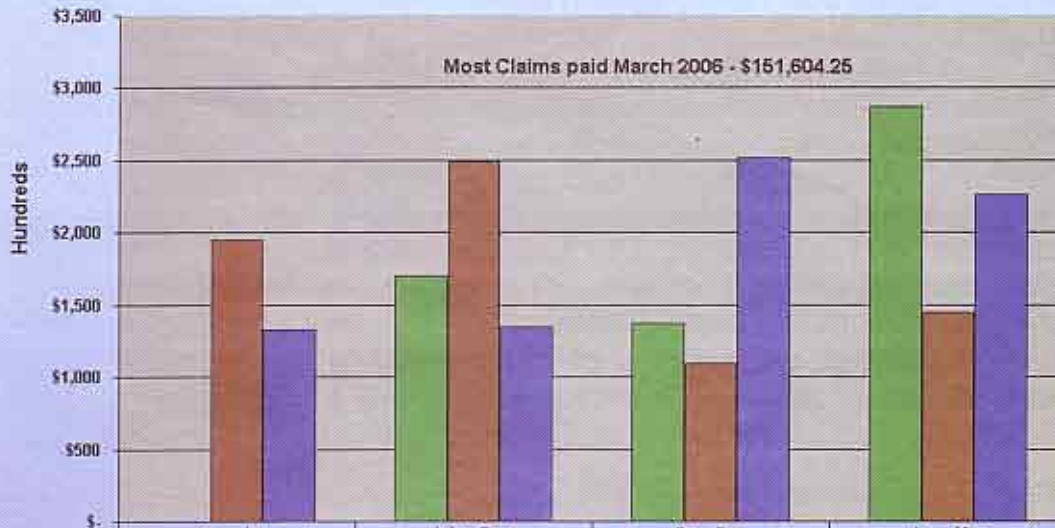


LP/LS Premiums, Claims, & Account Balances



	Apr-June 07	July-Sept 07	Oct-Dec 07	Jan-Mar 08
Premiums	\$312,028.02	\$318,872.21	\$324,836.81	\$329,250.19
Claims	\$133,249.49	\$134,915.71	\$251,492.31	\$226,695.75
A/C Balance	\$963,055.83	\$1,147,012.33	\$1,220,356.83	\$1,322,911.27

History of Claims Paid



Period	2005/2006	2006/2007	2007/2008
Apr - June	\$-	\$195,517.19	\$133,249.49
July - Sept	\$170,005.98	\$249,339.40	\$134,915.71
Oct - Dec	\$137,403.20	\$109,217.38	\$251,492.31
Jan - Mar	\$287,190.02	\$144,784.91	\$226,695.75



FUNERAL BENEFIT PAID SUMMARY REPORT

April 1st, 2007 to March 31st, 2008

AGE GROUP	FB PAID		AMOUNT TOTAL	%	\$ DOLLAR \$ VALUE PAID	%
	MALE	FEMALE				
UNDER 21	1	0	1	0.68%	\$ 4,000.00	0.69%
21 - 25	0	1	1	0.68%	\$ 4,000.00	0.69%
26 - 30	2	1	3	2.05%	\$ 12,000.00	2.06%
31 - 35	3	2	5	3.42%	\$ 20,000.00	3.44%
36 - 40	1	0	1	0.68%	\$ 4,000.00	0.69%
41 - 45	4	1	5	3.42%	\$ 20,000.00	3.44%
46 - 50	8	1	9	6.16%	\$ 36,000.00	6.19%
51 - 55	5	4	9	6.16%	\$ 36,000.00	6.19%
56 - 60	5	5	10	6.85%	\$ 38,000.00	6.53%
61 - 65	7	3	10	6.85%	\$ 40,000.00	6.87%
66 - 69	4	5	9	6.16%	\$ 36,000.00	6.19%
70 - 74	10	5	15	10.27%	\$ 60,000.00	10.31%
75 - 79	11	16	27	18.49%	\$ 108,000.00	18.56%
80 - 84	3	12	15	10.27%	\$ 60,000.00	10.31%
85 & OVER	11	15	26	17.81%	\$ 104,000.00	17.87%
TOTALS:	75	71	146	100.00%	\$ 582,000.00	100.00%
UNDER 21	1	0	1	0.68%	\$ 4,000.00	0.69%
21 - 49	16	6	22	15.07%	\$ 88,000.00	15.12%
50 - 69	23	17	40	27.40%	\$ 158,000.00	27.15%
70 & OVER	35	48	83	56.85%	\$ 332,000.00	57.04%
TOTALS:	75	71	146	100.00%	\$ 582,000.00	100.00%
AGE OF YOUNGEST CLAIM PAID:			16		\$ 4,000.00	
AGE OF OLDEST CLAIM PAID:			97		\$ 4,000.00	
CLAIMS PAID AT 50%:			1		\$ 2,000.00	

"Perpetual optimism is a force multiplier."

—Colin Powell



LP/LS BENEFIT PAID SUMMARY REPORT

April 1st, 2007 to March 31st, 2008

AGE GROUP	MALE	FEMALE	AMOUNT TOTAL	LS PAID	LP PAID	TOTAL LP/LS	%
UNDER 21	1	0	1	\$ 215.65	\$ -	\$ 215.65	0.03%
21 - 25	0	1	1	\$ 5,373.70	\$ 6,455.22	\$ 11,828.92	1.58%
26 - 30	5	0	5	\$ 17,724.25	\$ 18,217.05	\$ 35,941.30	4.82%
31 - 35	5	4	9	\$ 17,935.64	\$ 64,622.74	\$ 82,558.38	11.06%
36 - 40	4	0	4	\$ 4,091.84	\$ -	\$ 4,091.84	0.55%
41 - 45	7	3	10	\$ 6,913.06	\$ 17,682.92	\$ 24,595.98	3.30%
46 - 50	7	2	9	\$ 46,102.19	\$ 48,679.44	\$ 94,781.63	12.70%
51 - 55	5	5	10	\$ 43,113.02	\$ 60,936.22	\$ 104,049.24	13.94%
56 - 60	8	7	15	\$ 38,108.03	\$ 54,944.85	\$ 93,052.88	12.47%
61 - 65	4	4	8	\$ 23,529.57	\$ 32,816.54	\$ 56,346.11	7.55%
66 - 69	6	7	13	\$ 39,027.17	\$ 121,433.01	\$ 160,460.18	21.50%
70 - 74	10	5	15	\$ 33,286.37	\$ -	\$ 33,286.37	4.46%
75 - 79	12	13	25	\$ 24,077.09	\$ -	\$ 24,077.09	3.23%
80 - 84	3	9	12	\$ 13,748.78	\$ -	\$ 13,748.78	1.84%
85 & OVER	4	14	18	\$ 7,318.91	\$ -	\$ 7,318.91	0.98%
TOTALS:	81	74	155	\$ 320,565.27	\$ 425,787.99	\$ 746,353.26	100.00%

UNDER 21	1	0	1	\$ 215.65	\$ -	\$ 215.65	0.03%
21 - 49	28	10	38	\$ 98,140.68	\$ 155,657.37	\$ 253,798.05	34.01%
50 - 69	23	23	46	\$ 143,777.79	\$ 270,130.62	\$ 413,908.41	55.46%
70 & OVER	29	41	70	\$ 78,431.15	\$ -	\$ 78,431.15	10.51%
TOTALS:	81	74	155	\$ 320,565.27	\$ 425,787.99	\$ 746,353.26	100.00%

	AGE	TOTAL	LS	LP
AGE OF YOUNGEST CLAIM PAID:	16	\$ 215.65	\$ 215.65	\$ -
AGE OF OLDEST CLAIM PAID:	97	\$ 343.79	\$ 343.79	\$ -
AVERAGE BENEFITS PAID:		\$ 4,815.18	\$ 2,068.16	\$ 12,523.18
(# OF LP BENEFITS PAID)	34			
LARGEST BENEFIT PAID:		\$ 70,000.00	\$ 10,000.00	\$ 60,000.00
SMALLEST BENEFIT PAID:		\$ 0.45	\$ -	\$ 0.45

# OF DEATHS BY ACCIDENT:	11	# OF DEATHS FROM HIV-AIDS:	1
# OF DEATHS BY MURDER:	4	# OF DEATHS FROM SUICIDE:	0
# PERMANENT DISABILITY:	0		

"You miss 100% of the shots
you never take."



Understanding HRCU'S Burial Scheme Program Benefits

LOAN PROTECTION (LP): Loans are covered up to \$60,000.00
(Including six months interest)

LIFE SAVINGS (LS): Life savings are covered up to \$10,000.00

MONEY SAVED FROM:

Birth to 6 Months 25%

6 Months to 55 Years 100%

55 Years to 60 Years 75%

60 Years to 65 Years 50%

65 Years to 70 Years 25%

FUNERAL BENEFIT (FB): Maximum of \$4,000.00
(Coverage effective date: 01/01/2005)

Benefits under Loan Protection cease on the member's 70th Birthday; even though the Loan may have been made before the member's 70th birthday, all balances owing on that day cease to enjoy benefits.

Money saved after the 70th birthday receives no coverage Benefits, but will receive the declared yearly dividend; however the money saved before, continues to receive coverage Benefits if not withdrawn. For example: money saved before the 55th birthday will receive 100% coverage even if the member is 70 years or over at time of death.

Loans receive regular benefits, up to \$60,000.00, but savings get double if death is by accident. For example, if a member has \$100.00 in savings and dies by accident, the beneficiary will receive \$300.00. Your \$100.00 plus \$200.00 from HRCU.

Loans are covered for a period of 20 years only.

Total and Permanent Disability claims up to age 60.

Bad Debt Waiver: member-owner yields right to a portion or all of FB benefit due to non-payment of loan. FB benefit will be applied to delinquent loan & interest not paid by LP benefit. Thereafter any remaining balance will go to member-owner's stated beneficiary.



Comprencon de los Beneficios de HRCU

PROTECCION DE PRESTAMOS:	Préstamos son protegidos por el Aseguro hasta la cantidad de \$60,000.00 Dolares. (Incluyendo interés de seis meses)
AHORROS DE VIDA:	Ahorros de Vida son cubiertos hasta \$10,000.00 dolares.
	DINERO AHORRADO DESDE:
	- Nacimiento hasta los sies meses 25%
	- 6 meses a los 55 años 100%
	- 55 años a los 60 años 75%
	- 60 años a los 65 años 50%
	- 65 años a los 70 años 25%
BENEFICIO FUNERARIO:	Maximo de \$4,000.00 (Fecha efectiva de cobertura: 01/01/2005)

Beneficios bajo la Protección de Préstamos terminan al cumplir el miembro los 70 años de edad; aunque el préstamo fuera hecho antes de los 70 cumpleaños del miembro, todo préstamo con un saldo deja de gozar los beneficios de protección de HRCU ese mismo día.

Todo dinero ahorrado despues de los 70 cumpleaños no recibirá ningun Beneficio de Protección, pero si recibirá el dividendo anualmente declarado. Sin embargo, ahorros depositados antes de los 70 años continuan recibiendo los Beneficios de Protección si no son retirados. Por ejemplo, dinero ahorrado antes de cumplir los 55 años goza 100% de protección, aunque el miembro tenga 70 años o más al momento de su fallecimiento.

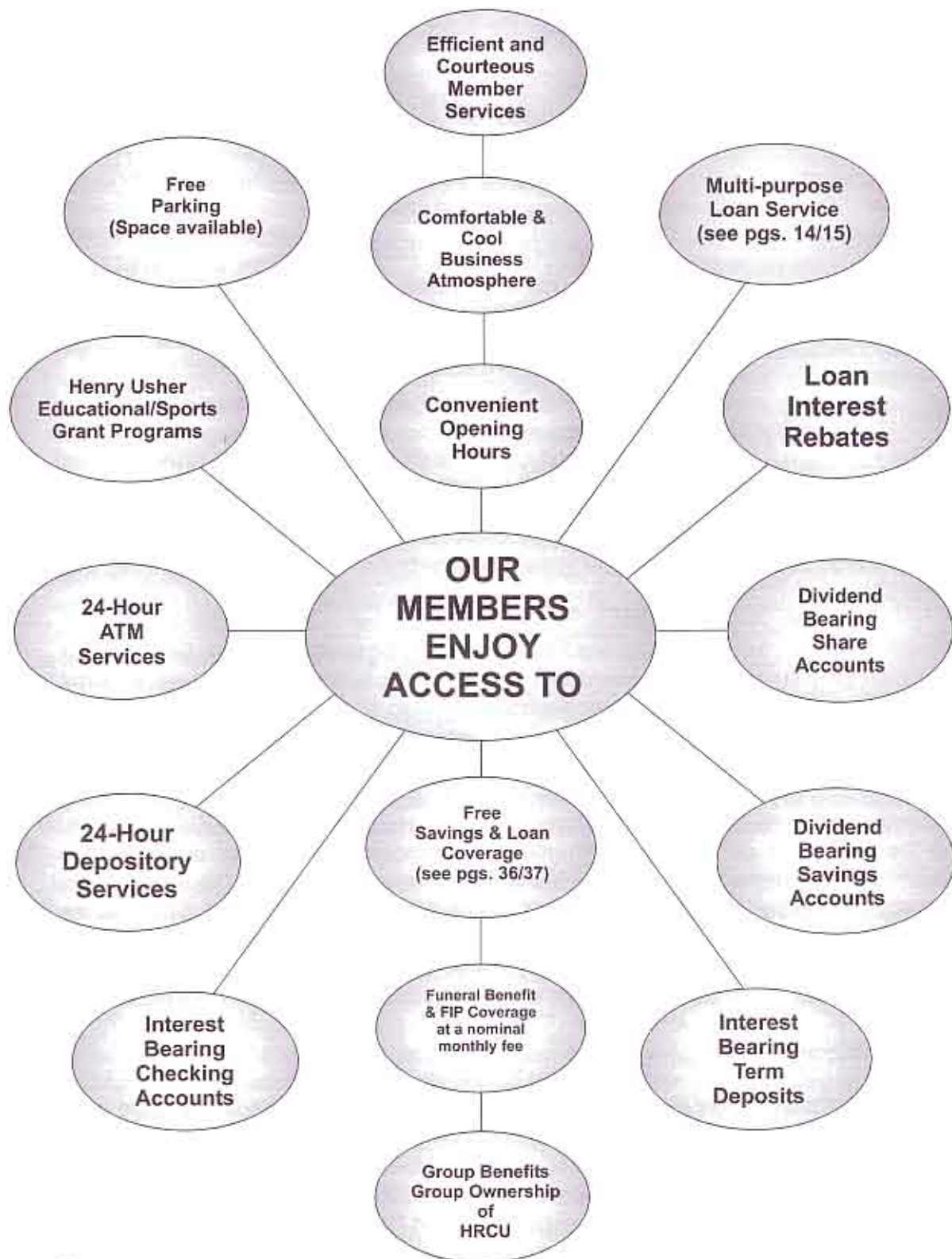
Préstamos gozan de beneficios regulares, hasta un máximo de \$60,000.00 dolares, pero los beneficios de ahorros se duplican si la muerte del deudor ocurre en un accidente. Por ejemplo, si un miembro tiene un ahorro de \$100.00 y muere en accidente, el beneficiario recibirá \$300.00. Los \$100.00 de ahorros y \$200.00 de HRCU.

Préstamos gozan de protección solo por un período de 20 años.

Reclamos de incapacidad permanente hasta 60 años.

Renuncia de Derecho: un miembro-dueño con prestamo en delincuencia cede todo derecho a los beneficios del plan de protección para costos de servicios funebres. El valor equivalente de tal beneficio será aplicado contra saldos en delincuencia de prestamos e intereses no cancelados por los beneficios del plan de protección a prestamos. Cualquier saldo restante será aplicado a favor del beneficiario declarado de antemano por el miembro-dueño.





Supervisory Committee Report

(April 1st, 2007 to March 31st, 2008)

To the Members of Holy Redeemer Credit Union Limited:

Pursuant to instructions contained in the Credit Union Act, Chapter 314 of the Laws of Belize, we have during the financial year ended March 31st, 2008 caused to be examined the books and records of the Holy Redeemer Credit Union Limited. We report that Holy Redeemer Credit Union Limited has provided for the independent external audit of such books of accounts and records by the accounting firm of Castillo Sanchez & Burrell, LLP whose report is contained in this Annual report

We further advise that we reviewed on a monthly basis the financial statements and related reports of Holy Redeemer Credit Union Limited and we have obtained all information and explanations we have required.

In our opinion, based on the independent external audit and monthly reviews of the financial statements of Holy Redeemer Credit Union Limited, the Balance Sheet, together with the Statement of Income & Expenses and the Statement of Cash Receipts and Cash Disbursements present fairly the state of the Credit Union's affairs as at March 31st, 2008 and for the year then ended.

Respectfully submitted

April 10th, 2008

Rene Blanco - Chairman
Jose Can - Secretary
Felix Reyes - Member

*"Ability may get you to the top,
but it takes character to keep you there."*

— John Wooden

* * * * *

*"The life you have led doesn't need to be
the only life you'll have."*

—Anna Quindlen



These are the officers who served you during the past year

(April 1st, 2007 to March 31st, 2008)

BOARD OF DIRECTORS:

PRESIDENT:	KARL H. MENZIES, CSC/JP (serving two more years)
VICE PRESIDENT:	FRED SMITH, CSC/JP (term ends tonight)
TREASURER:	JANE E. M. USHER, CBE/JP (serving one more year)
SECRETARY:	OSCAR R. RIVEROLL, JP (serving two more years)
DIRECTOR:	ERNESTO VASQUEZ (serving one more year)

CREDIT COMMITTEE:

CHAIRPERSON:	MARION MARSDEN, MBE/JP (serving one more year)
	JOAN WAIGHT, JP (DECEASED)
	CAROL BABB (serving two more years)
	ELEANOR GILLETT, JP (temporary replacement)

SUPERVISORY COMMITTEE:

CHAIRPERSON:	RENE BLANCO
	JOSE CAN
	FELIX REYES

(This Committee is elected yearly by the members present
at the Annual General Meeting)

*Roy F. Bergengren in 1944 wrote to Belize:
"Credit Unions will not be the answer to every problem in Belize,
but Credit Unions may be like a straw in which a dam builds up
and eventually alters the flow of the stream".*



**In order to invoke God's blessing on our gathering tonight,
let us together please pray for PEACE in our world.**

**PEACE PRAYER
OF
ST. FRANCIS OF ASSISI**

**Lord, make me an instrument of Thy peace;
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
And where there is sadness, joy.**

**O, Divine Master, grant that I may not so much seek
to be consoled as to console,
to be understood as to understand,
to be loved as to love.**

**For it is in giving that we receive,
It is in pardoning that we are pardoned,
and it is in dying that we are born
To eternal life.**

Amen

**Join a credit union today...
...HRCU welcomes you!**

Holy Redeemer Credit Union Ltd.
1 Hydes Lane, P.O. Box 544
Belize City, Belize
Central America



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Website: www.hrcubelize.org