

PEOPLE, PURPOSE, PASSION.



Progressive 
CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT 2015

PROGRESSIVE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

APPLIANCES IN STOCK!

**QUALITY BRANDS &
AFFORDABLE PRICES!**

*Access financing and the appliances
you need!*

Samsung 48" Television
\$5,920.00



**Samsung 21.1
Cu Ft Refrigerator**
\$7,838.00



Cetron 30" Gas Range Stove
\$2,405.00



Samsung 11kg Twin Tub
\$2,020.00



...PLUS MANY MORE ITEMS!

Head Office:

#48 & 50 Chacon Street
San Fernando, Trinidad, W.I.
Tel: (868) 653-0403, 657-6541
Fax: (868) 652-0232

North Office:

#80 Second Street, Barataria
Trinidad, W.I.
Tel: (868) 638-5111, 675-4302,
674-9427
Fax: (868) 674-2667

Tobago Office:

Unit #19 Sangster's Hill Mall
Sangster's Hill, Scarborough
Tobago, W.I.
Tel/Fax: (868) 639-5235

VISION STATEMENT

Our vision is to empower our members to improve their lives

MISSION STATEMENT

To provide our members with integrated financial services and access to educational opportunities, whilst upholding the highest co-operative principles.



TABLE OF CONTENTS

| | |
|--|-------|
| National Anthem and Credit Union Prayer | 3 |
| Notice of 29th Annual General Meeting | 4 |
| Standing Orders | 5 |
| Minutes of the 28th Annual General Meeting | 6-17 |
| President's Message | 18-20 |
| Nominations Committee Report | 21-23 |
| Board Report | 25-33 |
| Staff Pictures | 34 |
| Credit Committee Report | 35-37 |
| Supervisory Committee Report | 38-39 |
| Education Committee Report | 40-43 |
| Financials 2015 | 43-72 |
| Budget 2016 | 73 |
| Resolutions | 74 |

THE NATIONAL ANTHEM

*Forged from the love of liberty
In the fires of hope and prayer
With boundless faith in our destiny
We solemnly declare.*

*Side by side we stand,
Islands of the blue Caribbean Sea
This our Native Land
We pledge our lives to Thee.*

*Here every creed and race
Find an equal place
And may God bless our Nation,
Here every creed and race
Find an equal place
And may God bless our Nation.*

CREDIT UNION PRAYER

*Lord, make me 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 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.*



NOTICE OF THE 29TH ANNUAL GENERAL MEETING

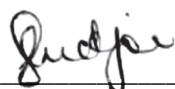
Notice is hereby given that the Twenty Ninth Annual General Meeting of the Progressive Credit Union Co-operative Society Limited will be held at the Main Auditorium, Centre Pointe Mall, Chaguanas on Saturday 2nd April 2016.

Registration begins at 9:00 a.m. and the AGM starts at 10:00 a.m.

AGENDA

1. Call to order – National Anthem
2. Invocation/Credit Union Prayer/Minute of Silence
3. Reading of the Notice convening the 29th Annual General Meeting
4. First Credentials Committee Report
5. Adoption of Standing Orders
6. Confirmation of Minutes of the 28th Annual General Meeting
7. Matters Arising out of the Minutes of the 28th Annual General Meeting
8. Greetings
9. President's Address
10. Feature Address
11. Vote of Thanks
12. Presentation of Reports – 2015:
 - Board of Directors
 - Credit Committee
 - Supervisory Committee
 - Education Committee
 - Auditor's Report
 - Financial Statements
13. Nominating Committee's Report
14. Second Credentials Committee Report
15. Election of Officers
16. Budget for the Year Ending 2016 December 31
17. Resolutions
18. General Business
19. Vote of Thanks and Formal Closure

By order of the Board



Georgiana Cudjoe
SECRETARY

STANDING ORDERS

1. a. A member shall stand when addressing the Chair.
b. Speeches shall be clear and relevant to the subject before the Meeting.
2. A member shall address the Meeting, when called upon by Chairman to do so, after which he/she shall immediately take his/her seat.
3. No member shall address the Meeting except through the Chairman.
4. A member shall not speak twice on the same subject except:
 - a. As a mover of a motion who has a right of reply.
 - b. He / She rise to object or explain (with the permission of the Chair).
5. No speeches shall be made after the “Question” has been put and carried or negated.
6. The Mover of a “Procedural Motion” - (Adjournment, Lay on the Table, Motion to post-poner) shall have no right to reply.
7. A member rising on a “Point of Order” shall state the point clearly and concisely. (A “Point of Order” must have relevance to the standing orders).
8. a. A member shall not “call” another member “to order” - but may draw the attention of the Chair to a “Breach of Order”.
b. On no account can a member call the Chair to order.
9. Only one (1) amendment shall be before the Meeting at any one time.
10. When a motion is withdrawn, any amendment to it fails.
11. The Chairman has the right to “Casting Vote”.
12. If there is equality of voting on an amendment, and if the chairman does not exercise his casting vote, the amendment is lost.
13. Provision should be made for protection by the Chairman from vilification (personal abuse).
14. No member shall impute improper motives against another member.

MINUTES OF THE 28TH ANNUAL GENERAL MEETING

Northern Space
Centre Pointe Mall
Chaguanas

Saturday, March 28, 2015

1.0 CALL TO ORDER

Director Stephen Fraser called the meeting to order at 10.35 a.m. after which the National Anthem was played.

Mr. Fraser introduced the Members of the Head Table.

2.0 INVOCATION

A prayer was offered by Mrs. Glenda Peters-Nelson after which the Credit Union Prayer was recited by all present.

One minute of silence was observed for departed members.

3.0 NOTICE OF MEETING

Ms. Georgiana Cudjoe, Secretary to the Board of Directors, read the official Notice of the 28th Annual General Meeting.

4.0 1ST CREDENTIAL REPORT

Ms. Ann Marie Campbell of the Credentials Committee reported that at 10.33 a.m. there were 130 members and 6 guests present. She also noted that in accordance with bye-law 14 (c) (1) the meeting was duly constituted.

5.0 ADOPTION OF STANDING ORDERS

The President, Mr. Michael Hernandez, welcomed all to the meeting. The President then drew attention to the Standing Orders on page 5 of the Annual Report. A motion for the adoption of the Standing Orders was moved by Mr. Yul Layne and seconded by Mrs. Gale Trim-Harris.

6.0 MINUTES OF THE 27TH ANNUAL GENERAL MEETING AND SPECIAL GENERAL MEETING

The President drew attention to the Minutes of the 27th Annual General Meeting on pages 6 to 17 and the Minutes of the Special General Meeting at pages 18 to 22 and asked that a motion be moved for the entertainment of said Minutes.

Ms. Allyson White moved a motion for the entertainment of the Minutes of the Annual General Meeting and the Special General Meeting which was seconded by Mrs. Marcia Lue Shue Douglas.

7.0 MATTERS ARISING OUT OF THE MINUTES

There were no matters arising from the Minutes of the 27th Annual General Meeting. There were no matters arising from the Special General Meeting.

The Minutes were accepted on a motion moved by Ms. Patricia Foster and seconded by Mr. Selwyn Paul.

8.0 ACKNOWLEDGEMENT OF GUESTS

Mr. Stephen Fraser acknowledged the presence of the following guests some of whom brought greetings on behalf of their respective organizations:

| | |
|-----------------------------------|-----------------------------------|
| Ms. Carlene Cayenne | Co-operative Development Division |
| Mrs. Irene Hamid | Co-operative Development Division |
| Mrs. Marcia Goodridge-Constantine | South East Regional Chapter |
| Mr. R. Ramdass | Auditor, R. Ramdass & Company |
| Mr. Steven Thomas | IR Consultant |

Ms. Irene Hamid brought greetings on behalf of the Commissioner and staff of the Cooperative Development Division on its 28th Annual General Meeting. She commended the members for their support and the Board of Directors, Committee members, management team and staff for their dedication, commitment and hard work which had ensured that the Credit Union achieved another successful year. She wished the organization continued growth and development and a productive Annual General Meeting.

Mrs. Marcia Goodridge-Constantine congratulated Progressive Credit Union on behalf of the Federation of Cooperative Societies. She welcomed the President, Mr. Hernandez as a member of the Board of the League and also to the South East Regional Chapter. She thanked the organization for its continued partnership with the League at the recent legislative forum.

9.0 PRESIDENT'S ADDRESS


The President welcomed all to the 28th AGM. He specially welcomed the President of the Credit Union League, Mr. Joseph Remy who was the day's feature speaker.

He stated that he was heartened with a sense of pride to address members referring to the organization's milestone celebration of 30 years on July 4th last, which they were still celebrating. He placed it as a noteworthy achievement in that the brand was now well known throughout the cooperative landscape of Trinidad and Tobago.

The President took the opportunity to bring the meeting up to date with respect to the industrial relations climate that existed in the Society. He felt it was most unfortunate and lamented the timing of the sickout which coincided with the preparation and holding of the AGM.

He added that he loved and cared deeply for the staff but as President of the organization it was incumbent on him to discharge his responsibilities with the greatest prudence. He apologized on behalf of the Board and management to members who would have been inconvenienced by any action taken over the past two weeks and assured that all efforts would be made to bring a quick resolution to the situation. To this end he had instructed the team to contact the union to resume negotiations during the coming week.

Noting that we lived in times of economic uncertainty with the fall in the price of oil and other factors, including Government's plan to impose new Credit Union legislation, which could have major consequences on members' survival and that of the industry as a whole, he urged members to pay close attention to what Mr. Remy had to say. He added that there was no better person to speak on the matter but the person who had been championing the voice of the movement.



He iterated that the credit union was not immune from the effects of what was taking place in the wider society, but assured that the Executive and the Board of Directors remained resolute in their commitment to guarding the continued growth and survival of Progressive Credit Union. Further, they continued to look at new and innovative ways to improve service delivery citing the launch of the appliance sales during December, 2014 as one such initiative.

He offered his personal thanks to the Executive and Board of Directors, Supervisory and Credit Committees, the General Manager and staff and the loyal members. He also thanked his wife and family for their unselfish patience and support. He expressed appreciation for the continued support and encouragement of the South East Regional Chapter of the Credit Union League of Trinidad and Tobago and the Office of the Commissioner of Cooperatives.

He further extended thanks to Mr. Abel and Mr. Gray who had both become statute barred at this AGM at the level of the Board of Directors, and who would have provided dedicated service to the Credit Union.

10.0 FEATURE ADDRESS

Mr. Joseph Remy, President of the Credit Union League of Trinidad and Tobago thanked management for the opportunity to address the membership. In his opening statement he addressed the membership as members, shareholders and owners and urged them to begin seeing themselves as owners, not just members.

In welcoming the President, Mr. Hernandez to the Board of the Cooperative Credit Union League he advised him that “party done, work now start” as there was a lot of work to be done at the level of the Cooperative Credit Union League, as Mr. Hernandez himself recognized, particularly as it related to the legislation.

Turning to the theme “Commitment to Excellence”, he noted that it was critical in that it is commensurate with the demands and requirements of the time, a time when—

- the Credit Union movement presides over \$11.8 billion in assets, just over 3 per cent of the total financial system;
- caters for a shareholder base of 500,000 members;
- contributes over 5 per cent of the gross domestic product;
- is responsible for 4 to 7 per cent of the domestic loan portfolio.

He added that while those figures may not seem flattering when compared to the national budgetary figures of \$50/\$60 billion, monetary value was not all that was important and one has to look at the unique characteristics of the movement to understand the profound impact it is having on the socio economic landscape. Its penetration rate of 48 per cent is the *raison d’etre* of the movement which is to provide a means of serving the poor and the underserved and to give them a chance to raise their standard of living and lift themselves up the ladder to achieve social, economic and financial accomplishment. He urged members to appreciate the business they are involved in and what they own.

Outlining the difference between credit unions and other financial institutions, Mr. Remy assured that measures are in place to protect credit unions from making risky investments and unsafe lending practices so as not to put members’ funds at risk.

He summarized that the underlying benefit of credit unions was: “Use it or lose it”, as such members must participate in the loan portfolio and other services in order to benefit from the outcome of the Credit Union movement operations on an ongoing basis. Credit Unions he added must continue to hold firm to the seven cooperative principles, namely:

- Voluntary and open membership
- Democratic member control
- Members’ economic participation
- Autonomy and independence
- Education training and information
- Cooperation among cooperators
- Concern for community.

These distinct fundamentals, he added, make Credit Unions the ultimate vehicle for upward mobility of the working class and persons of modest means, and urged members to never lose sight of the reason for their very existence.

Provisions in the Bill, he continued, called for onerous academic requirements for Board and committee members which is going to debar ordinary members from having ownership and a stake in running their business thus taking away the economic independence, voluntary and open membership, etc.

He went on to list the following consequences:

- Reporting requirement to the Central Bank with its attendant costs translates to surpluses for dividends being decreased;
- Restriction on businesses that Credit Unions can be involved in making it difficult for Credit Unions to grow;
- Proposing High Court action if it is determined that a Board member makes a mistake;
- Term limits that are restrictive introducing two successive terms instead of three and after two successive terms as President the member becomes statute-barred for five years.

He therefore implored members to wake up and be passionate about the movement, stressing that the Credit Union movement needs its members to stand up and defend it, in order to build it into something formidable. Politicians must not determine the direction of the Credit Union movement.

Mr. Remy concluded that the minute the Movement allows the Bill to be passed we would no longer have AGMs like this, they would be for persons who have a certain amount of shareholding who would determine the destiny of the Movement.

He thanked Progressive for the opportunity and hoped that if he had awakened members to the fact that they are shareholders not just members, he would be comfortable that he would have accomplished something.

10.1 VOTE OF THANKS

Director Candice Haynes thanked Mr. Remy for the very enlightening speech edifying members about the legislation and the power that they possess as owners. She presented him with a small token of appreciation.

11.0 PRESENTATION OF REPORTS

The President also thanked Mr. Remy for his enlightening message.

11.1 Board Report

A motion for the entertainment of the Board Report was moved by Mr. Yul Layne and seconded by Ms. Gale Trim-Harris.

The President presented the Board Report on pages 27 to 30 along with the Errata Sheet which made corrections to pages 31 and 84.

Page 30 - The President informed that four members were outgoing Ms. Georgiana Cudjoe and Mr. Stephen Fraser who was appointed for the unexpired term of Mr. Andrew Barras; also Mr. Erskine Abel and Mr. Rawle Gray who were statute-barred, so four (4) members would be elected at the meeting.

Page 31 – On the Errata Sheet under Financial Performance Highlights under Deposits for 2010 should read \$1,989,707.

Page 34 – Projections set by the Board in terms of growth in membership, net share growth, loan disbursement – there was a projection of \$43 million for 2014 and the actual was \$44.6 million; there is a loan projection of \$50 million for 2015.

Projected surplus for 2014 of \$2.5 million, actual \$3.2 million and projected surplus for 2015 of \$3.9 million

There was a projected Dividend payment for 2014 of 4%; however the Board had recommended a dividend payment of 3% and an interest rebate of 2% which would be credited to members' deposits.

With respect to delinquency, the Board had all the necessary mechanisms in place; arbitration was taking place at the level of the office of the Cooperative Division; delinquent members contacted who started to pay and this matter had reached the level where a Delinquency Committee was established.

Condolences

Mr. Andrew Barras and Mr. Kenneth Sylvester were mentioned and all cooperators who would have passed during the year.

The President thanked members for allowing the Board to work together for 2014 and presenting its report.

Acceptance

The Board Report was accepted on a motion moved by Mrs. Marilyn John-Fahey and seconded by Mr. Jagdis Mohan.

11.2 Credit Committee Report

A motion for the entertainment of the Credit Committee Report was moved by Ms. Tisha Lewis and seconded by Mr. Marlon Sylvester.

The President noted the Credit Committee's Report on pages 40 to 43. He complimented the Committee on the number of meetings held, weekly meetings, sometimes twice, adding that it is a very demanding and critical area in terms of loans. He thanked them for the hard work they would have done during 2014.

Mr. Keston Crichlow, employee in referring to page 41, Site Visits, enquired whether the membership was aware that they had to pay for the site visit because sometimes they were usually surprised to see a charge on their accounts; and secondly, how is that fee calculated?

The President informed the membership that the matter of the site visit fee was a Board decision which has been in place for several years, adding that when a member applies for a loan he or she should be provided with all the necessary information. He noted that the fee was not applicable to everyone as it was only applicable to house renovations loans over \$20,000.

Acceptance

The Credit Committee Report was accepted on a majority vote taken by a show of hands:

Vote: For – 67; Against —57

11.3 Supervisory Committee Report

The President noted the Supervisory Committee's Report on pages 45 to 47. A motion for the entertainment of the Supervisory Committee Report was moved by Mr. Dillon Lazarus and seconded by Mr. Stefan Small.

Page 45 - Composition of Committee: The President took the opportunity to congratulate the young men and women of the Supervisory Committee. He noted that they had all undergone training in anti-money laundering and counter-finance terrorism awareness as had all other Board and statutory committee members.

Acceptance

There were no questions and/or comments on the report. The Supervisory Committee's Report was approved on a motion moved by Mr. Marlon Sylvester and seconded by Mr. Claude Dillon.

The President thanked Mrs. Fahey for all the work she would have done over the past three years, noting that she was now statute-barred from that committee.

11.4 Education Committee Report

A motion for the entertainment of the Education Committee's Report was moved by Ms. June Placide and seconded by Mr. Gerald Antoine.

Mr. Alvin Cudjoe, Vice President, presented the Education Committee's Report as stated on pages 49 to 52.

The Vice President advised the membership of the Youth Arm Committee which was recently established catering for persons zero to 25 years and invited all youths to join. He noted that they were assisting with the day's AGM. He also informed of the Junior Cooperative Entrepreneurship Programme (JCEP), which was a coming together between the Junior Achievement of Trinidad and Tobago and the Cooperative Division which set about to adopt schools across Trinidad and Tobago as Junior Cooperatives. Progressive Credit Union has adopted the St. Stephen's College, Princes Town as a Junior Cooperative with the aim of increasing membership.

He invited members' participation in the Kite Flying competition to be put on by the Youth Arm at the Chaguanas South Secondary School on 18th April, 2015.

He lamented the difficulty the Committee faced with regards to getting members to attend training programmes. He informed of the upcoming training programme on testimonials and wills carded for April 25th and encouraged interested members to leave their names at the registration desk and they would be contacted with regard to the venue. He also noted that the Education Committee would be developing a number of entrepreneurial training sessions during the coming year.

Mr. Gerald Antoine commended the Unit on the timely distribution of the Brochure. However, with respect to the education programme which was attended by nominees, he queried why there was no such programme in place for the general membership.

The President informed that the particular programme on the Roles and Responsibilities of Statutory Committee Members was on an invitation from the Commissioner of Cooperatives because they recognized that as the organization progressed, we needed people to offer themselves to serve and in this instance the persons who had offered themselves to serve were invited to attend a training programme to equip them for what they were about to embark on.

The Education Committee's Report was accepted on a motion moved by Ms. Shermin Sylvester and seconded by Mr. Arthur Friday.

11.5 Auditor's Report/Financial Statements

The Auditor's Report was read by Mr. R. Ramdass of R. Ramdass and Company.

A motion for the entertainment of the Financial Statements was moved by Mr. Gerald Antoine and seconded by Ms. Inga Crick.

Mr. Holly Francois, the Treasurer, presented the financial statements at pages 3 to 27 and highlighted the following:

- Statement of Comprehensive Income –
 - increase in Total Income of \$1.9 million

 - Expenditure
 - Donations – \$90,668: there was an increase of \$58,000 over the period 2013/2014 due to the fact that there were a couple members who were distressed by fire; also charitable organizations, children homes, NGOs and needy families
 - Insurances \$1,350,038: The Credit Union has to cover the loans and shares and as the loans increase the premiums increase
 - Legal and professional fees \$233,561: This includes a retainer fee for an in-house lawyer, services of a software and IR consultant among others.
 - Total expenditure \$8,011,443
 - Surplus – \$3,248,925 an increase of \$1.2 million (61% increase)

 - Statement of Financial Position:
 - Total noncurrent Assets - \$86,335,549
 - Current Assets - \$3,133,649
 - Total Assets - \$89,469,198 (increase of 10%)

Mr. Gerald Antoine asked the Treasurer to clarify investments on page 16. Mr. Francois responded that the reduction related to quoted share prices of these stocks. Every year we would have to adjust

the account for the value of the stock quoted on the Stock Exchange and sometimes they go up and sometimes they go down. For 2014 there was a reduction in some of them that would have caused the difference.

The member further asked for clarity under Medium and Long Term financing as it referred to refurbishing in 2014 and queried whether during that short period there was need to borrow funds again to do repairs.

Mr. Francois responded that the long term financing refers to a loan that was taken at the time the original renovations were done to refurbish the building to its current state. The balance relates to the unpaid portion of that loan of \$58,000 as we would have repaid the loan over the past three years resulting in that outstanding balance. Mr. Francois informed that at the end of 2015 it would have been paid off.

Mr. Alexander queried on the income statement at page 4, whether the provision for loan losses figure of \$900,000 could be reduced; what would be some suggestions to reduce that figure? He also enquired about the link between this figure and delinquency and how we were faring with delinquency.

Mr. Francois replied that when the Credit Committee grants a loan it is on the premise that the borrower is committed to repay. As we all know it does not always happen. We have to do what is necessary.

Mr. Ramjohn noting that the delinquency figure had increased to \$900,000, felt that was misleading as there should be a level of decrease not increase.

Ms. Jacob stated that it was a provision for loan losses; even if we write off \$2 million/\$1.5 that is just for accounting purposes because we will still pursue the members to pay; when they pay it is reversed. She also asked that members consider the cooperative spirit of the Credit Union which was to help its members. She repeated the call for members to assist in locating delinquent members who the organization was finding it difficult to locate in order, to retrieve other members' money.

Mr. Lazarus questioned the statement that delinquent members could not be found by outlining the requirements for applying for a loan. The President noted that sometimes a person applies for a loan and is servicing it, but six months later they move or they leave their job, or they are on injury leave; you cannot tell what is going to happen. But members do run into a state of delinquency; we understand that members have difficulties to repay. The President stated that the Society was not just writing off delinquent loan but pursuing the recovery including the intervention of the Commissioner of Cooperatives at the level of the High Court. So far we have recorded success in this area and have not levied on anyone but the time will come when we may have to do that.

Acceptance

The Auditors' Report and Financial Statements was approved on a motion moved by Mr. Malcolm Alexander and seconded by Mr. Gerald Antoine

The President recognized past Presidents Mr. Malcolm Alexander and Mr. Michael Hunte, and Mr. Brian Moore, member of the Board of Directors of the Credit Union League.

12.0 NOMINATING COMMITTEE'S REPORT

A motion for the entertainment of the Nominating Committee's Report was moved by Ms. Wendy Haynes and seconded by Mr. Marlon Sylvester.

Ms. Veronica Jacob presented the Nominating Committee's Report as stated on pages 25 and 26 of the Annual Report. Nominees for election to the Board and Statutory Committees were as follows:

Supervisory Committee

Mr. Erskine Abel
Ms. Ann Marie Campbell
Ms. Gemma Ottley
Ms. Charen Glasgow

Board of Directors:

Mr. Samuel Peters
Mr. Stephen Fraser
Ms. Georgiana Cudjoe
Mr. Gerald Antoine
Ms. Marilyn John-Fahey

Credit Committee

Mr. Clarence Duke
Mr. William Solomon
Mr. Stefan Small
Ms. Allyson Joan White
Mrs. Gale Trim-Harris
Mr. Rawle Gray
Ms. Adeleine Gittens
Ms. Anne Simmons

The Chairperson reiterated the need for persons interested in serving to equip themselves with the relevant information of the policies of the committees for which they have applied, adding that whether the legislation comes through or not, the organization needed persons who are capable of moving it forward, persons who are equipped to take it through the next 30 years.

The President thanked the members of the Committee for the hard work they would have put in over a period of weeks of interviews.

Mr. Stefan Small was asked to identify himself as his photo had been inadvertently left out of the profile booklet.

Acceptance

The Nominating Committee's Report was accepted on a motion moved by Mr. Dillon Lazarus and seconded by Mr. Loris Benjamin.

13.0 2nd CREDENTIAL REPORT

Ms. Ann Marie Campbell of the Credentials Committee reported that at 1.20 p.m. there were three hundred and seven (307) members and seven (7) guests present.

14.0 ELECTION OF OFFICERS

The President introduced Ms. Carlene Cayenne of the Co-operative Development Division, Ministry of Labour and Small & Micro Enterprise Development to conduct the election process. She was assisted by Ms. Surilla Alvarez-Phillips, Ms. Vera Mohammed, Ms. Irene Hamid, and Ms. Marsha Fazal-Phagoo.

After being informed of the election process, members cast their votes.

15.0 ELECTION RESULTS

The results of the election were as follows:

Supervisory Committee

| Officer | No. of Votes |
|------------------------|--------------|
| Ms. Gemma Ottley | 214 |
| Mr. Erskine Abel | 225 |
| Ms. Ann Marie Campbell | 174 |
| Ms. Charen Glasgow | 119 (Alt.) |

Credit Committee

| Officer | No. of Votes |
|------------------------|---------------------|
| Ms. Gale Trim Harris | 100 |
| Ms. Allyson Joan White | 133 (1st alternate) |
| Mr. Rawle Gray | 152 |
| Mr. Stefan Small | 150 |
| Ms. Adeleine Gittens | 130 (2nd alternate) |
| Mr. William Solomon | 158 |
| Mr. Clarence Duke | 212 |
| Ms. Anne Simmons | 145 |

Board of Directors:

| Officer | No. of Votes |
|-------------------------|--------------|
| Mrs. Marilyn John-Fahey | 221 |
| Ms. Georgiana Cudjoe | 206 |
| Mr. Samuel Peters | 162 |
| Mr. Stephen Fraser | 176 |
| Mr. Gerald Antoine | 130 (Alt.) |

16.0 DESTRUCTION OF BALLOTS

Mr. William Solomon moved a motion for the destruction of the ballots which was seconded by Mr. Dillon Lazarus and accepted by the meeting.

The President thanked the officers of the Cooperative Division and welcomed the newly elected officers to the Board of Directors and the other Statutory Committees.

17.0 BUDGET

A motion was moved for the entertainment of the Statement of Budgeted Income & Expenditure for 2015 by Mr. Marlon Sylvester and seconded by Mr. Malcolm Alexander.

The President presented the Statement of Budgeted Income & Expenditure for 2015 and highlighted the following projections:

- Total expenditure \$7.6 million
- Total projected income of \$1.5 million
- Surplus \$3,925,839.98 (2.9% increase)

Acceptance

The Budget for 2015 was accepted on a motion moved by Ms. Shermin Sylvester and seconded by Mr. Malcolm Alexander.

18.0 RESOLUTIONS:

The following resolutions were unanimously approved by the meeting:

18.1 Appointment of Auditors:

Be it resolved, That the firm R. Ramdass and Company be appointed Auditors for the Progressive Credit Union Cooperative Society Limited for the year ending 2015, December 31.

This resolution was seconded by Mr. Selwyn Paul.

18.2 Dividend and Honoraria:

Be it resolved, That in accordance with Bye-Law No. 15(b)(v) the Net Surplus as at 2014 December 31st, in the sum of three million, two hundred and forty-eight thousand, nine hundred and twenty-five dollars (\$3,248, 925.00) be divided as follows:

1. Dividend of 3 % - \$2.04 million credited to members' Deposit Accounts.
2. Rebate of 2% - \$.2 million credited to members' deposit account
3. Honoraria - \$116,000.00

This resolution was seconded by Ms. Allyson White

Mr. Lazarus raised the issue of members having access to their dividends instead of it being deposited to their share account. He noted it was the fourth time he was raising that issue. He stressed that members wanted access to it.

The President clarified that 2% was going to members' deposit which they had access to. He added that the Board looked at the suggestions and made adjustments.

19.0 GENERAL BUSINESS

Mr. Ramjohn requested a breakdown of the cost of the renovations and asked whether there was any form of tendering for the works undertaken.

The President could not provide the answer at that time but stated that the member was free to go in to the Credit Union and request this information. With respect to tendering, the Board would have received submissions from four contractors and given approval to select one of them.

Ms. Hazel Phillip voiced her concern with respect to the 'Christmas Box' saying that members were forced to spend the total amount at one time. She suggested that other outlets should be made available to members or that the 'Christmas Box' be given in cash.

The President noted the member's concern and stated that management continued to look at other ways to deal with the 'Christmas Box'.

Ms. Camille Ottley queried why tokens given at AGMs were not available at the outlets after holding of the AGM. The President explained that as the name implied, it was a token, an encouragement; it was an enticement to encourage members to come to the AGM; it is not intended for all 6,900 members.

Mr. Stephen Castillo complained about the length of time it takes to receive a cheque. The President promised to look at ways of improving that process. He noted that the Credit Union no longer issued handwritten cheques as these are now prepared electronically, which it was thought would have speeded up the process. The Member's concern was noted.

Ms. Diane Holford enquired what would be the position for members who do not have a deposit account. The President assured that the money would be put on a holding account which members would be able to access.

Mr. Solomon enquired as to the ongoing negotiation with the staff of the Credit Union. The President responded that the issue was addressed in the President's Address and that the management is to meet with the union next week so the matter could be pursued and hopefully resolved.

Ms. Shurlander Frank -Jacob enquired as to what provisions are in place for members who are physically disabled and cannot access the Barataria office. The President noted the member's concern adding that at present there was nothing in place but in the interim officers were willing to go downstairs to serve the member.

20.0 DOOR PRIZES

Members with the following tickets won door prizes:

| Tickets Nos. | Members |
|---------------------|--|
| 0189 | Patsy Foster |
| 0021 | Joanne Valentine |
| 0318 | Kido Philander |
| 0198 | Michelle Jones and Marilyn Miller Pitt |
| 0283 | Trisha D Ali |
| 0305 | Camille Ottley |
| 0351 | Jason Forbes |
| 0398 | Denise Timothy |
| 0237 | Georgiana Wallace |

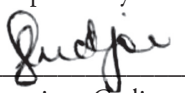
The President invited Marketing Coordinator, Gianna Guevara to address Members. She informed of the 7th annual boat cruise scheduled for Saturday June 6th on the Point Loma boat which docks at the Water Taxi Shed outside the Breakfast shed. She also reminded members of the Kite Flying competition scheduled for Saturday April 18th at the Chaguanas South Secondary School starting at 10.00 a.m.

21.0 VOTE OF THANKS

Ms. Veronica Jacob, on behalf of the Board of Directors, thanked Almighty God for bringing us safely and having a successful Meeting. She thanked the guest speaker and other guests for their attendance; members from Tobago who made that special effort and all other members despite the weather. She wished all a safe journey home.

There being no further business to discuss, the meeting ended at 2.50 p.m.

Co-operatively Yours,



 Georgiana Cudjoe
 Secretary

PRESIDENT'S MESSAGE



Veronica Jacob
President

Good morning to the Feature Address Speaker, Specially invited guests, Board of Directors, members of staff, shareholders, ladies and gentlemen, on behalf of the Board of Directors, management and staff of this auspicious unit, welcome to the **29th** Annual General Meeting of the Progressive Credit Union Co-operative Society Limited. We have chosen the theme **PEOPLE, PURPOSE, PASSION** for this occasion.

Now, it is my privilege to address this meeting as your first female President of the Progressive Credit Union. I would first like to give a slight overview of the economy, review the performance during the past year 2015, state some of our accomplishments and elaborate on our chosen theme - **PEOPLE, PURPOSE, PASSION**.

ECONOMIC OVERVIEW

It is no secret that the economic environment in Trinidad and Tobago has changed tremendously. This is mainly due to the continuing downward spiraling of oil prices from which we cannot escape. During the past twelve (12) months oil prices declined from approximately \$54US per barrel to approximately \$34US a barrel, a decrease of 37%. We must remember that the production of oil in this country is not close in quantity to the existing production of oil from developed countries. The country at present is in recessionary mode and therefore it is advisable for us to be more prudent in our financial endeavors. Based on our position in the oil and gas market we are therefore a price taker as our country is too small to be a price maker.

In this declining economy, survival is the order of the day. The present situation is one of great concern; however we have to manage this situation together so that we can all evolve from this victoriously.

PEOPLE, PURPOSE, PASSION

PEOPLE: These are the men, women, youth arm and kiddies' arm of this unit as well as the citizens of this nation. We depend on your participation and involvement, because you are the pillar of this credit union. We need people to offer themselves to serve in this institution which we collectively own.

Any member offering himself/herself to serve on the Board and Committees of the Progressive Credit Union according to the proposed legislation, must be a person of good character, competent, honest, reputable, reliable, with soundness of judgement. These attributes will determine whether the member do a diligent job in the position elected. Members should also consider if the person offering themselves has been convicted of any offence including fraud, dishonesty or violence, or contravened any provision designed to protect the public from financial misconduct or abuse. Additionally persons offering themselves to serve must not have been delinquent in meeting payments during previous periods. Honest people are an integral and important part of this Credit Union.

The survival of this Credit Union is dependent upon all of us who are gathered here today and your involvement starting with the proper selection of officers to run this society and serve you.

PURPOSE: Defined by Webster dictionary as - *that which a person sets before himself as an object to be accomplished; the end or aim for which the view is directed in any plan.*

The question is; What is the purpose of the Credit Union? We know that it was formed to bring all of us present here today and those who are not here, to save together, assist one another during difficult times, support each other to accomplish what some thought were insurmountable; and make loans available **to be repaid** with interest on a reducing balance. This is what we have honored consistently and enthusiastically for the past 31 years.

The principle of providing loans to our members is based on **trust** and members have an **obligation** to repay their loans in a timely manner and save generously. When members err in repaying their loan, they deprive other shareholders/members from getting a proper return on their investment, as well as allowing the credit union to utilize resources to retrieve payments which could have been used elsewhere. I would like to urge all members with loan balances and those who intend to borrow to do what is right by honoring your commitment honestly and in a timely manner to prevent delinquency.

The loan portfolio is the primary source of income for most credit unions and Progressive is not exempted from this. Our loan to asset ratio exceeds the threshold of 70-80%. This is of grave concern and the Board is committed to addressing this matter in the immediate future. There are things we can control and there are things over which we have no control. At present we can only monitor the loan portfolio and act immediately upon early signs of possible delinquency. However, the Board of Directors need to continue reviewing and improving strategies and ensuring that they are adopted by the Credit Committee, Management and staff. Once the objectives of these strategies are carried out efficiently and conscientiously, we would be in a better position to manage the delinquency portfolio.

PASSION is defined as “**A strong amorous feeling or desire; love; intense devotion, eagerness. A strong or extravagant fondness, enthusiasm or desire for anything.** These are but a few of the adjectives to describe the feelings we have for this Credit Union.

Passion will be fulfilled when our desires are the same, that is, our commitment to the continued success of the Credit Union. It is imperative that persons be passionate when deciding to serve. Members who are interested in serving on the Board and Committees should have that great desire to carry this unit forward. The **focus** of members, who are elevated to the Board of Directors and Committees through the voting process at the Annual General Meeting, **should not be for monetary gains and personal rewards**, but should be for the new ideas that they can bring to assist in moving the credit union forward, for the betterment of all shareholders. They ought to be zealous in analyzing our current situation internally, pursuing our opportunities vigorously and overcoming or reducing our threats. We must be eager to set an example and be professional at **all** times in everything they do.

PERFORMANCE OVERVIEW


2015 was a significant year, not just for our credit union but also for our country as a whole as there was a general election and the installation of a new government.

Notwithstanding the continued decline in the economy, I am pleased to report that the Credit Union ended the year with a net surplus of approximately \$4.5 million, an increase of 40.6% over the previous year. This was mainly due to an overall reduction in our expenditure and increase in revenue.

Members' retained earnings grew to \$8.3 million or 8.5% of assets. Total capital is now \$13.3 million or 13.7% of assets.

Capital and retained earnings are a measure of financial stability. Retained earnings increased to \$8.3 million, an increase of 24.2% and our total capital increased to approximately \$13.3 million, an increase of 15.8%.

Progressive Credit Union continued to demonstrate its' stability during 2015 in an economy which experienced low oil prices, increase inflation and foreign currency crisis. In fact, we successfully managed assets in the sum of \$97.9 million, an increase of 9.5% over 2014, and shares of \$76.5 million, an increase of 7.8%. Our loan portfolio increase to \$83.9 million, an increase of 6.5%. Our Loans to Assets ratio is 86% which continues to be high as this too will receive our fullest attention. These achievements were significant as the society was able



to settle a collective agreement with the Bank and General Workers Trade Union which represents all of our staff except Management.

COMPLIANCE WITH THE LAW / GOVERNANCE

Members are advised to get themselves acquainted with the different legislations and Acts which impact upon the operations of the Credit Union namely, the Co-operative Societies Act 81.03, the Financial Intelligence Unit Regulations, the Financial Obligation Regulations, The Finance Act 2015, Proceeds of Crime Act to name a few.

The society is committed to the adherence of these regulations as it is not a question of choice but obligation. It is therefore **MANDATORY** that we remain compliant with the laws and members must fulfil their part by providing the correct information as requested by the society.

The Credit Union Bill which is currently under consideration by the government is recommending that all Credit Unions be under the purview of the Central Bank. This would allow Financial Inspectors to directly supervise credit unions while the role of the Commissioner of Co-operatives would change to one of Registrar of Societies. The Financial Inspector would have access to all credit unions records and would be given a lot of powers, so it is very important that members become fully aware with the provisions in the Bill as it would not be business as usual.

The legislation also proposes some restrictions for dividends payments. The following are some of the main points.

- Dividends payments must be made from realized surplus which excludes any extraneous gains;
- The impairment of institutional capital has been corrected,
- All prior losses have been written off;
- Accounts have been audited

During the year in review, the SFCCU Co-operative Society invited our unit to participate in a seminar entitled '**New Legislative Framework**' which was held at the OWTU Hall in San Fernando on March 7, 2015. Also the credit union in conjunction with the Co-operative Division held the same program on May 9, 2015. Members were invited via text message, and this was fairly attended.

ACCOMPLISHMENTS

As part of our effort, we achieved several important goals we had set out for our credit union this past year.

- We acquired larger space at Sangster Hill Mall, Tobago. This area was refurbished during the month of November 2015 and the office was relocated in December 2015.
- Conclusion of the 2013 – 2016 Collective Agreement with the Bank and General Workers Trade Union and the payment of all outstanding arrears.
- Refurbishment of the female washroom – San Fernando upper floor
- Exceeded the projected surplus by over 40%

Our accomplishments would not have been possible without the heartfelt commitment and unified effort of our dedicated credit union staff, volunteers, board of directors and committees. Most of the above passion is truly inspiring, and I am continuously moved by some steadfast desire to serve the credit union movement. I thank them for their continuous commitment and I thank you, our members, for gracing us with your presence today, showing interest and participating in our credit union activities. It is because of your trust and continuing involvement that I as your President feel motivated and comfortable in knowing that the society continues to excel along the growth path.

Thank you and may the Almighty God bless each and every one of us.

NOMINATING COMMITTEE'S REPORT

The Progressive Credit Union Board promotes the selection for Board and Statutory Committee members in accordance with Bye-Laws 24 (a) and (b) through the Nominating Committee under the Corporate Governance area of the Credit Union.

The Nominating Committee was mandated to ensure that suitably qualified persons are 'fit and proper', and interviewed to fill vacant positions on the:

- (a) Board of Directors
- (b) Credit Committee
- (c) Supervisory Committee

COMPOSITION OF THE NOMINATING COMMITTEE

The Nominating Committee comprised the following members:

| | |
|-------------------------------|------------------------|
| Mr. Samuel Peters | Chairperson (Director) |
| Ms. Gem Saunders Le Maitre | Director |
| Mr. Yul Layne | Member |
| Mr. Dexter Walters | Member |
| Ms. Geraldine Veronique-Davis | Member |

METHODOLOGY

Advertisements were placed in the Trinidad Express newspaper during the month of December 2015, on 5th 16th 30th and January 2016, 6th 13th 20th 27th. This was supported by text messages sent to members on 21-01-2016 advising the specified deadline for submission of applications as January 29 2016.

In addition, flyers were placed at the Progressive Credit Union Head Office at #48 & 50 Chacon Street, San Fernando, North Office at # 80 Second Street, Barataria and at the Tobago Office, Unit 19, Sangster's Hill Mall, Sangster's Hill, Scarborough. Due to the unfavorable response, additional newspaper ads were done in February 2016, dated 5th and 10th. extending the nominations to February 12 2016. This did not significantly improve the membership's response.

FIT AND PROPER CRITERIA

All nomination forms were perused to determine whether all the relevant criteria were met. All the applicants were eligible to be nominated as set out by the guidelines of the Progressive Credit Union.

NOMINEES

There were twenty (20) nominees in total, ten (10) for the Board of Directors, six (6) for the Credit Committee and four (4) for the Supervisory Committee as follows-

Board of Directors

Mr. Erskine Abel
Mr. Alvin Cudjoe
Mr. Sashi Ranjit
Mr. Gerard Antoine
Ms. Sabrina Peters

Credit Committee

Mr. Mervyn Webster
Mr. William Solomon
Mr. Stefan Small
Ms. Yolanda H. Keshwar
Ms. Adeleine Gittens

Supervisory Committee

Ms. Anne Marie Campbell
Ms. Gemma Ottley
Mr. David Quamina
Ms. Veronica Jacob



Board of Directors

Ms. Allyson White
Mr. Juno Rawle Gray
Mr. Errol Thomas
Mr. Holly Francois
Ms. Lesley Ann Halls

Credit Committee

Mr. Clarence Duke

Supervisory Committee

INTERVIEWS

Interviews were scheduled over a three-day period

| | |
|--------------------------|---------------------------------|
| Saturday 12th March 2016 | (San Fernando Office) 8 persons |
| Sunday 13th March 2016 | (Barataria Office) 5 persons |
| Monday 14th March 2016 | (Barataria Office) 7 persons |

Special concession was afforded to Mr. William Solomon whose interview was conducted via phone as he had a prior engagement in Tobago.

All applicants were evaluated based on five (5) criterias:

- 1 Academic Qualification
- 2 Credit Union Experience
- 3 Communication
- 4 Personality/Department
- 5 Knowledge/Stability

The criteria were scored between 1 to 5 and a weighted average was taken off each of the committee members' score sheet to select the appropriate candidates.

Due to the number of persons applying for positions to the Board of Directors, a final decision was made in consultation with the various participants, to team the most effective knowledgeable groups to propel the Credit Union forward through this recession period. Therefore transfers were done with the participants' approval. One participant was unsuccessful.

BOARD OF DIRECTORS

| NO. | NAME |
|-----|------------------|
| 1 | Allyson White |
| 2 | Erskine Abel |
| 3 | Sabrina Peters |
| 4 | Lesley Ann Halls |
| 5 | Alvin Cudjoe |
| 6 | Holly Francois |
| 7 | Sashi Ranjit |
| 8 | Errol Thomas |

CREDIT COMMITTEE

| NO. | NAME |
|-----|--------------------|
| 1 | Adeleine Gittens |
| 2 | Stefan Small |
| 3 | Clarence Duke |
| 4 | William Solomon |
| 5 | Yolanda H. Keshwar |
| 6 | Mervyn Webster |

SUPERVISORY COMMITTEE

| NO. | NAME |
|------------|--------------------|
| 1 | Veronica Jacob |
| 2 | Gerald Antoine |
| 3 | Gemma Ottley |
| 4 | Ann Marie Campbell |
| 5 | David Quamina |

ORIENTATION

The uncomplimentary response along with the deadline extension, and the need to meet the stipulated date of the Annual General Meeting (AGM) curtailed this process. A structure has to be implemented to ensure in the future that all candidates attend an orientation program prior to their interview, to facilitate the acquisition of pertinent knowledge of their roles and functions in the various positions. This is envisaged to be implemented by the next AGM.

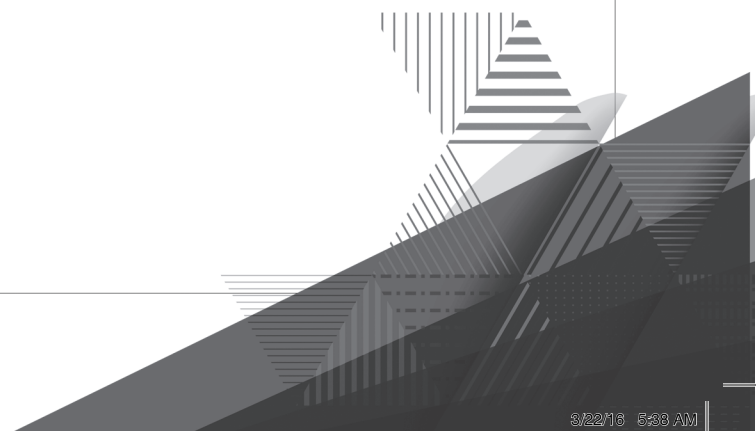
CONCLUSION

The Nominating Committee wishes to inform persons interested in serving at various levels in the Credit Union, that there is a need to equip themselves with relevant information on the processes of the committees to which they wish to apply, as well as other information pertinent to the functioning of Credit Unions.

Cooperatively yours



Samuel Peters
Chairman, Nominating Committee



BOARD OF DIRECTORS



Veronica Jacob - President



Marilyn John Fahey - Vice President



Georgiana Cudjoe - Secretary



Errol Thomas - Assistant Secretary



Holly Francois - Treasurer



Stephen Fraser - Director



Samuel Peters - Director



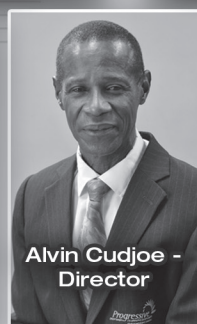
Michael Hernandez - Director



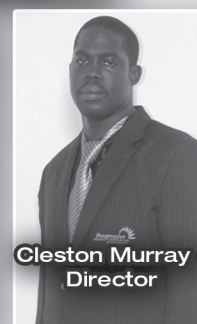
Gem Saunders-Le Maitre - Director



Candice Haynes - Director



Alvin Cudjoe - Director



Cleston Murray - Director

THE BOARD OF DIRECTOR'S REPORT

1.0 Introduction

The Board of Directors of the Progressive Credit Union takes pleasure in reporting to our shareholders on the performance of the society for the year ending 2015/2016.

The Society continued its path of success guided by our commitment to ensuring the financial and social well-being of our members. To this end, we remain focused on institutional strengthening by ensuring that we satisfy the external regulatory requirements set by the Commissioner for Corporative Development, the Financial Intelligence Unit (FIU) and the pending Credit Union legislation.


2.0 Economic Overview

According to the Central Bank of Trinidad & Tobago – Monetary Policy Report, November 2015, Volume XV, Number 2, global growth has been weaker than initially expected. In its latest World Economic Outlook in October 2015, the International Monetary Fund (IMF) projects the global economy to expand by roughly 3.1 per cent in 2015, down from an earlier estimate of 3.5 per cent in April 2015. The downward revision was due to slower growth in both advanced and developing countries. In 2016, the IMF projects the global economy to grow by just over 3.5 per cent.

In December 2015 the former Governor of the Central Bank stated that the economic growth prospects in the Country remained subdued amid weak business and consumer confidence. He continued that similar weak economic conditions prevailed into the fourth quarter of 2015. Following a dismal first half of 2015, domestic economic activity was depressed in the third quarter of 2015. Real GDP contracted by 1.5 per cent and 2.2 per cent (on a year-on-year basis) in the first and second quarters of 2015, respectively. Real GDP subsequently declined by 2.0 per cent in the third quarter of 2015. Similar weak economic conditions prevailed in the fourth quarter of 2015. The Governor highlighted that four consecutive quarters of decline in real GDP in 2015 meant that Trinidad and Tobago was officially in a recession.

Despite the contracting domestic economy, demand remains robust for foreign currency, which in the face of falling inflows from the energy sector, has placed tremendous pressures on the country's foreign currency reserves. To stymie potential foreign currency outflows, the Central Bank continued to gradually increase its policy rate - the Repo rate - during 2015, especially given the imminent hike in US interest rates.

At its December 2015 meeting the Central Bank's Monetary Policy Committee (MPC) agreed to raise the 'Repo' rate by 25 basis points to 4.75 per cent. Although this was the eighth consecutive hike in the Repo rate, the MPC still views the monetary policy stance to be accommodative enough to help facilitate growth in the non-energy sector. In making its interest rate decision, the MPC was also concerned about rising inflationary pressures into early 2016 due to fiscal measures such as the increase in fuel prices and reform of the Value Added Tax (VAT) announced in the 2015/2016 Budget. Further, in order to strengthen the transmission of the Repo rate increases, the Central Bank continue to aggressively absorb excess liquidity from the financial system.



The latest growth estimates point to weak economic activity in the first nine months of 2015. According to preliminary estimates from the Central Bank's Quarterly Real Gross Domestic Product (QGDP) Index, output declined by 1.9 per cent (year-on-year) in the first three quarters of 2015 compared with growth of 1.1 per cent in the corresponding period of 2014. Infrastructure works at several key players in the energy industry continued to hamper production in the sector. Meanwhile, the non-energy sector, which buoyed the domestic economy over the past few years, also lost momentum in 2015.

Over the first nine months of 2015, lower production in the upstream industry constrained output in the energy sector in general. Provisional information show the energy sector contracted by 4.7 per cent (year-on-year) in the first three quarters of 2015 compared with a decline of 1.5 per cent in the corresponding period in 2014. Non-energy sector real GDP was relatively flat (-0.1 per cent) in the first nine months of 2015, as opposed to relatively healthy growth of 2.9 per cent in the corresponding period in 2014. The Construction, Manufacturing and Distribution sub-sectors, which collectively account for close to 45.0 per cent of the non-energy economy, all recorded anaemic performances to date in 2015.

According to the Central Statistical Office, the rate of unemployment declined to 3.2 per cent in the second quarter of 2015, from 3.5 per cent in the second quarter of 2014 and 3.6 per cent (revised from 3.7 per cent) in the first quarter of 2015. However, the fall in the unemployment rate betrayed the emerging weakness in the labour market. A closer analysis revealed the number of persons employed fell by 7,600 persons, while the number unemployed also declined by 2,500 persons. In November 2015, Arcelor Mittal Point Lisas Ltd. took the decision to idle its steel plant until it receives a request to produce. In addition to the direct impact on energy output, this move also hints at the weakness facing the broader economy. The disparity between the fall in the numbers employed and unemployed, suggested more workers left the labour force. In fact, the labour force fell by 9,900 persons and the rate of participation declined to 61.0 per cent from 62.0 per cent in the second quarter of 2014.

Initial expectations suggest the Trinidad and Tobago economy may experience another year of contraction in 2016. Activity in the energy sector may be relatively subdued, as the industry continues to grapple with continued natural gas shortfalls. Production from BP's Juniper gas field is not expected to come on stream until 2017, while output from other ongoing exploration could likely take more than five years to realize a yield.

Given the global and domestic financial environment, the members of the Executive and Board of Directors, Statutory Committees, the Management and Staff of our Credit Union are challenged to respond to the changing needs of our valued members. The financial outlook suggests that we are likely to experience further decline over the medium term however, your Board remains committed to ensuring a high level of efficiency and management on the Society's funds – **YOUR FUNDS**, while growing and strengthening the Credit Union.

3.0 Governance Structure

The Inaugural meeting was held on Tuesday 7th April, 2015. The elected Executive Committee for the 2015/2016 term comprised of:-

| | |
|----------------------|---------------------|
| Ms. Veronica Jacob | President |
| Mr. Alvin Cudjoe | Vice President*** |
| Ms. Georgiana Cudjoe | Secretary |
| Mr. Errol Thomas | Assistant Secretary |
| Mr. Holly Francois | Treasurer |

Directors:-

Mr. Michael Hernandez
 Mr. Cleston Murray
 Ms. Gem Saunders- Le Maitre
 Ms. Candice Haynes
 Ms. Marilyn John- Fahey
 Mr. Samuel Peters
 Mr. Stephen Fraser

Alternate Director:-

Mr. Gerald Antoine

*** Vice President Mr. Alvin Cudjoe resigned in January 2016 and was replaced by Director Ms. Marilyn John-Fahey

The Board of Directors also appointed the following Management Committees.

Education Committee:-

| | |
|-----------------------------|------------------------|
| Mr. Alvin Cudjoe | - Chairman*** |
| Ms. Marcia Lue Shue-Douglas | - (Co-opted) Secretary |
| Mr. Anthony Perry | - Co-opted Member |
| Mr. Errol Thomas | - Member |
| Ms. Neisha Cudjoe | - Co-opted Member |
| Ms. Roxanne Forbes | - Co-opted Member |

*** The Chairman Mr. Alvin Cudjoe resigned in January 2016 and was replaced by Director Ms. Marilyn John-Fahey

Human Resource Committee:-

| | |
|----------------------------|-------------------|
| Mr. Errol Thomas | - Chairman |
| Ms. Candice Haynes | - Secretary |
| Ms. Gem Saunders Le-Maitre | - Member |
| Mr. Gerald Antoine | - Co-opted Member |
| Mr. Claude Dillion | - Co-opted Member |

Finance Committee:-

| | |
|-------------------------|-------------------|
| Mr. Holly Francois | - Chairman |
| Mr. Samuel Peters | - Member |
| Mr. Stephen Fraser | - Member |
| Ms. Marilyn John- Fahey | - Member |
| Mr. Malcolm Alexander | - Co-opted Member |

Properties Committee:-

| | |
|------------------------------|------------|
| Ms. Veronica Jacob | - Chairman |
| Mr. Michael Hernandez | - Member |
| Mr. Samuel Peters | - Member |
| Ms. Camille Joseph-Dipnarine | - Manager |

Delinquency Committee:-

| | |
|----------------------|------------------------|
| Ms. Georgiana Cudjoe | - Chairman |
| Ms. Allyson White | - (Co-opted) Secretary |

- Mr. Errol Thomas - Member
- Ms. Marilyn John-Fahey - Member
- Mr. Kido Philander - Staff Representative
- Mr. William Solomon - Chairperson (Credit Committee)

Health and Safety Committee

- Mr. Cleston Murray - Chairman
- Ms. Candice Haynes - Secretary
- Ms. Georgiana Cudjoe - Member
- Mr. Kido Philander - Staff Representative (South)
- Mr. Nyron Ramkissoon - Staff Representative (North)

Outgoing Board Members

The Outgoing Directors at the Annual General Meeting who are eligible for re-election and have indicated their willingness to continue to serve the Society are Mr. Holly Francois, Mr. Errol Thomas and Mr. Alvin Cudjoe. President Ms. Veronica Jacob is statute barred from the Board, but has indicated her willingness to serve on the Supervisory Committee.

4.0 Meetings

During the period under review a total of 13 Board Meetings, 5 Joint Meetings and 2 Special Meetings were held. The Supervisory Committee was well represented at all meetings.

Attendance at these meetings for the period March 2015 to April 2016 were as follows:-

| Name of Member | Board | Joint | Special | Excused | Absent | Total |
|-------------------------|-------|-------|---------|---------|--------|-------|
| Veronica Jacob | 13 | 6 | 2 | - | - | 21 |
| Alvin Cudjoe | 12 | 6 | 2 | 0 | 1 | 21 |
| Holly Francois | 13 | 6 | 2 | - | - | 21 |
| Georgiana Cudjoe | 13 | 6 | 2 | - | - | 21 |
| Errol Thomas | 13 | 6 | 2 | - | - | 21 |
| Marilyn John-Fahey | 12 | 6 | 2 | 1 | - | 21 |
| Gem Saunders- Le Maitre | 13 | 6 | 2 | - | - | 21 |
| Candice Haynes | 12 | 5 | 2 | 2 | - | 21 |
| Michael Hernandez | 11 | 6 | 2 | 2 | - | 21 |
| Cleston Murray | 12 | 5 | 2 | 2 | - | 21 |
| Stephen Fraser | 12 | 5 | 2 | 2 | - | 21 |
| Samuel Peters | 13 | 6 | 2 | - | - | 21 |

5.0 Membership

The Society continued in its pursuit to attract new members during the year, resulting in an acceptance of 296 new members. Our total membership at the end of the year was 7,143 members.

6.0 Financial Performance Highlights:-

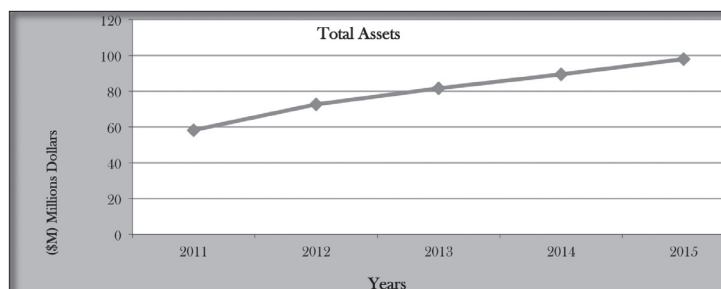
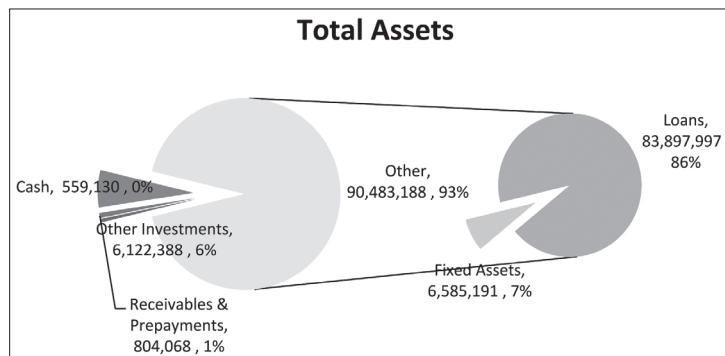
The Progressive Credit Union has once more delivered to you our members a year of strong results. These results are consistent with the trend established over the past few years and the Credit Union has been able to maintain a steady level of performance in several key areas while in many others substantial growth was achieved. These accomplishments were realized due to a combination of efforts, most notable is the consistent application of policies implemented under the direction of the Board of Directors in the management of the affairs of the Society. We are therefore very pleased to deliver another year of outstanding performance, the key details of which are provided below:

| Year | Shares | Deposits | Loans | Surplus | Assets |
|------|------------|-----------|------------|-----------|------------|
| 2015 | 76,464,592 | 5,800,743 | 83,897,997 | 4,567,656 | 97,968,774 |
| 2014 | 70,961,170 | 5,116,200 | 78,824,241 | 3,248,925 | 89,469,198 |
| 2013 | 64,348,284 | 3,832,377 | 67,237,346 | 2,010,219 | 81,615,535 |
| 2012 | 57,992,518 | 2,778,046 | 59,539,676 | 2,038,750 | 72,723,712 |
| 2011 | 51,894,966 | 2,168,767 | 54,371,193 | 3,385,403 | 66,963,664 |

Table 1: Financial Highlights

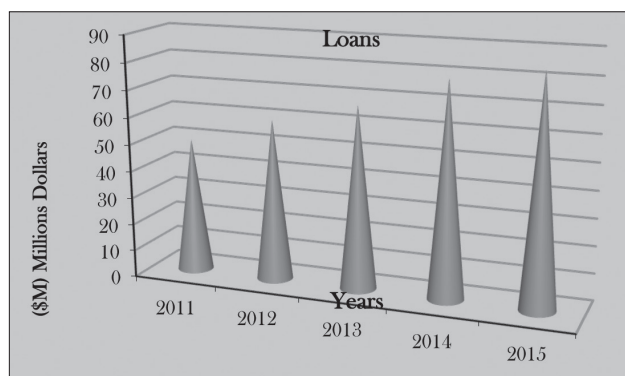
Total Assets

Total assets increased by \$8.5m or 9.5% moving from \$89.5m in 2014 to \$98m in 2015. This increase was due in part to the increase in the loan portfolio and also the increase in the investment portfolio. The investments portfolio increased by \$3.6m or 236%, moving from \$1.5m in 2014 to \$5.1m in 2015.



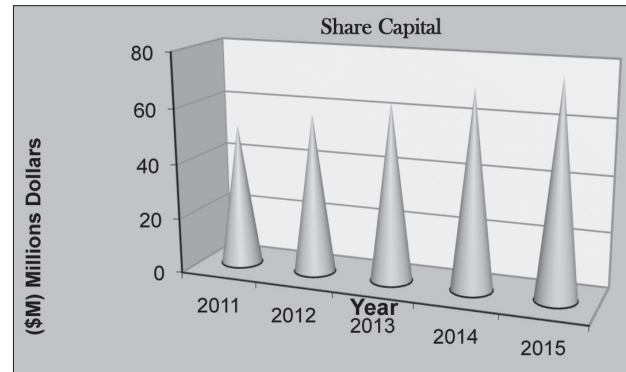
Loans

The loans to members portfolio accounts for 86% of the total assets of the Society in 2015. The portfolio increased by \$5.1m or 6.4% moving from the \$78.8m in 2014 to \$83.9m in 2015.



Shares

Shares increased by \$5.5M or 7.8% moving from \$71M in 2014 to \$76.5M in 2015.



Income and Expenditure

Total income increased by \$730k or 6% moving from \$11.3m in 2014 to \$12.0m in 2015. The total expenditure reduced by \$590k or 7.9% moving from \$8m in 2014 to \$7.4m in 2015. This reduction can be attributed mainly to the reduction in the loan losses provision which was reduced by \$600k from the 2014 level. The surplus increased by \$1.3m or 41% moving from \$3.2m in 2014 to \$4.6m in 2015.

Pearls Ratio

The following table highlights the major performance indicators using the PEARLS system as a guide to assessing the operations of the Credit Union for 2015 as compared with 2014.

| RATIO | PEARLS STANDARD | 2014 | 2015 |
|-------------------------------------|-----------------|-------|--------|
| P Solvency | 100% | 122.2 | 125.7% |
| Prov. Allowances > 1yr | 100% | 100% | 182.2% |
| Prov. Allowances 1-12mths | 35% | 89.0% | 175.9% |
| E Net Loans to Total Assets | 70-80% | 88.1% | 85.5% |
| Institutional Capital/Total Assets> | 10% | 12.7% | 13.7% |
| A Total Delinquency | <=5% | 6.1% | 5.3% |
| R Net Loan Income/Loan Portfolio | Entrep. Rate | 12.8% | 12.6% |
| Total Operating Exp/Total Assets | <5% | 8.9% | 7.6% |
| L Cash Resources/Total Assets | >20% | 3.1% | 5.7% |
| S Growth in Loans | | 17.2% | 6.2% |
| Growth in Total Assets | >Inflation | 9.6% | 9.5% |

Table2: Pearls Ratios

7.0

Delinquency

Our Recoveries Department and Committee continues to work closely with the Commissioner for Co-operatives' Arbitration Department in the recovery process on outstanding loans deemed to be delinquent. Judgement granted by the Commissioner during the period have totalled a value of \$54,515.00

Prudent Management Approach dictates that loan loss provision must be instituted. The sum of \$300,000.00 has been provided in the 2015 accounts.

The total loan provision as at December 31st, 2015 is \$5,092,381.00

| Loan Category | Total | Shares/Collateral /Judgements | Exposure |
|-----------------------|---------------|-------------------------------|---------------|
| Ordinary Loans | 8,194,111.63 | (4696,543.,28) | 3,497,568.35 |
| Other Loan Categories | 2,131,268.99 | (927,688.50) | 1,203,580.49 |
| Total Delinquency | 10,325,380.62 | (5,624,231.78) | 4,701,148.84 |
| Total Loans O/S | | | 88,816,221.00 |
| Delinquency Ratio | | | 5.29% |

Table 3 – Delinquency Portfolio

8.0 Projections – 2016

| Projections 2015 | Status | Projections 2016 |
|----------------------------------|--|------------------------------------|
| New member growth of 600 | 296 New members were admitted into the Society in 2015 | New member growth target of 600 |
| Net share growth of \$7.5M. | Net share growth of \$5.5M. | Net share growth of \$7.5Mn. |
| Loan disbursement of \$ 50M. | Loan disbursement of \$40M. | Loan disbursement of \$44 Mn. |
| Increase in investments to \$5M. | Total Investments of \$6.1M. | Increase in investments to \$7.5M. |
| Surplus 3.9\$M. | Surplus - \$4.5M. | Surplus \$4.1M. |
| Dividend payment 4% | Board recommends 4% & Rebate of 3% | Dividend payment 4%. |
| Delinquency 5% | Delinquency 5.3% | Delinquency 5% |

Table 4: Projections and Status

9.0 Human Resources

During the period under review the Society continued on its path to increased efficiency and output through our greatest assets, our Human Resource. The staff comprised -16 permanent employees and 4 contract employees. The staff changes during the period were as follows:

- During the year 2015 we had the following confirmations: Esther Simmons and Rholda John
- Joining the Society during the period were Darren Deokumar and Turon Nicholas
- Resigning from the Society were Kido Phillander, Janice Burke Cummings and Jerusha Oji We take this opportunity to wish them the best in their new endeavors

10.0 Marketing

10.1 Website

In 2015, Forward Multimedia Limited was contracted to design the concept and layout of a website for Progressive Credit Union. The site has since been completed. The website address is www.progressivecutt.com. Please log on and view the website and let us know what you think!

10.2 **7th Annual Boat Cruise – Anniversary Edition**

Progressive Credit Union hosted its 7th Annual Boat Cruise on board the Point Loma Boat on Saturday 6th June 2015. This boat was docked at Anchorage in Chaguaramas due to repairs being done at the Breakfast Shed in Port-of-Spain. The theme of the event was Luau – A Cooler Party. A mix of two hundred and thirty-five (235) members and non-members were in attendance.

All on board partied to the sounds of the in-house DJ Linx. Also, the Credit Union's most recent tradition of door prize giving at this event continued with the distribution of two (2) hampers to one (1) male and one (1) female ticket holder.

10.3 **Business Development Activities**

Progressive continued its business development activities aimed at growing its membership and increasing brand awareness. In 2015, a direct mailing exercise was coordinated in various areas of Trinidad and Tobago with ten thousand (10,000) of our Youth and Kiddie Arm Brochures being distributed in February 2015. The exercise was facilitated by the Trinidad and Tobago Express Newspaper. This was also done for the Christmas Club Account, with the same amount of flyers being distributed in July 2015 in the same manner.

10.4 **Digital Signage and Text Messaging**

In December of 2015, the television screens at the South and North offices were equipped with a new system referred to as Digital Signage. This system enabled advertisements to be played simultaneously along with cable television, but with the purpose of alerting members to the most recent activities taking place within the Society, as well as information on the products and services being offered.

10.5 **Upcoming Events**

The following is a preview of Progressive's planned marketing efforts for the year 2016:

1. *Membership Survey* *March 2016*
2. *Re -Launch of the Vacation Club Account* *April 2016*
3. *Newsletter* *April 2016*
4. *Fixed Deposit Contest* *May 2016*
5. *Digital Signage Partnership w/Massy Stores* *June 2016*
6. *Christmas Newsletter* *December 2016*

11.0 **Obituaries**

The Board of Directors mourn the passing of members and extend condolences to the bereaved families of those who passed away or experienced the passing of a loved one during the past year.

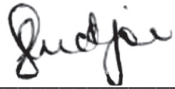
12.0 **Conclusion**

In the midst of economic uncertainty, Progressive Credit Union Society's focus remains on the sustained financial well-being of our members. We will identify and explore new growth opportunities that are in accordance with this objective while ensuring that risks' are monitored and mitigated. Some of the measures outlined in the new policy framework established by the Central Bank in the regulations of Credit Unions, have already been implemented in some instances.

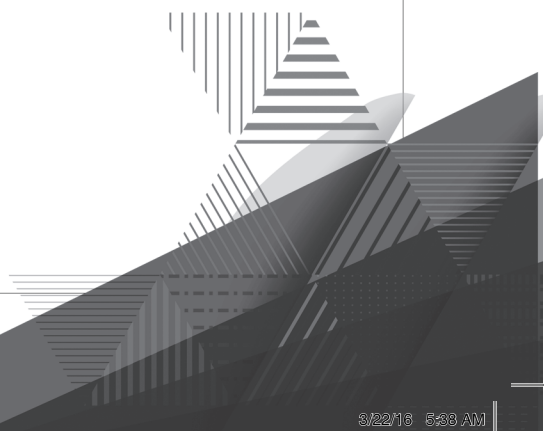
To our hardworking General Manager and staff we offer our heartfelt thanks for another year of success, to the Board, Statutory Committees and co-opted members of all Board appointed committees we offer our sincerest appreciation. Most of all we thank you the members of this great Society for the confidence you continue to repose on us.

We thank God for bestowing his richest blessing in allowing us to achieve another year of success and we ask that his blessing would prevail as we approach one of the most trying period in our nations' history.

Cooperatively Yours,



Georgiana Cudjoe
Secretary



STAFF



Camille Joseph Dipnarine
- General Manager



SOUTH STAFF



NORTH STAFF



TOBAGO STAFF

CREDIT COMMITTEE'S REPORT

1.0 INTRODUCTION:

The Credit Committee is pleased to present to our membership, the report of the year in review ending February 29th, 2016. The Committee has done its best to promote the growth of loans by managing delinquency and other challenges that the society was confronted with.

2.0 COMPOSITION OF THE COMMITTEE:

The Annual General Meeting of the Progressive Credit Union Co-operative Society Limited was convened on March 28th, 2015 at the Northern Floor Space, Centre Point Mall, Chaguanas.

The following members were elected to the Credit Committee:

- William Solomon: Chairperson
- Anne Simmons: Secretary
- Clarence Duke: Member
- Rawle Gray: Member
- Stefan Small: Member
- Allyson White: 1st Alternate
- Adeleine Gittens: 2nd Alternate

3.0 MEETINGS:

The Committee held meetings once per week or as required to consider loan applications by the membership. These meetings were held at the North and South branches.

A few visits were made to the Tobago branch to conduct interviews and review loan applications.

3.1 *Joint Meetings:*

According to the Bye Law regulations the committee attended six (6) joint meetings with the Board of Directors and Supervisory Committee.

3.2 *Other:*

A meeting was held with the General Manager and Loans Department to formulate new processes for loan applications.

3.3 *Attendance at meeting*

| NAME | PRESENT | ABSENT | EXCUSED |
|-----------------|---------|--------|---------|
| William Solomon | 40 | 1 | 1 |
| Anne Simmons | 35 | 2 | 5 |
| Clarence Duke | 40 | 1 | 1 |
| Rawle Gray | 35 | 2 | 5 |
| Stefan Small | 40 | 1 | 1 |

4.0 LOAN ADMINISTRATION:

During the period in review, the committee held 42 meetings for the consideration and approval of loan applications.

5.0 LOAN ANALYSIS:

The total loan applications approved for 2015 was Thirty Nine Million, Nine Hundred and Fifty Seven Thousand, Eight Hundred and Ninety Eight Dollars (\$39,957,898.00). The sum reflects a decrease of Four Million, Six Hundred and Eighty Eight Thousand and Thirty Eight Dollars and Twenty Three Cents (\$4,688,038.23) when compared to the same period for 2014 which was Forty four Million, Six Hundred and forty Five Thousand, Nine Hundred and Thirty Six Dollars and Twenty Three Cents (\$44,645,936.23).

6.0 TRAINING / SEMINARS:

- Co-operative Governance
- Financial Intelligence Unit (FIU)
- Delinquency

7.0 SITE VISITS / INTERVIEWS:

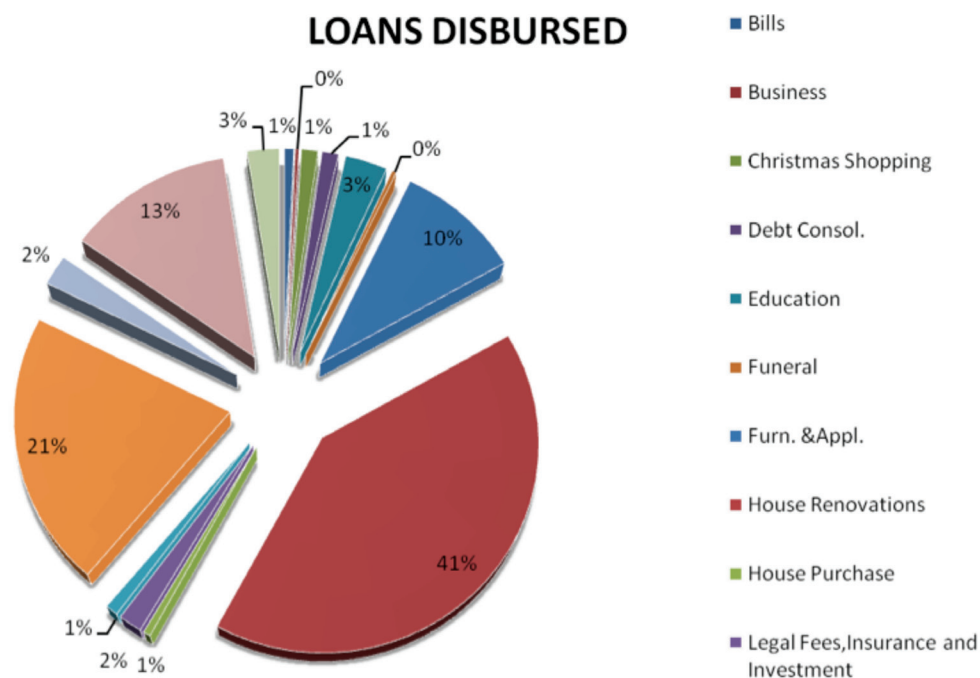
Site Visits – These were conducted to assist members who submitted loan applications for house renovations. These visits provided first – hand information to allow the committee to assess the needs of the members.

Interviews – Several interviews were held with members. Some of these were requested by the members and others by the Credit Committee; in both instances it served the purpose of getting further information; to either bring clarity or confirmation on matters before the Committee, and an opportunity to give financial counselling to members.

TYPES OF LOANS APPROVED:

| LOANS APPROVED | # OF LOANS | 2014\$ | 2015\$ |
|--------------------------------------|--------------|----------------------|----------------------|
| Bills | 62 | 325,401.00 | 278,840.00 |
| Business | 7 | 44,140.00 | 104,835.00 |
| Christmas Shopping | 74 | 481,475.00 | 485,590.00 |
| Debt-Consolidation | 46 | 819,428.09 | 489,100.83 |
| Education | 198 | 1,361,321.95 | 1,256,856.40 |
| Funeral | 23 | 143,377.75 | 130,710.00 |
| Furniture & Appliances | 334 | 4,073,532.15 | 3,738,891.06 |
| House Renovations | 809 | 17,804,903.96 | 15,849,822.93 |
| House Purchase | 6 | 654,965.00 | 207,439.25 |
| Legal Fees, Insurance and Investment | 57 | 546,991.66 | 667,811.98 |
| Medical | 56 | 569,122.90 | 361,345.00 |
| Personal | 2,686 | 7,487,213.83 | 8,199,223.80 |
| Travel | 69 | 750,950.00 | 910,641.52 |
| Vehicle Purchase | 79 | 6,712,186.33 | 4,941,578.44 |
| Vehicle Repairs | 91 | 970,376.61 | 944,961.90 |
| Christmas Box | 562 | 1,540,550.00 | 1,390,250.00 |
| TOTAL | 5,159 | 44,645,936.23 | 39,957,898.00 |

LOANS DISBURSED: PIE CHART



8.0 DELINQUENCY

Delinquent loans continue to be a challenge for the Credit Union despite the measures that are in place. Members are reminded that their refusal to pay their loans in a timely manner affects the membership and ultimately the Credit Union. The Credit Committee continues to consult with the Delinquency Committee to further develop ways to reduce the rate of delinquency.

9.0 CONCLUSION:

The Credit Committee could not have fulfilled its obligations to the membership without the assistance of the following:

- Board of Directors
- Supervisory Committee
- General Manager and Staff

The Credit Committee sincerely thanks those mentioned above, for their support, commitment and cooperation. We also would like to recognize the membership for their continued trust and confidence placed in us.

We believe that once the Membership, Committees, Board of Directors, Management and Staff remain committed and faithful to our “mission statement”, the Credit Union would grow from strength to strength.

Cooperatively yours,

William Solomon
Chairperson



SUPERVISORY COMMITTEE'S REPORT

The following members were elected at the Progressive Credit Union's 28th Annual General Meeting held on 28th March, 2015 at the Centre Pointe Mall, Chaguanas, and served on the Supervisory Committee for the 2015/2016 term in the following positions:

- Ms. Gemma Ottley Chairperson
- Mr. Erskine Abel Secretary
- Ms. Anne-Marie Campbell Member
- Ms. Charen Glasglow 1st Alternate

1.0 Attendance at meetings:

| NAME | PRESENT | EXCUSED |
|-------------------------|---------|---------|
| Ms. Gemma Ottley | 12 | |
| Mr. Erskine Abel | 11 | 01 |
| Ms. Anne-Marie Campbell | 12 | |

2.0 Activities of the Committee

- Attended training programs for Supervisory Committee members.
- Attended all statutory meetings of the Board of Directors and presented its quarterly reports.
- Reviewed the monthly Financial Statements.
- Reviewed the Bank Reconciliations, Petty Cash vouchers and receipts for the period.
- Perused the return cheques file and ascertained the updated fixed assets register.
- Reviewed policy documents of the organization.
- Held meetings with the General Manager.
- Visited the South Corporate Office, North and Tobago branches and held discussions with Senior Staff Officers.

3.0 General Statement

The Supervisory Committee had a presence at all Board meetings. The Committee submitted quarterly reports on its findings, the associated risks and made recommendations for improvement.

The Supervisory Committee observed and noted the efforts and strategies effected by management to enhance the organization's Performance Management System via the application of the PEARLS ratios.

It must be noted that the Credit Committee members continued to give yeoman service to our credit union. We commend this committee for its dedicated time given on a weekly basis to review and approve loans. This is our core business.

While we recognised that great strides have been made in the area of delinquency we also note that timely intervention is crucial for the recovery of delinquent loans.

The Investment Portfolio seems to be properly managed by the professional and financial knowledge of the Finance Committee. We support the effective and prudent management displayed as they continue to be a pillar of strength to this credit union.

4.0 Conclusion

We the members of the Supervisory Committee are pleased to report that management and staff operated within our Bye- Laws and Cooperative Credit Union Societies' Act. Our Committee received complete support from Management and Staff in the execution of our function; Documents and reports was acknowledged in a timely manner.

The Committee takes the opportunity to thank God for giving us the health and strength to give service to our credit union. We thank you the membership for exhibiting the trust and confidence in our stewardship as our credit union continues to strive for excellence. The Supervisory Committee is confident and assured that our credit union is properly positioned to face the challenges of 2016 and beyond.

Cooperatively Yours



GEMMA OTTLEY
CHAIRPERSON

Left to right - Anne Marie Campbell, Gemma Ottley, Seated - Erskine Abel





EDUCATION COMMITTEE'S REPORT

The Education Committee for the term 2015-2016 comprised of the following persons:

| | |
|-----------------------------|-----------|
| Mr. Alvin Cudjoe | Chairman |
| Mr. Errol Thomas | Director |
| Ms. Roxanne Forbes | Secretary |
| Mr. Anthony Perry | Member |
| Ms. Neisha Cudjoe | Member |
| Ms. Marcia Lue Shue-Douglas | Member |

During the term the following changes were made to the Committee:

Ms. Marilyn John-Fahey – Chairperson
Ms. Marcia Lue Shue-Douglas - Secretary

1.0 INTRODUCTION

“No country can really develop unless its citizens are educated” Nelson Mandela. The Education Committee of the Progressive Credit Union believes that education is the bedrock of social and economic development and as such the Education Committee has dedicated its energies to promoting structured activities that would produce well-rounded members.

In keeping with the society’s mission: To provide members access to educational opportunities ..., the Education Committee continue to source the best opportunities for members with focus on sensitizing our membership to manage the downturn in the economy.

2.0 YOUTH ARM COMMITTEE

The Youth Arm Committee consisted of the following members:

Dominique Cudjoe – Chairperson
Esther Simmons – Secretary
Camille Mendoza – Member
Nduka Bailey – Member
Hans Douglas – Member
La Shawn Cudjoe – Member

The Youth Arm continues to be an integral part of our credit union. During the period under review the Youth Arm Committee worked with the St. Stephens College which was sponsored by our credit union, and formed part of the Junior Cooperative Entrepreneurship Programme (JCEP). The JCEP members in collaboration with the Cooperative Division held an Open Day on Tuesday 26th May, 2015 where they sold various products made by the members.

To facilitate the success of this venture students were taught about the essentials of a successful business by representatives of the Cooperative Division and were presented with certificates of participation.

The JCEP arm of St. Stephens College was the recipient of several awards for excellence which was presented at the Hyatt Regency Hotel and regarded as the highlight of the programme.

3.0 PETER MC DAVID EXCELLENCE AWARDS

The Annual Peter Mc David Excellence Awards was held on Saturday 12th September, 2015 at Progressive's Head Office, San Fernando. Presentations were made to seven (7) Youth and Kiddies' Arm Members for their excellence in the categories of SEA, CSEC, CAPE and Tertiary.

The theme chosen was "Define Yourself". The feature speaker, Ms. Sandra Carr, Training & Development Manager at the National Maintenance Training & Security Company encouraged dialogue and conducted interactive activities with the awardees, which allowed them to express "Who they were" by sharing their past experiences and goals, for furthering their personal and educational development.



From L to R: Afiya Gittens, Danielle Bruce, Oba Merritt, Veronica Jacob (President), Marsha Mohammed, Sandra Sandiford Carr (Feature Speaker), Quacey Thomas (Top Achiever – S.E.A)

4.0 EDUCATION & SOCIAL PROGRAMMES

The Education Committee focussed on enlightening the membership on "Wills and Testimonials". "Where there is a WILL, loved ones are SECURE" was the theme for the educational programme.

The Committee believes that members should have some knowledge on what they can do with their estate, their investments and their savings. An understanding on a wide range of trust and estate planning matters were imparted to members in the North, South and Tobago Regions.

Our objective was to equip our members with the relevant information so they can put the necessary mechanisms in place to give them peace of mind for the future.

On the lighter side, a kite flying competition was held on 18th April, 2015. In addition, a Cook Off and Family Outing was hosted by Progressive for members and their family on Saturday 15th August, 2015 at the Valencia Eco Resort. The theme: "Who Could Cook Betta" spurred on the participants who prepared local dishes. Other attractions on the day included: Kiddie & Adult Pools, fishing, trails, live animals, cricket, football, table tennis, all-fours, music and karaoke.

The weather was ideal and there was a high level of participation.

5.0 SEMINARS/CONFERENCES

The Society was represented at the Annual Leadership Conference organised by the Credit Union League of Trinidad and Tobago. The theme was “The Co-operative Credit Union Model: A Success, Revealing the Secret” and was held in Suriname in May 2015 and included several relevant topics geared towards managing the Society in the 21st Century. In addition the Society was represented at the 58th Annual Caribbean Confederation of Credit Unions (CCCU) which was held in June 2015 in Cancun, Mexico. The theme of this event was “Co-operatives Celebrating Success and Embracing New Challenges for Sustainable Development”.

On the 7th March 2015, members of Progressive Credit Union were invited by the Education Committee of the SFCCU Co-operative Society Limited to a seminar entitled “To Update and Inform: The Legislative Framework”. The event was held at the OWTU hall from 9 a.m. to 3 p.m. The Feature Speaker was Mr. Joseph Remy, President of the Co-operative Credit Union League of Trinidad and Tobago.

These programmes provided avenues for networking and educational opportunities which will serve to enhance the operations of the Society.

6.0 CREDIT UNION MONTH ACTIVITIES

Activities for Credit Union Month were launched on Sunday 11th October, 2016 at Gilbert Park, Couva with the Opening Ceremony. This event was hosted by the Central Regional Chapter of the Cooperative Credit Union League. As per usual, all members were invited to participate in the activities of the day.

Members’ Appreciation Days themed “Health & Fitness” were held at the Tobago, North and South offices on the 13th, 14th and 15th October, 2015 respectively. Members were presented with various literature and information based on the theme.

7.0 CHILDREN’S CHRISTMAS PARTY

This year two Christmas Activities were held for the children of members in Tobago and Trinidad on Sunday 6th and Sunday 13th December, 2015 respectively. The venues were the Scarborough Secondary School in Tobago and the Bon Air High School in Arouca. The activities included: arcade games, bouncy castle, bran tub, fishing pond, face painting, balloon art and the main highlight - the gift from Santa.



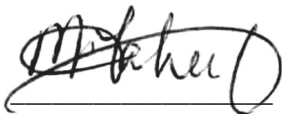
8.0 UPCOMING EVENTS FOR 2016

- June - Membership Skills Development Programme
- July - Membership Business Training
- August - Youth Arm Development Programme
- September - Annual Peter Mc David's Excellence Awards
- October - Credit Union Month Activities
- November - Orientation – Prospective Board of Directors & Committee Members
- December - Children's Christmas Party Trinidad and Tobago

9.0 CONCLUSION

As we forge ahead to the 2016 - 2017 term we would like to take this opportunity to thank Mr. Alvin Cudjoe for leading the Committee during the early part of the term, the members for their support and participation, our staff for their hard work, and the various committees and the Board for their unwavering support. We look forward to our future endeavours, as without God nothing is possible and with Him the impossible is always possible.

Cooperatively Yours



Marilyn John-Fahey
Chairman



FINANCIAL STATEMENTS

for the year ended

December 31, 2015



Financial Statements
for the year ended December 31, 2015

| Contents | Pages |
|--|---------|
| Statement of Management's Responsibilities | 1 |
| Independent Auditors' Report | 2 |
| Statement of Financial Position | 3 |
| Statement of Comprehensive Income | 4 |
| Statement of Changes in Members' Equity and Reserves | 5 |
| Statement of Cash Flows | 6 |
| Notes to the Financial Statements | 7 to 27 |

XXXX0000000000000000XXXX



Statement of Management's Responsibilities

It is the responsibility of management to apply the appropriate accounting policies and make accounting estimates that are reasonable.

Management is responsible for ensuring that the statements presented are a fair and true presentation of the state of affairs of the Society which includes ensuring that the controls over the information from which the statements are derived are designed and properly monitored in a manner which would allow accurate information to be provided.

In addition, management is responsible for ensuring that the information presented is free from material misstatement whether due to fraud or error.

Management accepts responsibility for the annual financial statements as well as the responsibility for the maintenance of the accounting records and internal controls which form the basis of the financial statements. The financial statements of Progressive Credit Union Co-operative Society Limited are prepared in accordance with International Financial Reporting Standards and the appropriate accounting policies have been established and applied in a manner which gives a true and fair view of the Society's financial affairs and operating results.

In addition, nothing has come to the attention of management to indicate that the Society will not remain a going concern for the next twelve months from the date of this statement.

HOLLY FRANCOIS
TREASURER

March 14, 2016

VERONICA JACOB
PRESIDENT

March 14, 2016

GEMMA OTTLEY
CHAIRPERSON
SUPERVISORY COMMITTEE

March 14, 2016



R. Ramdass & Co.
CHARTERED ACCOUNTANTS

4 A Gaston Street., Lange Park,
Chaguanas, Trinidad West Indies
Tel: 1-(868) 665-0583 / Fax: 665-0495
E-mail : taeslimited@yahoo.com

Independent Auditors' Report

To the members of Progressive Credit Union Co-operative Society Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Progressive Credit Union Co-operative Society Limited** which comprise the statement of financial position as at 31st December 2015, and the related statements of comprehensive income, changes in members' equity and reserves and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Progressive Credit Union Co-operative Society Limited** as at December 31, 2015 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

R. RAMDASS & CO.
CHAGUANAS
TRINIDAD W.I.

March 15, 2016



Statement of Financial Position

as at December 31, 2015

| | NOTES | 2015 \$ | 2014 \$ |
|--|-------|--------------------------|--------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Held-to-maturity investments | 6b | 1,052,732 | 1,053,942 |
| Loans to members | 7 | 83,897,997 | 78,824,241 |
| Property, plant and equipment | 3 | 6,585,191 | 6,457,366 |
| Total non-current assets | | <u>91,535,920</u> | <u>86,335,549</u> |
| Current assets | | | |
| Cash and short term funds | 4 | 559,130 | 226,110 |
| Fixed deposits | | - | 1,021,000 |
| Receivables | 5 | 804,068 | 381,225 |
| Available-for-sale investments | 6a | 5,069,656 | 1,505,314 |
| Total current assets | | <u>6,432,854</u> | <u>3,133,649</u> |
| Total Assets | | <u>97,968,774</u> | <u>89,469,198</u> |
| LIABILITIES AND MEMBERS' EQUITY | | | |
| Liabilities | | | |
| Bank overdraft | 8 | 454,252 | - |
| Payables and accruals | 9 | 1,875,209 | 1,772,444 |
| Members' deposits | | 5,800,743 | 5,116,200 |
| Borrowings | | - | 68,738 |
| Members' shares | 10 | 76,464,592 | 70,961,170 |
| Total Liabilities | | <u>84,594,796</u> | <u>77,918,552</u> |
| Members' equity | | | |
| Reserve fund | | 4,649,178 | 4,189,842 |
| Education fund | | 332,637 | 420,512 |
| Investment Re-measurement Reserve | | 80,172 | 148,048 |
| Undivided surplus | | 8,311,990 | 6,792,244 |
| Total Members' Equity | | <u>13,373,977</u> | <u>11,550,646</u> |
| Total Liabilities and Members' Equity | | <u>97,968,774</u> | <u>89,469,198</u> |

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

These financial statements were approved by the Board of Directors on March 14, 2016 and signed on its behalf by:


 HOLLY FRANCOIS
 TREASURER


 VERONICA JACOB
 PRESIDENT


 GEMMA OTTLEY
 CHAIRPERSON
 SUPERVISORY COMMITTEE



Statement of Comprehensive Income

for the year ended December 31, 2015

| | <u>NOTES</u> | <u>2015</u> \$ | <u>2014</u> \$ |
|--|--------------|-------------------|-------------------|
| Income | | | |
| Interest and dividends | 11 | 11,082,342 | 10,284,399 |
| Fees and other income | | 843,450 | 932,729 |
| Rental | | 63,600 | 43,240 |
| Total income | | <u>11,989,392</u> | <u>11,260,368</u> |
| Expenditure | | | |
| Advertising & promotions | | 222,375 | 276,080 |
| Bank charges & interest | | 59,260 | 82,701 |
| Credit Union League dues | | 84,623 | 75,353 |
| Depreciation | | 221,801 | 202,884 |
| Donations | | 38,840 | 90,668 |
| Education and seminars | | 72,230 | 217,176 |
| Establishment | 12 | 357,531 | 385,370 |
| Insurances | | 1,301,038 | 1,350,038 |
| Interest on members' deposits | | 27,160 | 20,334 |
| Legal & professional fees | | 322,603 | 233,561 |
| Loss on disp. of property, plant & equip. | | 3,634 | 20,493 |
| Meetings | 13 | 631,045 | 716,781 |
| Miscellaneous | 14 | 160,145 | 142,661 |
| Office and stationery | | 239,950 | 236,768 |
| Provision for loan losses | | 300,000 | 900,000 |
| Security | | 371,880 | 300,390 |
| Staff salaries & benefits | 15 | 2,731,427 | 2,508,567 |
| Tobago | 16 | 276,194 | 251,618 |
| Total expenditure | | <u>7,421,736</u> | <u>8,011,443</u> |
| Surplus for the year | | <u>4,567,656</u> | <u>3,248,925</u> |
| Other comprehensive income: | | | |
| <i>Items that may be reclassified subsequently to Profit or Loss</i> | | | |
| Unrealised loss on available-for-sale investments | | (67,876) | (65,428) |
| Total comprehensive income for the year | | <u>4,499,780</u> | <u>3,183,497</u> |

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



Statement of Changes in Members' Equity and Reserves

for the year ended December 31, 2015

| | Reserve Fund | Education Fund | Investment Re-measurement Reserve | Undivided Surplus | Total Members' Equity |
|---|------------------|----------------|-----------------------------------|-------------------|-----------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Year ended December 31, 2015 | | | | | |
| Balance at January 1, 2015 | 4,189,842 | 420,512 | 148,048 | 6,792,244 | 11,550,646 |
| Honorarium paid | | | | (116,000) | (116,000) |
| Dividends and rebates (2014) | | | | (2,223,923) | (2,223,923) |
| Entrance fees | 2,570 | | | | 2,570 |
| Total comprehensive income for the year | | | (67,876) | 4,567,656 | 4,499,780 |
| Transfers | 456,766 | 251,221 | | (707,987) | - |
| Fund expenditure/adjustments | | (339,096) | | | (339,096) |
| December 31, 2015 | 4,649,178 | 332,637 | 80,172 | 8,311,990 | 13,373,977 |
| Year ended December 31, 2014 | | | | | |
| Balance at January 1, 2014 | 3,861,490 | 133,513 | 213,476 | 5,883,355 | 10,091,834 |
| Honorarium paid | | | | (100,000) | (100,000) |
| Dividends paid (2013) | | | | (1,515,143) | (1,515,143) |
| Entrance fees | 3,459 | | | | 3,459 |
| Total comprehensive income for the year | | | (65,428) | 3,248,925 | 3,183,497 |
| Transfers | 324,893 | 400,000 | | (724,893) | - |
| Fund expenditure/adjustments | | (113,001) | | | (113,001) |
| December 31, 2014 | 4,189,842 | 420,512 | 148,048 | 6,792,244 | 11,550,646 |

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



Statement of Cash Flows
for the year ended December 31, 2015

| | <u>2015</u> | <u>2014</u> |
|---|-----------------------|-------------------------|
| Cash flows from operating activities | \$ | \$ |
| Net surplus for the year | 4,567,656 | 3,248,925 |
| Adjustments to reconcile net surplus to net cash from operating activities: | | |
| Depreciation | 221,801 | 202,884 |
| Provision for loan losses | 300,000 | 900,000 |
| Loss on disposal of property, plant & equipment | 3,634 | 20,493 |
| (Increase)/decrease in receivables and prepayments | (422,843) | 1,688,598 |
| Increase in payables and accruals | 102,765 | 373,859 |
| Net cash from operating activities | <u>4,773,013</u> | <u>6,434,759</u> |
| Cash flows from investing activities | | |
| Net changes in repayment of members loans | (5,373,756) | (12,486,895) |
| Net changes in investments | (3,631,008) | 2,275,879 |
| Net changes in members' deposits | 684,543 | 1,283,823 |
| Additions to property, plant and equipment | (353,260) | (597,635) |
| Net cash used in investing activities | <u>(8,673,481)</u> | <u>(9,524,828)</u> |
| Cash flows from financing activities | | |
| Net repayment of bank loan | (68,738) | (363,968) |
| Dividends paid | (2,223,923) | (1,515,143) |
| Net changes in members' shares | 5,503,422 | 6,612,886 |
| Net change in education fund | (339,096) | (113,000) |
| Honorarium paid | (116,000) | (100,000) |
| Entrance fees | 2,570 | 3,459 |
| Net cash from financing activities | <u>2,758,235</u> | <u>4,524,234</u> |
| Net (decrease)/increase in cash and cash equivalents | (1,142,231) | 1,434,165 |
| Cash and cash equivalents at beginning of year | 1,247,110 | (187,054) |
| Cash and cash equivalents at end of year | <u>104,878</u> | <u>1,247,110</u> |
| Cash and cash equivalents | | |
| Cash and short term funds | 559,130 | 226,110 |
| Fixed deposits | - | 1,021,000 |
| Bank overdraft | (454,252) | - |
| Total cash and cash equivalents | <u>104,878</u> | <u>1,247,110</u> |

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



Notes to the Financial Statements

for the year ended December 31, 2015

1. REGISTRATION AND ACTIVITIES

The Society was incorporated under the Co-operative Societies Act of the Republic of Trinidad and Tobago on July 1st, 1984. Its registered office is situated at 48-50 Chacon Street, San Fernando. It operates a Credit Union for the benefit of citizens of the national community. Its objectives are to promote the economic welfare of its members, encouraging the spirit and practice of thrift, self-help and co-operation.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are stated below:

a. Basis of preparation

These financial statements are stated in Trinidad and Tobago dollars and prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are prepared under the historical cost convention, except for the measurement of the fair value of available-for-sale investments and certain other financial instruments.

b. Use of estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Society's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

c. New accounting standards and interpretations

(i) Standards and interpretations adopted with no effect on the financial statements:

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards: -

- IFRS 13, 'Fair Value Measurement'
- IAS 16, 'Property, Plant and Equipment'
- IAS 24, 'Related Party Disclosures'

These improvements are effective for annual periods beginning on or after 1 July 2014 and had no impact on the financial statements.



Notes to the Financial Statements

for the year ended December 31, 2015

SIGNIFICANT ACCOUNTING POLICIES cont'd

c. New accounting standards and interpretations (cont'd)

(ii) Standards and interpretations in issue not yet adopted:

- IFRS 9 Financial Instruments – Effective for accounting periods beginning on or after 1 January 2018
- IFRS 15 Revenue from contracts with customers - Effective for accounting periods beginning on or after 1 January 2018

Management is currently assessing the impact of these new standards on the financial reporting of the Society.

d. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on the reducing balance method, except for buildings which are depreciated on the straight-line basis.

The following rates are considered appropriate to write-off the assets over their estimated useful lives are applied:

| | | |
|----------------------------------|---|------|
| Buildings | - | 2% |
| Furniture, fixtures and fittings | - | 5% |
| Office equipment | - | 12 ½ |
| Computer equipment | - | 20% |
| Motor vehicle | - | 20% |

e. Investments

The Society has classified all investments into the following categories:

Available-for-sale

These securities are intended to be held for an indefinite period of time but may be sold in response to the needs for liquidity or changes to interest rates, exchange rates or equity prices. After initial recognition, available-for-sale investments are measured at fair value with unrealized gains or losses recognized in the Investment Re-measurement Reserve.

For actively traded investments, fair value is determined by reference to the Stock Exchange quoted market prices at the Statement of Financial Position date, adjusted for transaction costs necessary to realize the investment. For investments where there is no quoted market price, the carrying value is deemed to approximate fair value.



Notes to the Financial Statements
for the year ended December 31, 2015

SIGNIFICANT ACCOUNTING POLICIES cont'd

e. Investments (cont'd)

Held-to-maturity

These are securities which are held with the positive intention of holding them to maturity and are stated at amortized cost less provisions made for any permanent diminution in value. Amortized cost is calculated by taking into account any premium or discounts on acquisition over the period of maturity using the effective interest rate method.

f. Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized on the Society's Statement of Financial Position when the Society becomes a party to the contractual provisions of the instrument.

Financial assets

All regular purchases and sales of financial assets are recognized or derecognized on the trade date i.e. the date on which the Society commits itself to purchase or sell an asset. A regular purchase and sale of financial asset is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

When financial assets are recognized initially, they are measured at fair value at the consideration given plus transaction costs directly attributable to the acquisition of the asset.

Financial assets are derecognized when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

Receivables

Receivables are measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognized in Statement of Comprehensive Income when there is objective evidence that the asset is impaired.

Loan to members

Loan to members are stated at principal amounts outstanding net of allowances for loan losses. Periodic portfolio reviews are conducted during the course of each year to determine the adequacy of provisions. In this regard, the level of provisioning has increased to ensure that the level of allowances required is attained at a faster rate.

Loans are secured by various forms of collateral, including charges over tangible assets, certificates of deposit, and assignment of funds held with other financial institutions.



Notes to the Financial Statements

for the year ended December 31, 2015

SIGNIFICANT ACCOUNTING POLICIES cont'd

f. Financial instruments (cont'd)

Impairment of financial assets

The Society assesses at each Statement of Financial Position date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of financial assets is impaired included observable data that comes to the attention of the Society about the following loss events.

- (i) Significance financial difficulty of the issuer or obligor
- (ii) A breach of contract, such as default or delinquency in interest or principal payments.
- (iii) It is becoming probable that the borrower will enter in bankruptcy or other financial reorganization.
- (iv) The disappearance of an active market for that financial asset because of financial difficulties.
- (v) Observable data indicating that there is a measurable decrease in the estimated cash flows from a group of financial assets since the initial recognition of those assets although the decrease cannot yet be identified financial assets in the group, including adverse changes in the payment status of borrowers in the Society or national or economic conditions that correlate with defaults on assets in the Society.

Impairment losses are recorded in an allowance account and are measured and recognized as follows:

(i) **Financial assets measured at amortized cost**

The difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial assets' original effective interest rate is recognized in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as improvement in the debtor's credit rating), the previously recognized loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortized cost would have been had the impairment not been recognized at the date that the impairment is reversed. The amount of the reversal is recognized in the Statement of Comprehensive Income.



Notes to the Financial Statements

for the year ended December 31, 2015

SIGNIFICANT ACCOUNTING POLICIES cont'd

f. Financial instruments (cont'd)

Financial assets measured at amortized cost (cont'd)

(ii) Financial assets measured at cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the current market's rate of the return for the similar financial assets is recognized in the Statement of Comprehensive Income. These losses are not reversed.

Financial liabilities

When financial liabilities are recognized initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognized in the Statement of Comprehensive Income.

Payables

Payables are initially measured at fair value.

Members' deposits

Members' deposits are stated at the principal amounts invested by members together with any capitalized interest. Members' deposits bear interest at rates that are not significantly different from current market rates and are assumed to have discounted cash flow values which approximate carrying values.



Notes to the Financial Statements

for the year ended December 31, 2015

SIGNIFICANT ACCOUNTING POLICIES cont'd

f. Financial instruments (cont'd)

Financial liabilities (cont'd)

Members' shares

Members' shares are classified as liabilities and stated at fair value.

g. Revenue recognition

Loan interest

Interest charged on loans to members is calculated on the outstanding balance at 1 to 1.2% per month except for Xmas Box loans which are granted at 1.5% per month. Loan interest is accounted for on the accruals basis.

Investment income

Income from investments is accounted for on the accruals basis except for dividends, which are accounted for on the cash basis or receipt.

h. Rental, fees and other income

These are accounted for on the accruals basis.

i. Dividends payable to members

Dividends are computed on the basis of the average value of shares held throughout the year, the average being determined on the basis of the value of shares held at the end of each day.

j. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the Statement of Financial Position date. All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses are recorded in the Statement of Comprehensive Income.

k. Reserve Fund

In accordance with the Co-operative Societies Act, 1971, Section 47 (2) and By-Laws 25 (a) of the Credit Union, at least 10% of the annual net surplus of the Society is charged to the Reserve Fund.



Notes to the Financial Statements

for the year ended December 31, 2015

SIGNIFICANT ACCOUNTING POLICIES cont'd

I. Education Fund

In accordance with Bye-Law 25 (b) of the Credit Union, at least 5% of the net surplus for the year, after making provision for the Reserve Fund, is transferred to an Education Fund.

m. Investment re-measurement reserve

In accordance with IAS #39, the Board of Directors has created an investment re-measurement reserve which includes the following:

- (i) Unrealized gains/losses on available-for-sale investments
- (ii) Transfers from Undivided Surplus

n. Members' shares

The capital of the Society consist of an unlimited number of shares of \$5.00 each.

In accordance with International Financial Reporting Interpretation Committee IFRIC-2, redeemable shares have been treated as liabilities.

o. Interest on members' deposits

These are computed on the accruals basis.

p. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprises cash in hand and bank balances net of bank overdraft.

q. Critical accounting estimates and judgments

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make its judgements, estimates and assumptions in the process of applying the Society's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Society makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:



Notes to the Financial Statements

for the year ended December 31, 2015

SIGNIFICANT ACCOUNTING POLICIES cont'd

q. Critical accounting estimates and judgments (cont'd)

Changes in accounting estimates are recognized in the Statement of Comprehensive Income in the period in which the estimates is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods .

The critical judgments apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements, are as follows:

- (i) Whether investments are classified as held to maturity investments, available for sale or loan and receivables.
- (ii) Which depreciation method for property, plant and equipment is used.

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date (required management's most difficult, subjective or complex judgments) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Impairment of assets

Management assesses at each Statement of Financial Position date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

(ii) Property, plant and equipment

Management exercises judgment in determining whether future economic benefits can be derived from expenditures to be capitalized and in estimating the useful lives and residual values of these assets.

r. Comparative information

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.



**Notes to the Financial Statements
for the year ended December 31, 2015**

3. PROPERTY, PLANT AND EQUIPMENT

| | Freehold Land | Buildings | Furniture, Fixtures and Fittings | Equipment | Motor Vehicle | Total |
|-------------------------------------|------------------|------------------|--|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Year ended December 31, 2015 | | | | | | |
| Cost | | | | | | |
| Jan 1, 2015 | 1,516,427 | 4,456,403 | 616,095 | 860,214 | 178,850 | 7,627,989 |
| Additions | - | 163,377 | 12,226 | 177,657 | - | 353,260 |
| Disposals | - | - | - | (25,436) | - | (25,436) |
| Dec 31, 2015 | 1,516,427 | 4,619,780 | 628,321 | 1,012,435 | 178,850 | 7,955,813 |
| Accumulated Depreciation | | | | | | |
| Jan 1, 2015 | - | 575,290 | 142,057 | 398,298 | 54,978 | 1,170,623 |
| Charge for the year | - | 89,851 | 23,902 | 83,274 | 24,774 | 221,801 |
| Disposals | - | - | - | (21,801) | - | (21,801) |
| Dec 31, 2015 | - | 665,141 | 165,959 | 459,771 | 79,752 | 1,370,622 |
| Net Book Value | | | | | | |
| Balance as at December 31, 2015 | 1,516,427 | 3,954,639 | 462,362 | 552,664 | 99,098 | 6,585,191 |
| Balance as at December 31, 2014 | 1,516,427 | 3,881,113 | 474,038 | 461,916 | 123,872 | 6,457,366 |
| Year ended December 31, 2014 | | | | | | |
| Cost | | | | | | |
| Jan 1, 2014 | 1,516,427 | 4,113,236 | 571,198 | 734,518 | 178,850 | 7,114,229 |
| Additions | - | 343,167 | 47,312 | 207,156 | - | 597,635 |
| Disposals | - | - | (2,415) | (81,459) | - | (83,874) |
| Dec 31, 2014 | 1,516,427 | 4,456,403 | 616,095 | 860,214 | 178,850 | 7,627,989 |
| Accumulated Depreciation | | | | | | |
| Jan 1, 2014 | - | 491,702 | 119,014 | 396,395 | 24,010 | 1,031,121 |
| Charge for the year | - | 83,588 | 23,669 | 64,659 | 30,968 | 202,884 |
| Disposals | - | - | (625) | (62,757) | - | (63,382) |
| Dec 31, 2014 | - | 575,290 | 142,057 | 398,298 | 54,978 | 1,170,623 |
| Net Book Value | | | | | | |
| Balance as at December 31, 2014 | 1,516,427 | 3,881,113 | 474,038 | 461,916 | 123,872 | 6,457,366 |
| Balance as at December 31, 2013 | 1,516,427 | 3,621,534 | 452,184 | 338,123 | 154,840 | 6,083,108 |



Notes to the Financial Statements

for the year ended December 31, 2015

| | <u>2015</u> | <u>2014</u> |
|--|------------------|------------------|
| | \$ | \$ |
| 4. CASH AND SHORT TERM FUNDS | | |
| Cash in hand | 510,865 | 157,436 |
| RBC Royal Bank (T&T) Limited | 48,265 | 68,674 |
| | <u>559,130</u> | <u>226,110</u> |
| 5. RECEIVABLES | | |
| Investment interest receivable | 7,896 | 52,856 |
| Loan interest receivable | 333,799 | - |
| Sundry receivables | 462,373 | 328,369 |
| | <u>804,068</u> | <u>381,225</u> |
| 6. INVESTMENTS | | |
| a. Available-for-sale | | |
| Quoted Shares | | |
| Jamica Money Market Brokers - 20,000 shares (2014 -20,000) | 11,000 | 8,600 |
| Royal Bank of Canada - 265 shares (2014 -265) | 91,582 | 118,058 |
| Guardian Holdings Limited - 3,000 shares (2014 -3,000) | 39,750 | 39,750 |
| Republic Bank Limited -2,000 shares (2014 -2,000) | 223,860 | 239,480 |
| Grace Kennedy and Company Limited - 6,000 shares (2014 - 6,000) | 24,300 | 21,900 |
| Sagicor Financial Corporation -10,000 shares (2014 -10,000) | 62,000 | 59,500 |
| First Citizens Bank Limited -20,183 shares (2014 -20,183) | 706,405 | 747,982 |
| Trinidad and Tobago NGL Limited - 7,628 shares (2014: NIL) | 164,002 | - |
| Units | | |
| Trinidad and Tobago Unit Trust Corporation - (1st Scheme) | 18,490 | 18,190 |
| Trinidad and Tobago Unit Trust Corporation - (2nd Scheme) | 3,202,921 | 175,194 |
| Trinidad and Tobago Unit Trust Corporation - (US\$ Income Fund) | 27,471 | 76,660 |
| Trinidad and Tobago Unit Trust Corporation - (Calypso Macro Index Fund) | 497,875 | - |
| | <u>5,069,656</u> | <u>1,505,314</u> |



Notes to the Financial Statements
for the year ended December 31, 2015

| | 2015 \$ | 2014 \$ |
|--|------------------|------------------|
| 6. INVESTMENTS (cont'd) | | |
| b. Held-to-Maturity | | |
| Central Finance Facility | 25,000 | 25,000 |
| National Insurance Property Development Co. Ltd (NIPDEC) - Fixed Rate Bond 2030 | 1,027,732 | 1,028,942 |
| | <u>1,052,732</u> | <u>1,053,942</u> |
| | <u>6,122,388</u> | <u>2,559,256</u> |

7. LOANS TO MEMBERS

Loans to members are stated at principal amounts outstanding net of a provision for loan losses. The provision for loan losses is based on the Board's evaluation of the loan portfolio under current economic conditions and past loan loss experience.

| | | |
|---|-------------------|-------------------|
| Loans to members | 88,990,378 | 83,616,622 |
| Less: Provision for loan losses | (5,092,381) | (4,792,381) |
| Net loan balances | <u>83,897,997</u> | <u>78,824,241</u> |
| <u>Provision for loan losses</u> | | |
| Balance brought forward | 4,792,381 | 3,892,381 |
| Add: Provision for loan losses charged to surplus | 300,000 | 900,000 |
| Balance carried forward | <u>5,092,381</u> | <u>4,792,381</u> |



Notes to the Financial Statements
for the year ended December 31, 2015

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|
| | \$ | \$ |
| 8. BANK OVERDRAFT | | |
| RBC Royal Bank (T&T) Limited | 454,252 | - |
| <p>The Society has an approved overdraft facility with RBC Royal Bank (T&T) Limited. The approved limit on this facility attracts interest at the rate of 10.5% per annum. The facility is secured by a registered demand first mortgage over commercial property at Chacon Street, San Fernando, stamped to secure \$2.625M together with assignment of fire insurance policy over the property for \$1.4M.</p> | | |
| 9. PAYABLES AND ACCRUALS | | |
| Interest payable | 36,469 | 20,143 |
| Sundry payables and accruals | 1,838,740 | 1,752,301 |
| | <u>1,875,209</u> | <u>1,772,444</u> |
| 10. MEMBERS' SHARES | | |
| An unlimited number of shares of \$5.00 each | 76,464,592 | 70,961,170 |
| <p>The Capital of the Society consist of an unlimited number of shares of \$5.00 each. In accordance with International Financial Reporting Interpretation Committee IFRIC-2, these are redeemable shares and have been treated as liabilities.</p> | | |
| 11. INTEREST & DIVIDENDS | | |
| Investment | 146,376 | 182,173 |
| Members' loans | 10,935,966 | 10,102,226 |
| | <u>11,082,342</u> | <u>10,284,399</u> |



Notes to the Financial Statements

for the year ended December 31, 2015

| | 2015 | 2014 |
|--|------------------|------------------|
| | \$ | \$ |
| 12. ESTABLISHMENT | | |
| Rent, rates & taxes | 11,913 | 9,430 |
| Repairs & maintenance | 58,770 | 66,726 |
| Telephone, electricity and cable | 286,848 | 309,214 |
| | 357,531 | 385,370 |
| 13. MEETINGS | | |
| Annual General | 138,207 | 180,057 |
| Board of Directors | 295,968 | 311,180 |
| Other Committees | 114,281 | 128,271 |
| Subsistence | 82,589 | 97,273 |
| | 631,045 | 716,781 |
| 14. MISCELLANEOUS | | |
| Cleaning | 16,069 | 18,865 |
| General | 69,227 | 47,012 |
| Motor vehicle | 13,201 | 11,234 |
| Social events | 61,648 | 65,550 |
| | 160,145 | 142,661 |
| 15. STAFF SALARIES AND BENEFITS | | |
| Back pay | 374,205 | - |
| Ex-gratia & trade disputes | 67,881 | 227,608 |
| NIS' and medical plan | 140,321 | 134,934 |
| Pensions | 25,704 | 25,704 |
| Provision for vacation | 38,374 | 9,184 |
| Salaries | 1,986,232 | 1,984,783 |
| Staff welfare & travelling | 53,489 | 58,184 |
| Training | 38,565 | 21,859 |
| Uniforms | 6,656 | 46,311 |
| | 2,731,427 | 2,508,567 |
| 16. TOBAGO EXPENSES | | |
| Office | 43,021 | 40,549 |
| Rent | 42,351 | 30,998 |
| Security | 103,795 | 81,166 |
| Travel, subsistence & accomodation | 55,812 | 66,182 |
| Utilities | 31,215 | 32,723 |
| | 276,194 | 251,618 |



Notes to the Financial Statements
for the year ended December 31, 2015

17. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Society's activities are primarily related to the use of financial instruments. The Society accepts funds from members and earns interest by investing in various types of financial instruments and on lending to members at higher interest rates.

Financial instruments

The following table summarizes the carrying amount and fair values of the Society's financial assets and liabilities: -

| | 2015 | |
|--------------------------------|------------------------------|--------------------------|
| | <u>Carrying Value</u> | <u>Fair Value</u> |
| Financial Assets | | |
| Cash and short term funds | 559,130 | 559,130 |
| Investment securities | 6,122,388 | 6,122,388 |
| Loan interest receivable | 333,799 | 333,799 |
| Investment interest receivable | 7,896 | 7,896 |
| Loans to members | 83,897,997 | 83,897,997 |
| Financial Liabilities | | |
| Members' deposits | 5,800,743 | 5,800,743 |
| Interest payable | 36,469 | 36,469 |
| Members' shares | 76,464,592 | 76,464,592 |
| | 2014 | |
| | <u>Carrying Value</u> | <u>Fair Value</u> |
| Financial Assets | | |
| Cash and short term funds | 226,110 | 226,110 |
| Fixed deposits | 1,021,000 | 1,021,000 |
| Investment securities | 2,559,256 | 2,559,256 |
| Investment interest receivable | 52,856 | 52,856 |
| Loans to members | 78,824,241 | 78,824,241 |
| Financial Liabilities | | |
| Members' deposits | 5,116,200 | 5,116,200 |
| Interest payable | 20,143 | 20,143 |
| Members' shares | 70,961,170 | 70,961,170 |



Notes to the Financial Statements
for the year ended December 31, 2015

17. FINANCIAL RISK MANAGEMENT (cont'd)

The Society is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Society to manage these risks are discussed below: -

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Society is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities including investments in bonds, loans, members' deposits and other funding instruments.

The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.



Notes to the Financial Statements
for the year ended December 31, 2015

17. FINANCIAL RISK MANAGEMENT (cont'd)
(a) Interest rate risk (cont'd)

Interest rate sensitivity analysis

The Society's exposure to interest rate risk is summarized in the table below, which analyses assets and liabilities at their carrying amounts categorized according to their maturity dates

| 2015 | | | | | | |
|--------------------------------|------------------|---------------------|---------------------|---------------|-----------------|--------------|
| | <u>Effective</u> | <u>Up to 1 year</u> | <u>2 to 5 years</u> | <u>Over 5</u> | <u>Non</u> | <u>Total</u> |
| | <u>Rate</u> | | | <u>years</u> | <u>Interest</u> | |
| | | | | | <u>Bearing</u> | |
| Financial Assets | | | | | | |
| Cash and short term fund | 0.05% | 48,265 | - | - | 510,865 | 559,130 |
| Investment securities | 6.50% | 5,069,656 | - | 1,027,732 | 25,000 | 6,122,388 |
| Loans to members | 12.0% | 2,263,556 | 74,729,325 | 6,905,116 | - | 83,897,997 |
| Financial Liabilities | | | | | | |
| Members' deposits | 2.00% | 3,665,612 | 2,135,131 | - | - | 5,800,743 |
| Members' shares | 0.00% | 76,464,592 | - | - | - | 76,464,592 |
| 2014 | | | | | | |
| | <u>Effective</u> | <u>Up to 1 year</u> | <u>2 to 5 years</u> | <u>Over 5</u> | <u>Non</u> | <u>Total</u> |
| | <u>Rate</u> | | | <u>years</u> | <u>Interest</u> | |
| | | | | | <u>Bearing</u> | |
| Financial Assets | | | | | | |
| Cash and short term fund | 0.50% | 68,674 | - | - | 157,436 | 226,110 |
| Fixed deposits | 2.80% | 1,021,000 | - | - | - | 1,021,000 |
| Investment securities | 6.50% | 1,505,314 | - | 1,028,942 | 25,000 | 2,559,256 |
| Investment interest receivable | | 25,374 | - | - | - | 25,374 |
| Loans to members | 12.0% | 2,297,221 | 68,550,875 | 7,976,145 | - | 78,824,241 |
| Financial Liabilities | | | | | | |
| Members' deposits | 2.00% | 3,899,135 | 1,217,065 | - | - | 5,116,200 |
| Borrowings | 9.25% | 68,738 | - | - | - | 68,738 |
| Members' shares | 0.00% | 70,961,170 | - | - | - | 70,961,170 |



Notes to the Financial Statements

for the year ended December 31, 2015

17. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

Credit risk arises when there is a failure by counter parties to discharge their obligations could reduce the amount of cash inflows from financial assets on hand at the Statement of Financial Position date. The Society is guided by a written Loan Policy Manual, which sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to those guidelines is expected to communicate the Society's lending philosophy involved in lending; established minimum standards for credit analysis, documentation, decision making and post disbursement administration; as well as create the foundation for a sound credit portfolio.

The Society's loan portfolio is managed and consistently monitored by the Credit Committee and is adequately secured by collateral and where necessary, provisions have been established for potential credit losses on delinquent accounts.

The Society also actively monitors global economic developments and government's policies that may affect the growth rate of the local economy.

(c) Liquidity risk

Liquidity risk is the risk that arises when there is a mismatch of maturity dates of assets and liabilities. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Society has procedures with the object of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The Society is able to make daily calls on its available cash resources to settle financial and other liabilities.

(i) Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Society. The Society employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Society's assets as well as generating sufficient cash from new and renewed members' deposits and shares.

To manage and reduce liquidity risk in the Society's management actively seeks to match cash inflows with the liability requirements.

(ii) Liquidity gap

The Society's exposure to liquidity risk is summarized in the table below which analyses assets and liabilities based on the remaining period from the Statement of Financial Position date to the contractual maturity date.



Notes to the Financial Statements
for the year ended December 31, 2015

17. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

| | 2015 | | | |
|--------------------------------|---------------------|---------------------|---------------------|--------------|
| | <u>Up to 1 year</u> | <u>2 to 5 years</u> | <u>Over 5 years</u> | <u>Total</u> |
| Financial Assets | | | | |
| Cash and short term funds | 559,130 | - | - | 559,130 |
| Investment securities | 5,069,656 | - | 1,053,942 | 6,123,598 |
| Loan interest receivable | 333,799 | - | - | 333,799 |
| Investment interest receivable | 7,896 | - | - | 7,896 |
| Loans to members | 2,263,556 | 74,729,325 | 6,905,116 | 83,897,997 |
| Financial Liabilities | | | | |
| Members' deposits | 3,665,612 | 2,135,131 | - | 5,800,743 |
| Accrued interest payable | 36,469 | - | - | 36,469 |
| Members' shares | 76,464,592 | - | - | 76,464,592 |
| 2014 | | | | |
| | <u>Up to 1 year</u> | <u>2 to 5 years</u> | <u>Over 5 years</u> | <u>Total</u> |
| Financial Assets | | | | |
| Cash and short term funds | 226,110 | - | - | 226,110 |
| Fixed deposits | 1,021,000 | - | - | 1,021,000 |
| Investment securities | 1,505,314 | - | 1,053,942 | 2,559,256 |
| Investment interest receivable | 52,856 | - | - | 52,856 |
| Loans to members | 2,297,221 | 68,550,875 | 7,976,145 | 78,824,241 |
| Financial Liabilities | | | | |
| Members' deposits | 3,899,135 | 1,217,065 | - | 5,116,200 |
| Borrowings | 68,738 | - | - | 68,738 |
| Accrued interest payable | 20,143 | - | - | 20,143 |
| Members' shares | 70,961,170 | - | - | 70,961,170 |

(d) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Society's measurement currency. The Society is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Society's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.



Notes to the Financial Statements

for the year ended December 31, 2015

17. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Operational risk

Operational risk is the risk derived from deficiencies relating to the Society's information technology and control systems, as well as the risk of human error and natural disasters. The Society's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimize human error.

18. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Society.

A number of transactions are entered into with parties in the normal course of operations. These transactions were carried out on commercial terms at market rates.

Balances and transactions with related parties and key management personnel during the year were as follows:

| | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|
| | \$ | \$ |
| Assets | | |
| Loan balances of Directors and Key Management Personnel | 1,149,389 | 1,264,154 |
| Deposits and other liabilities | | |
| Deposits held by Directors and Key Management Personnel | 130,344 | 116,961 |
| Shares held by Directors and Key Management Personnel | 725,973 | 723,736 |
| Remuneration | | |
| Directors | 343,557 | 317,012 |
| Key management compensation | | |
| Short-term benefits | 578,399 | 500,638 |



Notes to the Financial Statements

for the year ended December 31, 2015

21. FAIR VALUES

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The existence of a published price quotation in an active market is the best evidence at fair value. Where market prices are not available fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flows analysis.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

a) Current assets and liabilities

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

b) Members' loans

Loans are net of specific and general provisions for losses. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flows values which are substantially in accordance with financial statements amount.

c) Investments

The fair values of the investments are determined on the basis of quoted market prices available at December 31, 2015

d) Members' deposits

Members' deposits bear interest at rates that are not significantly different from current rates and are assumed to have discounted cash flow values which approximate carrying values.



Notes to the Financial Statements
for the year ended December 31, 2015

19. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Society has no contracted capital commitments as well as no contingent liabilities at year end.

20. CAPITAL RISK MANAGEMENT

The Society manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to members, and providing value to its members by offering loan and savings facilities. The Society's overall strategy remains unchanged from previous years.

The capital structure of the Society consists of equity attributable to members, and comprises members' shares, reserves and undivided surplus.

21. DIVIDENDS AND REBATE

The Board of Directors has proposed a dividend of 4% (2014: 3%) and a rebate on loan interest of 3% (2014: 2%) estimated to be \$2.952M (2014: \$2.036M) and \$285,439 (2014: \$200,000) respectively, for the year ended December 31, 2015. The proposed dividend and rebate are subject to approval by the membership at the Annual General Meeting and have not been recorded as liabilities in these financial statements in accordance with IAS 10.

STATEMENT OF BUDGETED INCOME & EXPENDITURE FOR THE YEAR 2016

| | BUDGET 2016 | ACTUAL 2015 | BUDGET 2016 vs ACTUAL 2015 | |
|--|---------------------|---------------------|----------------------------------|----------------|
| | 2009 | 2011 | | PERCENT |
| ITEM | \$ | \$ | \$ | % |
| Income: | | | | |
| Interest on members' loans | 11211,045.80 | 11082,342 | 128,703.80 | 1.16% |
| Fees and Other Income | 863,678.34 | 843,450 | 20,228.34 | 2.40% |
| Rental income | 106,200.00 | 63,600 | 42,600.00 | 66.98% |
| | | | | |
| TOTAL INCOME | 12180,924.14 | 11989,392.00 | 191,532.14 | 1.60% |
| | | | | |
| General and Administrative Expenses | | | | |
| Advertising and promotion | 98,500.00 | 222,375.00 | (123,875.00) | -55.71% |
| Bad debts | 900,000.00 | 300,000.00 | 600,000.00 | 200.00% |
| Bank charges and interest | 45,000.00 | 59,260.00 | (14,260.00) | -24.06% |
| Board and Committee expenses | 691,400.00 | 631,045.00 | 60,355.00 | 9.56% |
| Depreciation | 222,000.00 | 221,801.00 | 199.00 | 0.09% |
| Donations | 54,000.00 | 38,840.00 | 15,160.00 | 39.03% |
| Education & Seminars Expenses | 413,000.00 | 72,230.00 | 340,770.00 | 0.00% |
| Establishment | 392,200.00 | 357,531.00 | 34,669.00 | 9.70% |
| Miscellaneous | 78,400.00 | 160,145.00 | (81,745.00) | -51.04% |
| Insurances | 1278,000.00 | 1301,038.00 | (23,038.00) | -1.77% |
| League dues | 82,032.00 | 84,623.00 | (2,591.00) | -3.06% |
| Legal and professional fees | 312,800.00 | 322,603.00 | (9,803.00) | -3.04% |
| Loss on disp. Of property, plant | - | 3,634.00 | | |
| Members' Fixed Deposit Interest | 14,400.00 | 27,160.00 | (12,760.00) | -46.98% |
| Salaries and Benefits | 2675,935.68 | 2731,427.00 | (55,491.32) | -2.03% |
| Security | 372,000.00 | 371,880.00 | 120.00 | 0.03% |
| Stationery and postage | 196,200.00 | 239,950.00 | (43,750.00) | -18.23% |
| Tobago Expenses | 280,209.00 | 276,194.00 | 4,015.00 | 1.45% |
| | | | | |
| TOTAL EXPENDITURE | 8106,076.68 | 7421,736.00 | 687,974.68 | 9.27% |
| | | | | |
| NET SURPLUS FOR THE YEAR | 4074,847.45 | 4567,656.00 | (492,808.55) | -10.79% |

RESOLUTIONS

Appointment of Auditors:

Be it resolved, That the firm R. Ramdass and Company be appointed Auditors for the Progressive Credit Union Cooperative Society Limited for the year ending 2016 December 31st.

Dividend and Honoraria:

Be it resolved, That in accordance with the Bye-Law number 15(b) (v) the New Surplus as at 2015 December 31st in the sum of Four Million Five Hundred Sixty Seven Thousand Six Hundred and Fifty Six Dollars (\$4,567,656.00) be divided as follows:

- | | | | |
|----|----------------|---|---|
| 1. | Dividend of 4% | - | \$2.952M Credited to Members' Share Accounts. |
| 2. | Rebate of 3% | - | \$0.3M Credited to Members' Deposit Accounts. |
| 3. | Honoraria | - | \$116,000.00 |

Head Office
48 & 50 Chacon Street
San Fernando
Tel: 653-0403/657-6541/652-0232
Fax: 652-4012

North Office
#80 Second Street
Barataria
Tel: 674-9427/638-5111/675-4302
Fax: 674-2667

Tobago Office
Unit #3 Sangster's Hill Mall
Sangster's Hill
Scarborough
Tobago
Tel/Fax: 639-5235


Progressive
CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
ANNUAL REPORT 2015