

# *Progressive* CREDIT UNION

CO-OPERATIVE SOCIETY LIMITED



## NAVIGATING THE FUTURE

ANNUAL GENERAL MEETING 2017



# *Progressive* **CREDIT UNION**

CO-OPERATIVE SOCIETY LIMITED

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Tel: 674-9427 | 638-5111 | 675-4302  
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**Tobago Office**

Unit #3 Sangster's Hill Mall  
Sangster's Hill,

Scarborough Tobago.  
Tel/Fax: 639-5235



## VISION STATEMENT

To empower our members to improve their lives.

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## 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

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5	National Anthem and Credit Union Prayer
6	Notice of the 31st Annual General Meeting
7	Standing Orders
8-19	Minutes of the 30th Annual General Meeting
20-21	President's Message
23-33	Board of Directors' Report 2017
35-37	Credit Committee's Report
38-39	Supervisory Committee's Report
40-42	Education Committee's Report
43-45	Nominating Committee's Report
46-50	Profiles
51-80	Financial Statements
81	Resolutions
82	Statement of Budgeted Income and Expenditure 2018



## 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.

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## CREDIT UNION PRAYER

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

O Divine Master  
Grant that I may not so much seek to be consoled as to console  
To be understood as to understand  
To be loved as to love, for it is in giving that we receive  
It is in pardoning that we are pardoned  
And it is in dying that we are born to eternal life.



# NOTICE OF THE 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-First Annual General Meeting of the Progressive Credit Union Co-operative Society Limited will be held at the Central Bank Auditorium, Independence Square, Port-of-Spain on Saturday 24th March 2018.

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 31st Annual General Meeting
4. First Credentials Committee Report
5. Adoption of Standing Orders
6. Confirmation of Minutes of the 30th Annual General Meeting
7. Matters Arising out of the Minutes of the 30th Annual General Meeting
8. Greetings
9. President's Address
10. Presentation of Reports – 2017:
  - Board of Directors
  - Credit Committee
  - Supervisory Committee
  - Education Committee
11. Nominating Committee's Report
12. Second Credentials Committee Report
13. Election of Officers
14. Financials
  - Auditor's Report
  - Financial statement
  - Budget for the Year Ending 2018 December 31
15. Resolutions
16. General Business
17. Vote of Thanks and Formal Closure

By order of the Board



Samuel Peters  
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 the 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-pone) 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 a “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 30TH ANNUAL GENERAL MEETING**  
**MAIN AUDITORIUM, CENTRE POINTE MALL,**  
**CHAGUANAS**  
**SATURDAY 25TH MARCH, 2017**

**1.0 Call to Order/National Anthem**

The meeting was called to order at 10.00 a.m. by Mrs. Sabrina Peters- Russel. The National Anthem was sung by Ms. Turon Nicholas.

**2.0 Invocation**

2.1 The invocation was led by Ms. Esther Simmons followed by the recitation of the Credit Union Prayer.

2.2 One minute of silence was observed in tribute to deceased League Board Members Ryan Dunse and Dexter Baxter; and all other members and their families who passed on during the period of review.

**3.0 Notice of Meeting**

The Secretary to the Board of Directors, Ms. Georgina Cudjoe, read the Official Notice of the 30th Annual General Meeting.

**4.0 1st Credential's Report**

Mr. Yul Layne of the Credential Committee reported that at 10.05 a.m. there were one hundred and nine (109) members and five (5) guests present. He noted that in accordance with Bye-Law 14(c) (1), the meeting was duly constituted.

**5.0 Adoption of Standing Orders**

President Mr. Erskine Abel referred the meeting to the Standing Orders found on page 7 of the Brochure. The Standing Orders were adopted on a motion moved by Mrs. Patricia Claxton-Francois and seconded by Mr. Clarence Duke. The motion carried with all votes in favor.

**6.0 Acceptance of Reports**

Ms. Subrena Winchester moved a motion for all reports in the Brochure to be taken as read and Ms. Judy Placid seconded. The motion was carried with all votes in favor.

**7.0 Confirmation of the Minutes of the 29th Annual General Meeting**



- 7.1 President Mr. Erskine Abel referred members to the Minutes of the 29th Annual General Meeting commencing on page 8 of the Brochure. He noted that omissions, corrections and matters arising would be accepted.
- 7.2 Referring to page 15 of the Brochure, Mr. Alvin Cudjoe sought to clarify the circumstances surrounding his resignation as Vice-President of the Credit Union, and expressed the view that his reputation was at stake. President Abel noted Mr. Cudjoe's concerns, but reminded that the matter had already been dealt with at the last AGM and as such did not entertain Mr. Cudjoe's request.
- 7.3 There being no further omissions, corrections or matters arising, a motion for the acceptance of the Minutes of the 29th Annual General Meeting was moved by Mr. William Solomon and seconded by Ms. Yvette Mc David. The motion was carried by a majority votes.

## **8.0 Confirmation of the Minutes of the Special General Meeting**

- 8.1 President Mr. Erskine Abel referred members to the Minutes of the Special General Meeting commencing on page 18 of the Brochure.
- 8.2 There being no omissions, corrections or matters arising, a motion for the acceptance of the Minutes of the Special General Meeting was moved by Ms. Beverly Sobers and seconded by Ms. Ignacia Phillip. The motion was carried with majority votes in favor.

## **9.0 Acknowledgment of Guests**

- 9.1 Mrs. Sabrina Peters-Russel welcomed all present and acknowledged the following specially invited guests, some of whom brought greetings on behalf of their respective organizations:

NAME	ORGANISATION
Ms. Dianne Joseph	Chief Operating Officer, Credit Union League of Trinidad and Tobago
Ms. Martha St. Hilliare-Noel	Attorney at Law/Legal Advisor
Mr. Simon Gory	CUNA Caribbean Insurance Society Ltd
Mr. Ramnarine Ramdass	Auditor, R. Ramdass & Company
Mr. Ram Ramsaran	Auditor, R. Ramdass & Company
Ms. Reesa Ragonanan Mohammed	Neal & Massy North Credit Union
Ms. Rhonda Joseph	Co-operative Development Division
Ms. Marina Pierre	Co-operative Development Division
Mr. Jerome Hamilton	Palo Seco Credit Union
Mr. Edward King	North West Regional Chapter
Ms. Denise La Chappelle	Consolidated Credit Union
Mrs. Marcia Goodridge-Constantine	President, South East Regional Chapter
Ms. Patty Hudson	SAGICOR
Mrs. Theresa Peters-Fredericks	South East Regional Chapter
Mr. Ronnie Williams	South East Regional Chapter
Mr. Evans Cadogan	Zenith Credit Union
Mr. Hamid Hazmath	San Fernando Co-operative Employees Credit Union



9.2 Representing the Co-operative Credit Union League of Trinidad and Tobago, Ms. Dianne Joseph apologized for the absence of Mr. Joseph Remy, President, whom she advised was away on business. She congratulated the Credit Union on its financial performance and its Rate of Returns for the period under review, which she noted was very competitive in the financial sector.

9.3 Representing the Commissioner for Co-operative Development, Ms. Rhonda Joseph applauded the Credit Union's efforts and wished continued success.

9.4 In bringing greetings, Mrs. Martha St. Hillaire Noel, Attorney for the Credit Union noted that under the astute leadership of the Board of Directors, Statutory Committees and Management, she has had the opportunity to witness the growth of the Credit Union and the growing confidence and commitment of the membership, despite many challenges and the difficult economic times. She took the opportunity to appraise the membership on the benefits of making a Will.

9.5 Mrs. Marcia Goodridge-Constantine, on behalf of the South East Regional Chapter (SERC), congratulated the Progressive Credit Union on its 30th AGM and acknowledged the participation of Progressive Credit Union on the Board of the SERC.

9.6 Mr. Evans Cadogan of Zenith Credit Union congratulated Progressive Credit Union on its 30th AGM and extended best wishes for a successful Meeting.

9.7 Mrs. Reesa Ragonanan-Mohammed, Director, Neal & Massy North Credit Union extended greetings to the Progressive Credit Union on achieving their Diamond Anniversary, which she noted is a significant milestone.

9.8 Mr. Edward King extended congratulations to the Board and Management of Progressive Credit Union, for its ability to stage the AGM within the stipulated time frame, and wished success for a fruitful and productive AGM.

9.9 In bringing greetings on behalf of the CUNA Caribbean Insurance Society Limited, Mr. Simon Gory congratulated Progressive on its 30th AGM and wished blessings on their continued partnership with CUNA.

9.10 Mr. Jerome Hamilton brought greeting on behalf of the Palo Seco Credit Union and commended the Credit Union for the warm and friendly welcome received from the reception staff at the AGM.

## **10.0 President's Opening Address**

10.1 President Mr. Erskine Abel extended greetings to all specially invited guests and the membership in attendance at the 30th Annual General Meeting of the Progressive Credit Union.

10.2 Referring to the President's address on page 21 of the Brochure, Mr. Abel expressed his gratitude to the Management, for ensuring that the Brochure was completed and distributed nine (9) days before the AGM. He noted however, that there were items from the Strategic Plan that were not mentioned in the Brochure that he wished to highlight and craved the membership's indulgence to deviate from the message as printed.

- 10.3 Mr. Abel continued by thanking the members of the Board and Staff for the time and effort expended in the development of the Strategic Plan which he noted, comprised objectives to improve, advance and sustain the growth of the Credit Union.
- 10.4 Making reference to one of the organization's Passion Statements - 'Service to Members', Mr. Abel asserted that the Strategic Plan sought to place emphasis on personal interaction with the membership, and an overall improved quality of service. He advised that a standby generator would be installed to eliminate transaction delays and systems failure when electricity goes.
- 10.5 He further disclosed that the Credit Union was in consultation with the Credit Union League, with an aim of implementing an ATM machine before the end of the year. He also revealed plans for an expansion of Branches into the Arima or Sangre Grande area, to improve accessibility of services by the membership.
- 10.6 Mr. Erskine Abel noted that the Strategic Plan advocated for strategic mergers and alliances with other Units which he advised had commenced with the Utilities Credit Union in Curacao. This he said, would continue with an increase in planning activities and effectively putting measures in place, to reap benefits as a result of the unity between the two organizations.
- 10.7 The formulation of a Succession Plan was a major item on the agenda for the period. He noted that in formulating same, special attention must be paid to the current social ills of the country, namely crime and particularly crime against women. He encouraged all men to love our women and stressed the importance of developing the youths in the right direction, so that they can lead meaningful lives.
- 10.8 Referring to the Special General Meeting where the decision was taken to write-off eight hundred thousand dollars (\$800,000.00) of bad debts over seven years old, Mr. Abel noted that the reduction of delinquency is a major goal of the organization. Purporting that there will always be the risk of bad debts, he maintained that prudence requires that all allowances be recognized for the potential loss arising from the possibility of incurring bad debts.
- 10.9 President Mr. Erskine Abel acknowledged the need for the consistent and continuous advancement in technology, in order to keep abreast with new developments that would effectively serve the membership. He encouraged the youth membership to provide assistance in this area.
- 10.10 In closing, Mr. Abel thanked the Board of Directors, the Credit and Supervisory Committees, Management and Staff, for the assistance provided during his term. He also thanked God for the health and strength provided and the members of his family, for allowing him the time away from home to fulfill his duties to the Credit Union.

## **11.0 Presentation of Reports**

### **11.1 Board of Directors' Report**

- 11.2 Mr. Abel presented the Board of Directors Report as stated on pages 28 to 38 of the brochure. Referring to the economic review on page 28, He noted that in the first nine months of 2016, inflation remained well contained due to weak impulses from food inflation but was also influenced by the sedate economic environment. He noted that Core



Inflation was 2.3% and the 'Repo' rate at the time was 4.75%. He advised that a total of 261 new members were accepted for the period which was below the 2016 target.

Under the financial performance highlights, Mr. Abel noted the increase in assets from \$66,963,664 in 2011 to \$103,635,213 in 2016. He noted that the loans to members' portfolio accounted for 81% of the total assets in 2016.

11.3 Referring to the upcoming events, he noted that the Boat Cruise would take place in June and not May as stated in the Report. He advised that tickets would be sold at a special rate of \$100.00 at the AGM only.

11.4 There being no questions, concerns or matters arising from the Report, Mr. David Brown moved to accept the Board of Directors' Report and Mr. Ruthven Garrick seconded. The motion carried.

## **12.0 Credit Committee's Report**

12.1 Credit Committee Chairman Mr. William Solomon extended greetings to the Membership and presented the Report of the Credit Committee for 2016, as stated on pages 40 to 43 of the Brochure.

12.2 Making reference to the sum of \$130,000.00 in loans paid to members for funeral expenses, Mr. Alvin Cudjoe enquired whether members were aware of the Cuna Insurance Plan that covers death benefits. Mr. Solomon confirmed that the members covered under the plan did benefit and those not covered were advised and encouraged to enroll in the Plan.

12.3 Expressing his concerns with the delinquency figures as stated in the Board Report, Mr. David Brown referred to page 42 of the Brochure and requested an elaboration of the Credit Committee's usual statement, 'that they continue to work in collaboration with the Delinquency Committee etc. with respect to delinquent loans'. He noted that with 85% of the membership being MTS employees and with the inconsistencies in the payment of salaries by MTS, the Credit Union should find other ways to derive revenue in an effort to become more self-sufficient.

12.4 Mr. Solomon assured that the Committee had been working with the Delinquency Committee and other committees, to ensure the control of delinquency. He noted however, that the problem of delinquency was not isolated to Progressive Credit Union only, as all financial institutions face the risk. He advised that staffing in the Delinquency Department was increased, and it is hoped that they are better able to reduce the rates of delinquency.

12.5 Ms. Diane Holford expressed her displeasure with the length of time it took for members in Tobago to receive cheques after their loans are approved. Mr. Solomon explained that all loans for Tobago were processed as a matter of urgency however; there were instances where delays were experienced in accessing information from MTS on the members' ability to repay the loan. He noted also that some delays were due to the postal service. He assured that they would continue to put measures in place to rectify the situation.

12.6 Ms. Margaret Mohammed enquired whether credit checks were conducted during the loan application process. Mr. Solomon confirmed that this was done on all members accessing loans.

12.7 There being no further questions, concerns or matters arising from the Report, Mr. Marlon Sylvester moved to accept the Credit Committee's Report, Mr. David Brown seconded and the motion was carried.

### **13.0 Supervisory Committee's Report**

- 13.1 Chairperson Ms. Veronica Jacob extended greetings to the Membership and presented the report of the Supervisory Committee for 2016, as stated on pages 44 to 47 of the Brochure.
- 13.2 Referring to 'Members Training' on page 45 of the Brochure and noting the poor attendance at training sessions, she urged the membership to take the opportunity provided by the Credit Union and attend the training sessions, which are geared at educating members in handling personal matters in their day to day lives, and understanding what takes place at the AGM.
- 13.3 Referring to 'Delinquency' on page 45 of the Brochure, Ms. Jacob noted that delinquency could be attributed to factors such as members' resignation from MTS, members proceeding on maternity leave or the completion of acting appointments. These factors she said, were beyond the control of the Board and Credit Committee, and were left to the honesty of members to repay their loans.
- 13.4 Mr. David Brown recalled that during his tenure on the Board, the change of name to Progressive Credit Union was an effort to delink the Credit Union from MTS. He noted however, that based on Ms. Jacob's explanation, it was clear that the organization was not properly delinked.
- 13.5 Ms. Jacob noted Mr. Brown's concerns but reminded that delinquency was a matter of concern to all members, as it impacts the final balances. She urged members to assist in the recovery of monies by bringing to the Credit Union's attention, the location of delinquent persons.
- 13.6 Referring to 'Human Resource/Policy Manual' on page 46, Mr. Alvin Cudjoe enquired as to how long it would take for the policies listed to be approved by the Board. In response, Ms. Jacob confirmed that the policies in question had already received Board approval.
- 13.7 There being no further questions, concerns or matters arising from the Report, Ms. Judy Placid moved to accept the Supervisory Committee's Report; Mr. Yul Layne seconded and the motion was carried.

### **14.0 Education Committee's Report**

- 14.1 Chairperson Ms. Marilyn John-Fahey extended greetings to the Membership and presented the Report of the Education Committee for 2016, as stated on pages 48 to 50 of the Brochure.
- 14.2 Mr. Alvin Cudjoe enquired whether all committee members received FIU training. Ms. John-Fahey confirmed that all members of the Board and Statutory Committees as well as employees, attended and were trained.
- 14.3 There being no further questions, concerns or matters arising from the Report, Mr. Anthony Perry moved to accept the Education Committee's Report; Ms. Kathleen Williams seconded and the motion was carried.

### **15.0 Auditor's Report for the Financial Period**

- 15.1 Mr. Ramnarine Ramdass of R. Ramdass & Company presented the Financial Statements for the year ended December 31, 2016.

- 15.2 In presenting the report, Mr. Ramdass noted the changes to the format of the Auditor's Report for the period which he noted was in accordance with the International Financial Reporting Standards. He indicated however, that he was in favor of the new format.
- 15.3 The General Manager Mrs. Camille Joseph-Dipnarine and Treasurer Mr. Holly Francois led the meeting through the Financial Statements on pages 4 to 28 of the Brochure. Referring to the Income Statement on page 5, Mr. Francis noted that the Total Income for 2016 was \$12,091,894.00 which represented a growth of 0.85% for the period 2015-2016. He noted also that the Total Expenditure for 2016 was \$7,795,820.00.
- 15.4 Noting the expenditure for insurances of \$1,245,474.00 in 2016, Mr. Alvin Cudjoe enquired why the Credit Union continued to incur this expense. Mrs. Joseph-Dipnarine clarified that the insurance is based on coverage provided to members on their loans, as well as shares upon death or permanent disability. She explained further that the Credit Union provides coverage of \$150,000.00 to member's loans, and \$35,000.00 to their shares, based on the total value of loans and shares in the portfolio. She noted that the sum is calculated on a monthly basis and paid to the insurance company. Mr. Cudjoe noted that he understood the explanation given but was not in agreement; he expressed the view that the Credit Union could invest the funds otherwise.
- 15.5 Mr. Francois referred members to page 18, Note 7 and highlighted the provision for loan losses charged to surplus for 2016 as \$700,000.00, as compared to the previous year of \$300,000.00. He also made reference to the line item, 'Less: Amounts written off' in the amount of (\$797,380.00) which he noted was approved at the Special General Meeting. He explained that the provision for loans loss is a statutory requirement that helps to qualify the loan portfolio, to make the Credit Union's assets more viable.
- 15.6 Mr. Francois also highlighted the following;
- The Surplus for 2016 was \$4.3Mn
  - The total non-current assets for 2016 was \$92,190,379.00
  - The total current assets for 2016 stood at \$11,444,834.00
  - The total Assets for 2016 was \$103,635,213.00 which represented a growth of approximately 5.7% over the period 2015 to 2016
  - The total Liability for 2016 was \$89,604,290.00
  - Members Equity for 2016 stood at \$14,030,924.00
  - The Credit Union had crossed \$100Mn in assets
- 15.7 There being no further questions, concerns or matters arising, Mr. Ruthven Garrick moved to accept the financial statements; Mr. Gerald Antoine seconded and the motion was carried.

## **16.0 Nominating Committee's Report**

- 16.1 Mr. Michael Hernandez, Chairman of the Nominating Committee referred members to the Nominating Committee's Report on page 24 of the Brochure, which contained information on the nominees vying to be elected on the various committees.
- 16.2 Mr. Hernandez noted that one of the new strategic objectives of the Board was to undertake the role of identifying and recruiting suitable members, for leadership positions in the Credit Union. He acknowledged that the initiative



bore fruit, as for the first time there were eight (8) members vying for a position on the Board of Directors, eight (8) members vying for a position on the Credit Committee and five (5) members vying for a position on the Supervisory Committee.

16.3 Mr. Hernandez reported that two (2) interviews were conducted where nominees were evaluated based on their academic qualifications, credit union experience, communication, personality, deportment and knowledge and stability. All persons interviewed passed the criteria. Nominees also attended an Orientation session which was conducted by Officers of the Cooperative Division.

16.4 Enquiring whether the personal files and transactions of the nominees were checked, Mr. Alvin Cudjoe expressed his objection with the nomination of Ms. Veronica Jacob and called her credibility into question. On a point of order President Abel requested that Mr. Cudjoe take his seat as he was in breach of Standing Order 14.

16.5 Mr. David Brown moved a motion to accept the report of the Nominating Committee which was seconded by Mr. Mervyn Holder. The motion was carried by a majority votes in favor.

## 17.0 2nd. Credential's Report

Mr. Yul Layne of the Credential Committee reported that at 12.18 a.m. there were three hundred and forty two (342) members and twenty (20) guests present.

## 18.0 Election of Officers

18.1 President Abel introduced Mrs. Marcia Goodridge-Constantine as the Returning Officer, to preside over the election process. He noted that the Co-operative Department which normally conducted the exercise in previous years, would be observing the process.

18.2 Mrs. Goodridge-Constantine introduced the members of her election team who would be providing support during the process. She briefly outlined the election process and declared that registration was closed.

## 18.3 Election of Officers to the Supervisory Committee



The following nominees to the Supervisory Committee were presented to the membership;

- Stefan Small
- David Quamina
- Anne Marie Campbell
- Allison Serrette-Hunte
- Premchand Samlal

#### **18.4 Election of Officers to the Credit Committee**

The following nominees to the Credit Committee were presented to the membership;

- William Solomon
- Clarence Duke
- Subrena Winchester
- Adeleine Gittens
- Yolanda Harry Keshwar
- Mervyn Webster
- Julia Bruce
- Melina Preto

#### **18.5 Election of Officers to the Board of Directors**

The following nominees to the Board of Directors were presented to the membership;

- Gemma Cheryl Ottley
- Sabrina Peters-Russel
- Gerald Antoine
- Veronica Jacob
- David Brown
- Candice Haynes
- Beverly Sobers
- Janelle Quash

18.6 The Returning Officer reminded the membership that they were to vote for no more than four (4) persons for the Board of Directors, no more than three (3) persons for the Supervisory Committee, and no more than five (5) persons for the Credit Committee. She noted that out of the remaining persons, the two (2) with the highest votes in each category would be 'Substitutes' instead of 'Alternates' as they were referred to previously.

18.7 Ballots were casted and the Returning Officer declared that the election process was concluded.

#### **19.0 Statement of Budgeted Income & Expenditure for 2017**



- 19.1 Treasurer Mr. Holly Francois referred the membership to the Statement of Budgeted Income and Expenditure for the period January 1st to December 31st, 2017, found on page 82 of the Brochure.
- 19.2 He noted that the projected total income was \$12,611,820.00; the projected total expenditure was \$9,846,901.45; and the projected net surplus was \$2,764,919.03.
- 19.3 There being no questions, concerns or matters arising from the budget, Ms. Veronica Jacob moved a motion to accept the Statement of Budgeted Income and Expenditure for 2017; Mr. Claude Dillon seconded and the motion was carried.

## 20.0 Resolutions

### 20.1 Appointment of Auditors for the financial year 2017

President Abel moved a motion for the acceptance of the resolution for the appointment of the Auditing Firm, **R. Ramdass and Company**; Mr. Marlon Sylvester seconded and the motion was carried with a majority votes in favor.

### 20.2 Dividend and Honoraria

President Abel moved a motion for the acceptance of the resolution for the Surplus as at December 31, 2016 in the sum of Four Million Two Hundred and Ninety Six Thousand and Seventy Four Dollars (\$4,296,074), be divided for the payment of Dividend and Honorarium. Mr. Malcom Alexander seconded and the motion was carried with a majority votes in favor.

## 21.0 General Business

- 21.1 Referring to the payment of Dividends, Mr. Lazarus enquired about the rebate interest of 3.5%. President Abel confirmed that the rebate is applied to the interest members paid on loans during the year. He added that only those members participating in loans for the period and paid interest would get the rebate. Mr. Lazarus expressed the view that members should have the option of where their Dividend is applied. Mr. Abel noted Mr. Lazarus' concern but reminded that the asset base of the Credit Union grows when Dividends are applied to shares.
- 21.2 Mr. Lazarus enquired whether there were initiatives in place for the recruitment of new members. Mr. Abel confirmed that promotional activities were being developed for the recruitment of new members, as well as to encourage members to increase their savings. He noted that members would be apprised of these activities during the course of the term.
- 21.3 Ms. Cheryl Ann Laqua questioned the practice of cheques being made payable to the company or vendor for which the invoice was provided. She advised of the challenges experienced when members shop around and got the items at a cheaper cost. Mr. Abel confirmed that it is the practice of management that, based on the purpose and quantum of the loan, cheques are made payable to the Company for which the invoice was provided. He however noted member Laqua's concern and advised that consideration would be given.



21.4 Also in response to member Laqua's concern, Mr. David Brown added that different types of loans were subjected to different criteria, and in high risk arrangements such as vehicle loans, the Credit Union must protect its interest.

21.5 On behalf of the Board of Directors, President Abel tendered an apology to Ms. Veronica Jacob for Mr. Cudjoe's outburst earlier in the meeting.

## 22.0 Youth Arm Presentation

22.1 Youth Arm members Dominic Cudjoe and Esther Simmons highlighted the activities for the year. It was noted that due to the lack of support last year, the kite flying activity was cancelled however; the Harry's Water Park excursion was very successful and would be repeated on July 15.

22.2 A proposed trip to Chacachacare was also highlighted and members were encouraged to suggest other activities, to positively engage the youths of the Credit Union.

## 23.0 Distribution of Hampers

The winners of doors prizes were as follows;

#243	-	Lawrence Benjamin
#004	-	Molly Frederick Cooper
#117	-	Linda James
#154	-	Glendon Gordon
#124	-	Anita Wylie
#242	-	Kimlin Mc Millan
#200	-	Leelawattie Sookhan
#335	-	Ann Marie Isaac
#338	-	Barbara Blackman
#186	-	Karen Andrews

## 24.0 Results of the Election of Officers

### 24.1 Supervisory Committee

Elected Officers	Number of votes received
Anne Marie Campbell	221
Stefan Small	216
David Quamina	143
Premchand Samlal: <i>1st Substitute</i>	109
Allison Serrette-Hunte: <i>2nd Substitute</i>	103

## 24.2 Credit Committee

Elected Officers	Number of votes received
Clarence Duke	253
Adeleine Gittens	225
William Solomon	223
Yolanda Harry Keshwar	160
Subrena Winchester	152
Julia Bruce: <i>1st Substitute</i>	92
Mervyn Webster: <i>2nd Substitute</i>	91
Melina Preto	64

## 24.3 Board of Directors

Elected Officers	Number of votes received
Veronica Jacob	188
Candice Haynes	153
Gemma Cheryl Ottley	150
Sabrina Peters-Russel	132
David Brown: 1st Substitute	118
Beverly Sobers: 2nd Substitute	110
Gerald Antoine	95
Janelle Quash	60

24.4 The Returning Officer congratulated all elected officers and thanked the members of her team for their support. She requested that a motion be moved for the destruction of the ballots.

24.5 Mr. David Brown moved a motion for the destruction of the ballots; Mr. Claude Dillon seconded and the motion was carried.

## 25.0 Closure

25.1 Director Ms. Gem Saunders-LeMaitre firstly thanked God for his Grace. She thanked all invited guests and the membership for their attendance. She thanked President Abel for his performance and accomplishments as President of the Credit Union in his first year, and the members of the Board of Directors, Statutory Committees, Management, Staff and all who contributed to the Credit Union's success. She closed by wishing everyone a safe journey to their various destinations.

25.2 There being no further business, the meeting ended at 2.15 p.m.

Cooperatively yours,



Samuel Peters  
SECRETARY



Erskine Abel  
PRESIDENT

## PRESIDENT'S MESSAGE

It is my pleasure and honor to once again address you as President of the Progressive Credit Union. I am especially grateful to the members of the Board of Directors to have elected me to head this august body for yet another year. I thank them and you for the confidence vested in me in what can be seen as

the most trying period of our history. We have chosen as our theme for this our 31st Annual General Meeting - Navigating the Future.

### THE FUTURE IS ALREADY HERE

Current macroeconomic challenges related principally to evolving fiscal and monetary policies, and their influence on interest rates, growth, uncertainty, and volatility, could lead to a variety of future economic scenarios and thus set our navigation course. *Navigating the Future* provides us with an opportunity to dig deep and address new trends and challenges. Navigating the future may mean, automating commonplace tasks, while human beings organize the work's ultimate goals and intent, in the pursuit of a comfortable living in a stable and just society.

We can't grasp where we are and where we're headed without seeing the full picture of this transformation in our lives, our businesses, and our Society—and we can't see the whole thing unless we take a step back and let all the elements come into view. The outlines of the picture are already emerging. Indeed, it may be misleading to explore all this under the heading of "the future," which suggests that the changes are not yet here, and will occur in an indeterminate number of years. The truth is that many of these changes are already playing out. The future is already here.

### TRANSFORMATION

The biggest challenge in understanding the future of credit unions comes in analyzing the implications for three broad constituencies—the individual, social and governmental institutions—and getting all three pointed in the same direction. All three of these constituencies must align in their understanding and actions to address emerging prospects and

encounters. We can't grasp where we are and where we're headed without seeing this transformation in our lives, businesses, and society.

### MANAGING RISK

The financial crisis poses the ability to properly identify, understand, and control risks. The credit union has responded by investing heavily in strengthening its approach to overseeing and managing risks. Board-level oversight has changed significantly; reports and systems have been upgraded. The rigor around articulating and measuring the firm's risk appetite, and ensuring its tight linkages to strategy and key business decisions, has improved materially. The Board is focused on the top and emerging risks including sources of systemic risk, along with growing cyber threat which are most likely to materialize and cause significant harm.

### IMPROVING RISK GOVERNANCE

Regulators have stepped up their game in monitoring specific risks and risk reporting has grown exponentially. Improving risk governance is a journey. The board seeks to align talent management more closely with business strategy. Formulating the right talent strategy has become increasingly critical as technological developments transform the way the industry works and the talent it requires.

Governance is now a root supplemented by board and individual accountability. We are focus on entrenching effective risk cultures for improving risk governance. We do this as we navigate these challenges by implementing new models of organizational structure, that seeks to be a network of teams that extend well beyond the boundaries of any individual organization, to a flexible network structure that will become more important to work together to accelerate and improve performance.

The evolving regulatory approach presents interesting encounters. Trust must develop to allow for candid discussion and information sharing. But both supervisors and the credit union have an awareness in getting this right, together we can target our moves in ways that will help our credit union and society in general; anticipate and prepare for the coming challenges. We need to work together."

### TECHNOLOGICAL TRANSFORMATION

The competitive and operating landscape for credit unions is being reshaped with technology. The strategic view of



technological investment is slowly adapting to the changing environment, due to pressure of reduced cost and advanced efficiency. Our credit union has more work to do due to compliance reporting, data analysis, and customer interface. The Board is challenged to understand what is possible and how quickly and in what areas they should be investing in innovative approaches. Regulators are determining how best to encourage responsible innovation, while politicians debate significant changes to regulations / laws. As we navigate our way through this transformation, we are identifying ways to improve management and oversight of these risks.

Can technology be harnessed to “make the invisible visible” by giving us a comfortable, real-time views of our position? This is perhaps the greatest challenge for businesses in the next decade: how to plan for the redesign and reinvention of work to combine the capabilities of machines and people, boosting our way to navigate these rapidly evolving circumstances.

Due to the accelerating rate of technological change which is transforming the nature of work and forcing organizations to redesign most jobs, individuals need to continually learn new skills to remain employable. Exponentially improving digital technology and infrastructures are reshaping the economics of work across the spectrum; this can help us focus our curiosity, imagination, and creativity on early signals of the potential changes ahead that really matter.

## CHANGING CUSTOMER DEMAND

Customer empowerment, ‘the power of pull’; plays an important role in shaping the future of work. In responding to both changing customer demand and the ability to address their needs, provides a much tighter alignment of service to customer.

Pursue your passion. What are the obstacles to success as it transforms? The biggest obstacle may be in us. Most of us have an understandably negative reaction to the mounting performance pressure that is already beginning to accompany the transition to new forms of operations. With any disruptive transition, we tend to experience fear and stress, generating an impulse to hold on to what has driven success in the past. We must resist that temptation and use the shifts as an opportunity to achieve more of our potential. Passion can shift people from the fear of change to excitement about the opportunity to learn something new and to have a greater impact. Personal success will largely depend on accelerating learning throughout one’s lifetime.

## WHAT THE FUTURE HOLDS

The future is unfolding rapidly. Today, individuals, businesses, public institutions— are prepared for the potentially turbulent and painful transition and possibilities ahead. The goal of this framework is to inform and motivate individuals, various forms of organizations, and public policy makers to pro-actively navigate the future, and to come together and act now, to make the transition as positive, productive and as smooth as possible.

We are in a period of accelerated evolution.  
May God Bless us all!



**Erskine Abel**  
**President**

## BOARD MEMBERS



Ms. Sabrina Peters-Russel  
- Director



Ms. Candice Haynes  
- Director



Mr. Holly Francois  
- Director



**The Executive from L to R:**

Mr. Stephen Fraser – Assistant Secretary, Ms. Veronica Jacobs – Treasurer,  
Mr. Samuel Peters – Secretary, Ms. Marilyn Fahey – Vice President, Mr. Erskine Abel – President



Ms. Allyson White  
- Director



Mr. Errol Thomas  
- Director



Ms. Georgiana Cudjoe  
- Director



Ms. Gemma Ottley  
- Director





## **1.0 INTRODUCTION**

The Board of Directors of the Progressive Credit Union Cooperative Society Limited is pleased to report to our shareholders on the performance of the Society for the year ended 2017.

## **2.0 ECONOMIC OVERVIEW**

According to the Central Bank of Trinidad and Tobago Financial Stability Report 2016, financial stability risk decreased and continued in 2017. The International Monetary Fund (IMF) April 2017 Global Financial Stability Report (GSFR), indicated that there has been a noticeable improvement in credit and liquidity in the financial markets since its last assessment in October 2016.

The April 2017 World Economic Outlook report projected the global economy to improve in 2017 to 3.5% from 3.1% in 2016. However, there still remains the moderate risk due to the drop in oil and gas prices the main revenue earner, along with political and policy uncertainty.

Policy uncertainty has emerged in three ways – trade policy, tax reform and financial market deregulation. After the American Presidential election in 2016, there has been a moderate increase in consumer spending, strengthening the labour market and increased business optimism. These positive macro-economic developments could be reversed if America implements trade protectionism which can cause the global economic atmosphere to be disrupted. This can lead to higher financial risk and unpredictability in the financial markets and capital disturbance.

In other advanced economies credit risk is still a concern. Canada has high levels of family debts, housing market inequalities and slight liquidity in fixed income markets. The advanced economies experience minor progress during this prolonged period of low interest rates. According to the IMF, these advanced countries lucrativeness has decreased, posturing challenges for pension funds, life insurances, and bank profits.

The Caribbean region including Trinidad and Tobago has experienced the fall out of reduced prices for goods and services during 2016 and continued to be affected in 2017, especially with the decline in the price of oil and gas. The US and the European Union purchase more than fifty (50%) percent of the region's exports as well as four fifths (4/5) of financial settlement inflow.

The Standard and Poor's Global Ratings (S&P) of BBB+ which reflects the further downgrade in the economy's debt burden and Moody's Investors Services (Moody's) Ba1, reflects the decline in oil production with limited investment prospects, and the Caribbean Information and Credit Rating Services (Car/AA+) indicates that the economic performance has been harshly compressed by low oil and gas prices.

The stricter FIU policies implemented in the financial sector have and will continue to impact on credit unions. Increases in bank rates has also impacted on the average individual and the recent advent of RBC's refusal to cash Cheques without having the commitment of an account, is just the beginning of the digital age which would soon see a continuum of this policy.

The credit union movement is ultimately now poised to assume a greater role in the local and regional financial sector. The competition in the financial arena is -:



1. eight commercial banks,
2. sixteen non –bank financial institutions (Non-Banks)
3. thirty- four operating insurance companies
4. one hundred and twenty nine active credit unions
5. one hundred and eighty eight active private occupational pension plans and
6. the other large players include Unit Trust Corporation and the National Insurance Board

The breakdown in the credit union sector is as follows

- Twenty-nine large (asset base of over \$100 million)
- Thirty- six medium (asset base \$10- \$100 million)
- Sixty-four small (asset base less than \$10 million)

(Source-Central Bank of Trinidad and Tobago, Financial Stability Report 2016 p7)

In an effort to be sustainable, Progressive Credit Union has implemented a strategic plan 2016 -2019 as follows :

<b>Vision statement</b>	-	<b>To empower our members to improve their lives</b>
<b>Mission Statement</b>	-	<b>To provide financial services, cooperative principles in an environment of integrity, passion and commitment.</b>
<b>Passion Statement</b>	-	<b>Progressive Credit Union is passionate about delivering an efficient and reliable service</b>

***“Your Credit Union is always willing to Serve and Educate”***

### **3.0 Governance Structure**

The Inaugural meeting of the Board was held on Tuesday 28th March, 2017 at the Progressive Credit Union’s South Office, Chacon Street, San Fernando. The elected Executive Committee for the 2017/2018 term comprised of:-

Mr. Erskine Abel	- President
Ms. Marilyn John-Fahey	- Vice President
Mr. Samuel Peters	- Secretary
Mr. Stephen Fraser	- Assistant Secretary
Ms. Veronica Jacob	- Treasurer
Ms. Gemma Ottley	- Director
Ms. Sabrina Peters	- Director
Mr. Holly Francois	- Director
Ms. Candice Haynes	- Director
Ms. Allyson White	- Director
Ms. Georgiana Cudjoe	- Director
Mr. Errol Thomas	- Director

Alternate Directors:-

Mr. David Brown	- 1st Alternate
Ms. Beverly Sobers	- 2nd Alternate

The Board of Directors also appointed the following Management Committees.

**Education Committee:-**

Ms. Marilyn John Fahey	- Chairperson
Ms. Marcia Lue Shue-Douglas	- Secretary/Co-opted member
Mr. Errol Thomas	- Member
Ms. Neisha Cudjoe	- Co-opted Member
Mr. Anthony Perry	- Co-opted Member
Ms. Roxanne Forbes	- Co-opted Member
Ms. Esther Simmons	- Youth Staff Representative

**Social Events Committee:-**

Ms. Marilyn John Fahey	- Chairperson
Ms. Julianna Joseph-Pacheco	- Secretary/Co-opted Member
Mr. Errol Thomas	- Member
Ms. Thecla Quamina	- Co-opted Member
Ms. Gem Saunders Le Maitre	- Co-opted Member
Ms. Esther Simmons	- Youth Staff Representative

**Human Resource Committee:-**

Mr. Stephen Fraser	- Chairperson
Ms. Candice Haynes	- Secretary
Mr. Errol Thomas	- Member
Ms. Sabrina Peters-Russel	- Member
Ms. Gem Saunders Le Maitre	- Co-opted Member
Mr. Claude Dillon	- Co-opted Member

**Finance Committee:-**

Ms. Veronica Jacob	- Chairperson
Mr. Wilfred Wallace	- Secretary/Co-opted Member
Mr. Sherwin Gosine	- Co-opted Member
Mr. Malcolm Alexander	- Co-opted Member
Mr. Mervyn Webster	- Co-opted Member

**Properties Committee:-**

Mr. Samuel Peters	- Chairperson
Ms. Gemma Ottley	- Secretary
Mr. Michael Hernandez	- Co-opted Member
Mr. Malcolm Alexander	- Co-opted Member
Mr. David Brown	- Co-opted Member

**Delinquency Committee:-**

Mr. Erskine Abel	- Chairperson
Ms. Georgiana Cudjoe	- Secretary
Mr. Holly Francois	- Member

Mr. Darren Deokumar  
Mr. William Solomon

- Senior Recoveries Officer  
- Chairperson (Credit Committee)

#### Health and Safety Committee:-

Ms. Veronica Jacob  
Ms. Candice Haynes  
Mr. Mervyn Webster  
Mrs. Saraswati Seepersad

- Chairperson  
- Secretary  
- Co-opted Member  
- Staff Representative

#### Marketing and Communications Committee:-

Mr. Samuel Peters  
Ms. Allyson White  
Mr. Michael Hernandez  
Ms. Janelle Quash  
Mr. David Brown  
Ms. Gianna Guevara

- Chairperson  
- Secretary  
- Co-opted Member  
- Co-opted Member  
- Co-opted Member  
- Marketing Coordinator

#### Out Going Board Members

There are four outgoing Board members who are eligible for re-election and have indicated their interest in continuing to serve the Society. They are Ms. Marilyn John Fahey, Ms. Georgiana Cudjoe, Mr. Stephen Fraser and Mr. Samuel Peters.

## 4.0 Meetings

During the period under review a total of sixteen (16) meetings were held. There were twelve (12) Statutory Board Meetings and four (4) Joint Meetings.

Name	Board	Joint	Excused	Total
Mr. Erskine Abel	12	4	----	16
Ms. Marilyn John Fahey	12	4	----	16
Mr. Samuel Peters	10	4	2	16
Mr. Stephen Fraser	11	4	1	16
Ms. Veronica Jacob	11	4	1	16
Mr. Holly Francois	11	4	1	16
Ms. Georgiana Cudjoe	12	4	----	16
Mr. Errol Thomas	12	4	----	16
Ms. Candice Haynes	10	4	2	16
Ms. Gemma Ottley	11	4	1	16
Ms. Sabrina Peters Russel	10	4	2	16
Ms. Allyson White	9	4	3	16



## 5.0 Membership

The Society continued in its pursuit to attract new members during the year, resulting in an acceptance of Two Hundred and Forty nine (249) new members. Our total membership at the end of the year was Seven Thousand Five Hundred and Seventy one (7,571) active members.

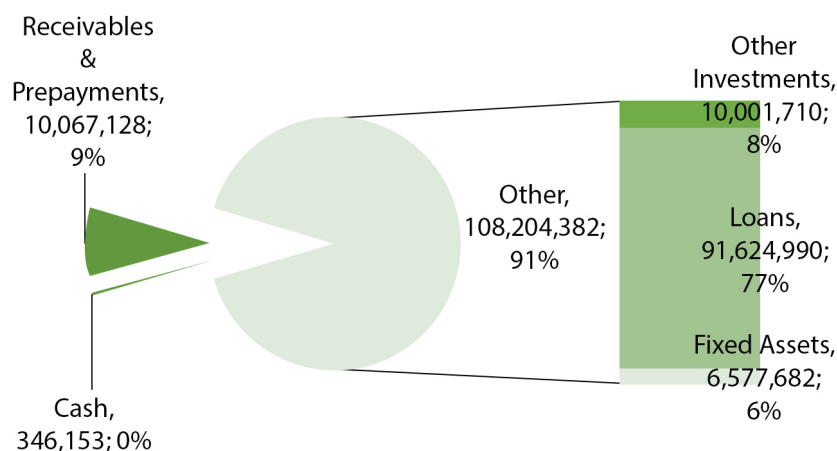
## 6.0 Financial Performance Highlights:-

The Progressive Credit Union continues to perform admirably amidst various challenges, such as the economic pressures, delays in collection of receivables and growing competition from other institutions. Most areas such as shares and loans increased this year compared to the results of 2016. Increases were also noted in the surplus and total assets figures. Notwithstanding the noted challenges, the results for 2017 are mostly positive. We firmly believe that our continued efforts to improve performance and efficiency through the introduction of new technologies and other strategies would redound to an even better service delivery to our valued membership.

The key details of our financial performance are provided below:

Year	Shares	Deposits	Loans	Surplus	Assets
2017	86,212,505	7,342,248	91,624,990	4,405,798	118,617,663
2016	80,865,484	6,447,033	84,668,501	4,296,074	103,635,213
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

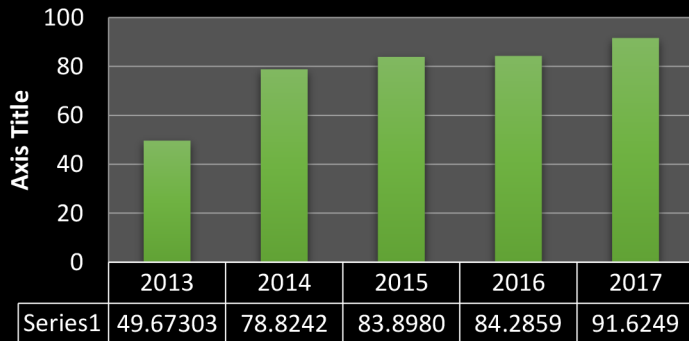
Table 1: Financial Highlights



### Total Assets

Total assets increased by \$15.0m or 14.5% moving from \$103.6m in 2016 to \$118.7m in 2017. This increase was due in part to the increase in the receivables and also the increase in the loan portfolio. The receivables increased by \$5.5m in 2017, an increase of approximately 121%. Progressive Credit Union continued to experience difficulty in the collection of the salary deductions from our main stakeholder, MTS. While members would observe these deductions on their payslips the Society continued to experience delays in the remittance of these funds from MTS.

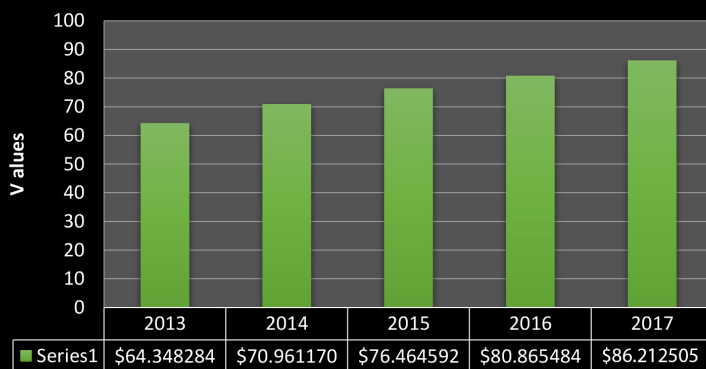
## Loans



### Loans

The loans to members portfolio accounts for 77% of the total assets of the Society in 2017. The portfolio increased by \$7m or 8.2% moving from \$84.6m in 2016 to \$91.6m in 2017.

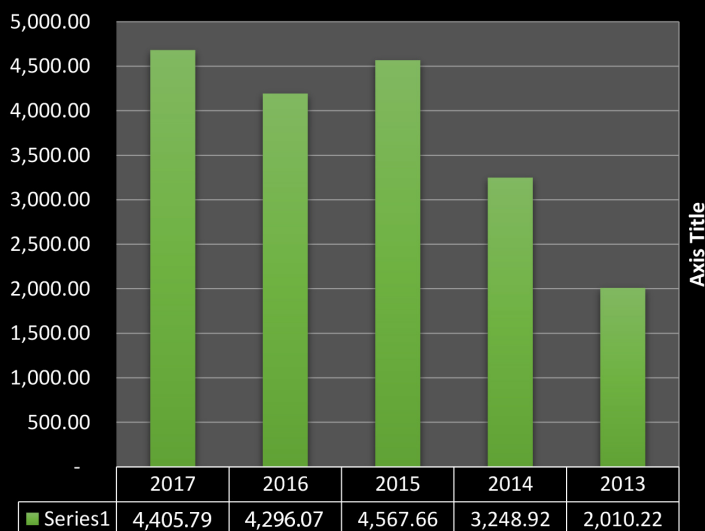
## Shares



### Shares

Shares increased by \$5.3m or 6.6% moving from \$80.9m in 2016 to \$86.2m in 2017.

## Surplus



### Income and Expenditure

Total income increased by \$771k or approximately 6.4% moving from \$12.1m in 2016 to \$12.9m in 2017. The total expenditure increased by \$661k or 8.5% moving from \$7.8m in 2016 to \$8.5m in 2017. This increase can be attributed mainly to the increases in the loan losses provisioning, interest cost and seminars and conferences. The overall surplus increased by \$110k or 2.6% moving from \$4.3m in 2016 to \$4.4m in 2017.

## 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 2017 as compared with 2016:

RATIO		PEARLS STANDARD	2016	2017
P	Prov. Allowances > 1yr	100%	228.1%	160.2%
	Prov. Allowances 1-12mths	35%	192.6%	302.7%
E	Net Loans to Total Assets	70-80%	81.5%	77.2%
	Institutional Capital/Total Assets	>10%	13.6%	12.7%
A	Total Delinquency	<=5%	5.3%	5.8%
R	Net Loan Income/Loan Portfolio	Entrep. Rate	12.2%	11.9%
	Total Operating Exp/Total Assets	<5%	7.0%	6.8%
L	Current Assests/Total Assets	>20%	11.2%	14.6%
S	Growth in Loans		0.7%	8.2%
Growth in Total Assets		>Inflation Rate	5.8%	14.5%

## 7.0 Delinquency

In 2017 Our Recoveries Department and Delinquency Committee continued to make strides in the recovery process. The non-performing loans exposure as a percentage of total loans was 5.8%.

Again we have followed the prudent approach which dictates that a loan loss provision must be instituted. The sum of \$900,000.00 has been provided in the 2017 accounts. The total loan provision as at December 31st, 2017 was \$5,895,000.78.

In 2018 the improvement of our receivables will again be a priority and greater efforts on the part of the Society will be made to achieve this.

The delinquency portfolio as at December 31st 2017 is as follows:

Loan Category	Total	Shares/ Collateral	Exposure
Ordinary Loans	10,108,875.00	4,895,183.53	5,213,691.73
Other Loan Categories	2,064,987.00	1,652,405.67	412,581.33
Total Delinquency	12,173,862.00	6,547,589.90	5,626,272.15
Total Loans O/S			
			97,519,991
Delinquency Ratio			5.8%

Table 3 – Delinquency Portfolio



## 8.0 Projection – 2017

<i>Projections 2017</i>	<i>Status</i>	<i>Projections 2018</i>
New member growth target of 300.	249 New members admitted	New member growth target of 300.
Net share growth of \$5.5M.	\$5.3M share growth.	Net share growth of \$5.5M.
Loan disbursement of \$44M.	Loan disbursement of \$43.2M.	Loan disbursement of \$44M.
Increase in investments to \$8.5M.	Total Investments to \$10M.	Increase in investments to \$12.5M.
Surplus \$2.7M.	Surplus - \$4.4M.	Surplus \$3.04M.
Dividend payment 3%	Board recommends Dividend 3%   Interest Rebate 3%	Dividend payment 3%.
<b>Delinquency 5%</b>	<b>Delinquency 5.8%</b>	<b>Delinquency 5%</b>

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 20 permanent employees and 4 contract employees. The staff changes made during the period were as follows:

- Confirmations were Darren Deokumar and Turon Nicholas
- Promotions included Joanne Meade to Loans Officer - Recoveries and Keston Crichlow to Office Supervisor.
- Joining the Society during the period was Tricia Salazar
- Leaving the Society was Randall Claxton

The staff was exposed to a number of training opportunities as follows:

- Customer service training
- F.I.U Training
- Product Training from Cuna and Sagicor

## 10.0 Policies

During the period the Society continued its efforts to ensure that proper and updated policies and procedures are in place to facilitate a robust corporate governance structure. Policies finalised during this year are as follows:

- Study Incentive
- Evacuation
- Treasury Management

## 11.0 ATM

As part of our commitment to you, our members, we are always seeking new ways to improve our service. It was in this vein that Progressive participated in a pilot programme of the Co-operative Credit Union League of Trinidad

and Tobago which was done in conjunction with SugaPay to install our first ATM at our Barataria office. This installation took place during the month of October. The card is a pre-paid debit card and was initially distributed to fifty (50) members as part of a trial. During the course of 2018 the pre-paid debit card will be offered to the entire membership. We also have future plans to install a machine at our San Fernando office and will keep you abreast of the developments as they happen.

## **12.0 Cooperative Involvement**

Progressive Credit Union continues to demonstrate its involvement as a cooperative partner within the entire credit union sector, through our active participation with the South East Regional Chapter (SERC), and the Cooperative Credit Union League of Trinidad and Tobago.

Both our President Mr. Abel and Vice President Mrs. Fahey currently served as a Director and Chairperson of the Supervisory Committee respectively. Former Director Ms. Gem Saunders-Le Maitre is the President of the SERC, while former Director Mr. Michael Hernandez served as a Director on the Chapter and represented the Chapter on the League Board. He is the Vice President/Treasurer of the CCULTT.

## **13.0 Marketing**

### **13.1 Boat Cruise**

Progressive Credit Union hosted its 8th Boat Cruise on board the Harbour Master on Saturday 10th June 2017, from 8 pm to 11 pm. A mix of One Hundred and Eighty Two (182) members and non-members were in attendance. All on board partied to the sounds of DJ Clyde the Outlaw and DJ Aaron took over and played until the end. Two door prizes were also awarded.

### **13.2 Brand Awareness**

#### **a) Digital Billboard Advertising**

From Tuesday 16th May to Friday 16th June 2017, Progressive launched an advertising campaign on digital billboards located at Gulf City and Champs Fleur. The purpose of the advertising was to build awareness of the Progressive brand. The advertisement provided the public with a brief insight into the Society by stating the various products and services offered by the Society.

#### **b) Radio Advertising**

During October 2017, International Credit Union Month, Progressive launched an advertising campaign on the radio i95.5 FM. The purpose of advertising was to build awareness of the Progressive brand, while celebrating Credit Union Month. The advertisement provided the public with a brief insight into the Society's products and services, information on our locations and branch contact information.

#### **c) Membership Survey**

Voice-of-the-member research is an excellent means of determining first-hand what members want from their

Credit Union, and how well they perceive the Society is delivering on the benefits they value. In 2017, a survey was conducted at the Annual General Meeting. The purpose of this survey was to ascertain members' opinions on the customer service offered at the various branches. The survey was continued over the next few months to build up a response that would represent 10% of the total membership of the Society.

### **13.3 Events 2018**

The following is a preview of Progressive's planned marketing efforts for the year 2018:

- |    |                                |                |
|----|--------------------------------|----------------|
| 1. | Digital Signage Tobago         | February 2018  |
| 2. | Member Survey                  | March 2018     |
| 3. | Savings Challenge              | March 2018     |
| 4. | Appliance Sale                 | April 2018     |
| 5. | Boat Cruise                    | June 2018      |
| 6. | Member Referral Programme      | September 2018 |
| 7. | Youth Arm Cook Off Competition | October 2018   |

### **14.0 Obituaries**

We extend sincere condolences to all fellow co-operators and their families who lost loved ones. We wish them serenity and strength to carry on and may the souls of the dearly departed rest in peace. Special mention is being made of Ms. Denise Griffith who passed recently. Ms. Griffith joined the Society in 1988 and served on the Credit Committee and the Board of Directors.

### **15.0 Conclusion**

Throughout 2017, the Credit Union experienced huge shortfalls in cash remittances due to monies outstanding by members attached to the Host Company - MTS, who had experienced significant hardships in the collection of monies owed for services provided, mainly by the Government. The Board exercised stringent management of the limited funds by scheduling loans to ensure that all members were facilitated as the situation continued. Various savings were tapped to ensure our members' needs were met.

The Board sincerely thank the owners (members) for their patience and understanding in these trying times which not only affected our Credit Union, but the wider financial community.

It is predicted that 2018 is modelling to be a year with severe economic challenges with job losses in many sectors.



Members are advised to be astute with their finances by making wise financial decisions.

Profound thanks to the General Manager and Staff, ably guided by the Board of Directors who ensured that your finances are properly invested to ensure viable returns.

Appreciation is extended to the Statutory Committees and Co-opted Members. Finally, we wish to thank you the members (the owners) of the Credit Union who have placed your trust in the team to manage your hard earned funds.

We wish you all prosperity now and in the future.

Cooperatively yours,



---

**Samuel Peters**  
**Secretary**

## STAFF MEMBERS



South Staff



General Manager



North Staff | Missing - Seeta Seepersad



Tobago Staff



From L to R: Mr. William Solomon – Chairperson, Ms. Subrena Winchester – Member,  
Ms. Yolanda Harry Keshwar – Member, Ms. Adeleine Gittens – Secretary  
Missing: Mr. Clarence Duke – Member

The Credit Union's Annual General Meeting was held on 25th March 2017. The following report summarizes the activities and performance of the Credit Committee for the period under review.

### 1.0. The members who were elected to serve on the committee were:

- |                         |                  |
|-------------------------|------------------|
| - William Solomon       | - Chairman       |
| - Adeleine Gittens      | - Secretary      |
| - Yolanda Harry-Keshwar | - Member         |
| - Subrena Winchester    | - Member         |
| - Clarence Duke         | - Member         |
| - Julia Bruce           | - 1st Substitute |

### 2.0. Meetings

A total of 36 meetings were held in accordance with the Bye-Laws. These statutory meetings were held each Thursday and were rescheduled accordingly, whenever meeting days fell on Public Holidays. The attendance by members was as follows:

Committee Members	Present	Excused
William Solomon	33	3
Adeleine Gittens	33	3
Yolanda Harry – Keshwar	31	5
Clarence Duke	30	6
Subrena Winchester	26	10

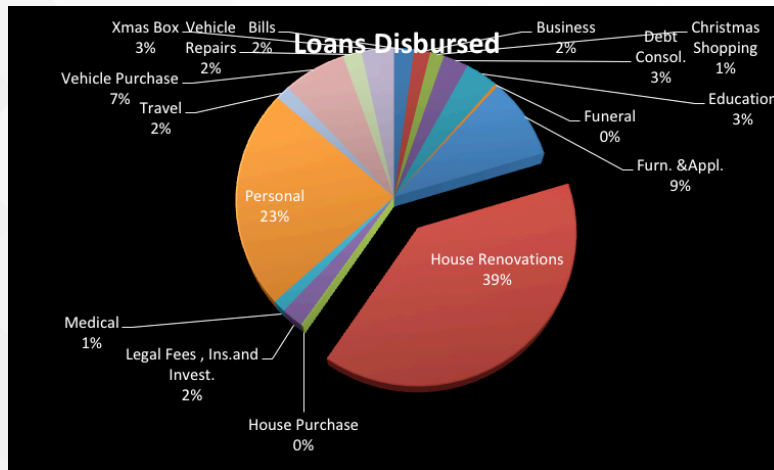
Total No. of Meetings: 36



### 3.0. Loan Applications and Disbursements

Over the period in review, there was a total disbursement of 5,004 new loans valued at \$43,199,675.90. The following chart identifies the percentage breakdown of these loans and categories:

LOANS APPROVED	# OF LOANS	2016	2017	%
Bills	90	297,928.00	906,678.06	2%
Business	10	160,715.00	736,585.00	2%
Christmas Shopping	97	745,480.00	631,155.00	1%
Debt Consolidation	68	1,042,660.09	1,139,160.23	3%
Education	177	977,430.00	1,497,500.36	3%
Funeral	17	92,390.00	143,910.00	0%
Furniture & Appliance	283	4,398,258.01	3,722,949.32	9%
House Renovations	771	13,152,992.32	16,922,399.47	39%
House Purchase	4	192,180.00	105,235.00	0%
Legal Fees, Insurances and Investments	65	499,904.72	954,920.00	2%
Medical	43	576,156.00	561,897.25	1%
Personal	2,754	9,277,638.54	10,035,945.41	23%
Travel	47	625,351.00	674,711.00	2%
Vehicle Purchase	43	3,380,305.71	2,851,334.43	7%
Vehicle Repairs	63	714,796.00	850,045.37	2%
Xmas Box	472	1,511,350.00	1,465,250.00	3%
<b>TOTAL</b>	<b>5004</b>	<b>37,645,535.39</b>	<b>43,199,675.90</b>	



4.0 The Committee continued to be vigilant with respect to granting of loans, where members did not meet the criteria. Some of the factors that were taken into consideration where loans were granted, although the applicant did not fully qualify, were:

- Good payment history
- Longevity of membership
- Co-signing of loan
- Type of loan (e.g. Medical, education, death and housing)

The Committee would like to urge members to increase their shares consistently. Not only is this critical to our growth and development as a movement, but it also increases your ability to qualify for loans.

#### 5.0 Training / Seminars

All members of the Committee attended FIU Policy update training hosted by the Co-operative Credit Union League. The chairman also attended the CCCU Leadership Conference held in Panama.

#### 6.0 Other

Three (3) joint meetings were held for the period together with members of the Supervisory Committee and the Board of Directors. One (1) meeting was held with the General Manager and Senior Staff, based on the Loan Policy and Securities on loans. Three (3) visits were made to the Tobago Branch, where we conducted interviews, site visits and entertained member requests for open discussion and concerns.

#### 7.0 Delinquency

The Credit Committee continues to work with the Delinquency Committee and Recoveries Office to reduce the occurrence of members going into bad debt.

#### 8.0 Conclusion

The Credit Committee wishes to express its gratitude to the members foremost, for electing us to serve them over the last year. Thank you for the valuable support of the Loans Officers and Branch Supervisors. The Committee also wishes to express its gratitude to the Board of Directors, other Committees and the Management and Staff, for their support during this term where we were faced with many challenges. Thanks for the trust and confidence placed in us. Progressive Credit Union will continue to strive for excellence. God's Blessings.

Co-operatively yours

William Solomon  
Chairman



From L to R: Ms. Anne Marie Campbell – Chairperson,  
Mr. David Quamina – Member  
Missing: Mr. Stefan Small - Secretary

The following members were elected at the Progressive Credit Union's 30th Annual General Meeting held on 25th March 2017, at the Centre Point Mall Auditorium in Chaguanas, and served on the Supervisory Committee for the period 2017/ 2018 term in the following positions:

- |                           |               |
|---------------------------|---------------|
| • Ms. Anne Marie Campbell | Chairperson   |
| • Mr. Stefan Small        | Secretary     |
| • Mr. David Quamina       | Member        |
| • Mr. Premchand Samlal    | 1st Alternate |

## 1.0 Introduction:

The Supervisory Committee, who is simply termed the Internal Auditors of the Society, is charged with the responsibility of ensuring that proper internal control measures are in place to ensure the smooth running of the Society, and to protect the assets of the Credit Union. The Committee ensures that it is fully informed as to the financial conditions and stability of the Credit Union.

## 2.0 Aims and Objectives:

During this Period the Supervisory Committee had the following aims and objectives:

- Examined all bank reconciliations to ensure all transactions and returned cheques were accounted for.
- Reviewed and monitored the delinquency portfolio paying attention to the economic and industrial climate.
- Visited all branches and conducted cash checks.
- Examined the Fixed Assets Register and conducted physical checks.
- Identify any weakness in the organisation and make recommendations for improvement.

## 3.0 Seminars and Workshops:

Members of the Supervisory committee attended the following workshops and training programmes:  
Internal Audit Function – This provided guidance on the following:

- The role of Board and Committees
- What is the Supervisory Committee?
- Fit and Proper Procedures
- Principles of Auditing
- AML/CFT Role of Audit Committee
- Good Governance Practices

## 4.0 Findings:

The Supervisory Committee visited all of the Society's Branches and achieved the objectives that were set out for this term, with no obstacles and complete success.

The Supervisory Committee had a presence at all Board Meetings, submitted reports as to its findings and made recommendations for improvements.

We the members of the Supervisory Committee are pleased to report that the Management and Staff operated within our Bye-Laws and the Cooperative Societies' Act.



**5.0 Commendations:**

It must be noted and commended that the Credit Committee members were very vigilant in the granting of loans, paying close attention to the economic climate and to the financial problems experienced by NMTS, in order to effectively fulfil member's needs.

The Board of Directors, Management and Staff, and Co-opted members of all Board appointed Committees, should also be commended for their outstanding and fruitful efforts, despite being severely challenged to ensure a smooth running financial institution, always keeping member's wellbeing at the forefront.

The Supervisory Committee would like to also commend the members of Progressive Credit Union for your patience, understanding, and continued support though there were some discomfort to you.

**6.0 Delinquency:**

At the end of the period 2016-2017 the delinquency rate showed marginal decline from 5.3% in 2016 to 5.2% in 2017. There are many factors that contribute to delinquency which are constantly under review, and are currently being perused much more aggressively, in order to obtain maximum results.

**7.0 Conclusion:**

The Committee take this opportunity to thank God for giving us health and strength to give service to all members of this Society.

While we look forward to a prosperous term 2017-2018, we would like to thank YOU the members that have given us the opportunity to serve.

Cooperatively Yours,



---

**Anne Marie Campbell**  
Chairperson

For the year under review, the Education Committee spearheaded members' activities through two Committees: namely the Education Committee and the Social Events Committee. These comprised of the following persons:

### Education Committee:

Ms. Marilyn John Fahey	Chairperson
Ms. Marcia Lue Shue-Douglas	Secretary
Mr. Errol Thomas	Director
Mr. Anthony Perry	Member
Ms. Roxanne Forbes	Member
Ms. Neisha Cudjoe	Member
Ms. Esther Simmons	Staff/Youth Representative

### Social Events Committee:

Ms. Marilyn John Fahey	Chairperson
Ms. Juliana Joseph-Pacheco	Secretary
Mr. Errol Thomas	Director
Ms. Gem Saunders-Le Maitre	Member
Ms. Thecla Quamina	Member
Ms. Esther Simmons	Staff/Youth Representative

## INTRODUCTION

“Your Achievement, Our Goal” Every time we volunteer our time, abilities and efforts, the Education Committee reflects our ongoing commitment to the holistic development of members of this Credit Union. Our core values and beliefs begin and end with identifying, understanding and achieving our members' goals.

As we continue to serve you our members-owners, we are ever mindful of the challenging times happening all around us and with diligent research, we design programmes and activities that would promote financial literacy and provide education for our staff, members and volunteers.

## EDUCATION & SOCIAL PROGRAMMES

This pass year's focus was directed to “Understanding Financial Statements” with particular emphasis on understanding your Credit Union statement. Seminars were held on Saturday 13th May at the Barataria Office and on Saturday 12th August, 2017. The seminars were facilitated by President Erskine Abel and Director Errol Thomas. This year the Committee rewarded participants for their attendance by presenting them with Certificates of Participation.

Orientation of New Members was conducted at the South Office on the 24th June, 2017. The topics covered were: The history of the Credit Union; the responsibilities of the Board and Statutory Committees; the Products and Services that are offered by the Credit Union; and how a member can become an essential part of the operations. SAGICOR was on hand to share information on the comprehensive range of financial solutions which they offer such as: insurance, investments and retirement planning. There were other orientation seminars held during the year at both the South and Barataria Offices; this is in keeping with members understanding their Credit Union.



### PETER MC DAVID EXCELLENCE AWARDS

The Annual Peter Mc David Excellence Awards under the banner “Stand Up, Speak Out” was held on Saturday 16th September, 2017 at PROGRESSIVE'S Barataria office. Presentations were made to Youth and Kiddies Arm Members for their excellence in the categories of: Secondary Entrance Assessment (SEA) - four (4) members, and Caribbean Secondary Examination Certificate (CSEC) - one (1) member.





SEA Awardees were: Jenniel Baptiste – Top Achiever; Brianna Bacchus; Kamran Baksh and Rajieve Ramsaran. CSEC Awardee was Ricardo Lewis.

Feature speaker, Ms. Charen Glasgow – BSc Psychology and MSc Gender and Development Studies, chose an interactive method to present her contribution. This involved physical games which allowed the participants to recognise their strengths and abilities which they can employ, to chart their course through various phases of their education and career.

## SEMINARS/CONFERENCES

Leadership Conference

CCCU Conference

Staff Training

Special General Meetings of the League

Training for Board and Managers

FIU Training

Training for use of Sugar Pay (ATM)

## CREDIT UNION MONTH ACTIVITIES

**Opening Ceremony for Credit Union month** which all fell under the theme “70 years – Positioning Ourselves for Beyond” was held on Sunday 15th October, 2017 at the East Mucurapo Secondary School, and began at 09:00 a.m. with an Inter-Faith Service and greetings from the various Credit Unions participating. Invitations to attend the event were published via flyers which were posted and distributed at all our offices and SMS messaging to all members. This year, there was reduced participation which could be attributed to the inclement weather however, this did not dampen the spirits of the members and their families who attended, and enthusiastically participated in the competitive events.

**Members’ Appreciation Days** themed “Health Awareness” were held at the North, South and Tobago, Offices on the 17th, 19th and 20th October, 2017 respectively. Members were presented with a token of a First Aid Kit and refreshments. In Tobago, Committee Members were on hand to meet and greet the membership. Additionally, a number of members took advantage of the Health Services and utilized the services of other guest institutions that were present.

**Children’s Christmas Party (Trinidad & Tobago)** Christmas Parties were held for the children of members in Trinidad and Tobago on Sunday 10th and Sunday 17th December, 2017 respectively. The venues for the parties were the MTS PLAZA, Aranguez, Trinidad and the Scarborough Secondary School in Tobago.

The children were treated to various refreshments and activities which included large bouncy house, peddle go karts, roller racers, air dancers, bran tub, face painting, balloon art and their gift from Santa. Musical chairs, karaoke and Santa Claus also made up the entertainment.





Both events were successful with all looking forward to repeating the experience next year.

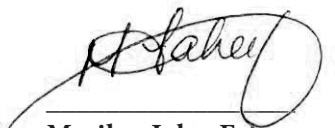
#### UPCOMING EVENTS

February	-	Wills & Testimonials: North, South & Tobago
March	-	Membership Development Orientation – Tobago
April	-	Skills Development & Kite Flying Competition Boat Cruise
May	-	Leadership Conference - Education Committee Member
June	-	Membership Development Orientation – North & South
July	-	Membership Drive
August	-	BINGO
September	-	Annual Peter Mc David's Excellence Awards
October	-	Credit Union Month Activities
November	-	Orientation – Prospective Board of Directors & Committee Members
December	-	Children Christmas Party (Tobago) Children Christmas Party (Trinidad)

#### CONCLUSION

In conclusion, borrowing the words from the Mighty Sparrow's Calypso "Education" – knowledge is the key to success. As we forge ahead to the 2018-2019 term, embracing all, encouraging our esteemed membership, we exhort you to attend as many programmes that are being offered. We are also taking this opportunity to thank God for steering us through; to you our esteemed Members, the Board of Directors, Statutory Committees, Ad-hoc Committees, and the General Manager and Staff, who would have worked diligently alongside us to make each venture a resounding success. We thank you all.

Cooperatively yours,

  
Marilyn John-Fahey  
Chairperson



The Nominating Committee takes this opportunity to present its report on the screening and selection of prospective candidates, who have offered themselves for election at this Annual General Meeting (AGM). The Nominating Committee acts under the Corporate Governance area of the Credit Union. In accordance with Bye-Laws 24 (a), (b) and (c); the Board of Directors selected Ms. Candice Haynes, Chairperson of the Nominating Committee as well as Mr. Errol Thomas - Director to be part of the Nominating Committee.

### 1.0 COMPOSITION OF THE NOMINATING COMMITTEE

As prescribed in the Bye-Laws the composition of Nominating Committee consisted of:

- |                                  |                          |
|----------------------------------|--------------------------|
| ➤ Ms. Candice Haynes             | - Chairperson (Director) |
| ➤ Mr. Errol Thomas               | - Director               |
| ➤ Mr. Malcolm Alexander          | - Member                 |
| ➤ Mr. Yul Layne                  | - Member                 |
| ➤ Ms. Geraldine Veronique- Davis | - Member                 |

### 2.0 METHODOLOGY

The Committee held its first meeting on Wednesday 24th January, 2018 at the North Office, Barataria. At this meeting the terms and references of the Committee were discussed, the schedule of interviews were determined and a date for the Orientation seminar for all nominees were determined.

Advertisements were placed in the Trinidad Express Newspapers on 20th December 2017; 03rd, 17th 28th, 31st January, 2018 and 01st February, 2018. Notices were posted on the Society's website and Facebook page on 14th December, 2017. In addition, notices were placed at Progressive Credit Union's three (03) offices located in Tobago, San Fernando and Barataria from 14th December, 2017 to 02nd February, 2018. A digital signage was used on 14th December, 2017. Text messages were sent on 08th January, 2018.

### 3.0 INTERVIEWS

Twenty-one (21) applications were received in total, eight (08) for the Board of Directors, nine (09) for the Credit Committee and four (04) for the Supervisory Committee. Two (02) outgoing members of the Credit Committee were statute barred namely Mr. Clarence Duke and Mr. William Solomon and they have expressed their willingness to continue to serve on the Supervisory Committee. Ms. Ann Marie Campbell an outgoing member of the Supervisory Committee is also statute barred and she has expressed an interest in continuing to serve on the Credit Committee. Interviews were conducted over a three (03) day period:

- |                                |   |
|--------------------------------|---|
| ➤ Sunday 04th February, 2018   | - (San Fernando Office) four (04) persons |
| ➤ Tuesday 06th February, 2018  | - (Barataria Office) eight (08) persons   |
| ➤ Thursday 15th February, 2018 | - (Barataria Office) nine (09) persons    |

Two nominees were unable to attend their interviews on Tuesday 06th February, 2018 and were re-scheduled for Thursday 15th February, 2018. Two (02) interviews were conducted via telephone to facilitate our representatives from Tobago since they were unable to obtain tickets given the present situation with the Tobago Seabridge. One (1) applicant was unable to

attend their interview and one (01) applicant was unsuccessful. One (01) applicant was not in good standing and as result could not be considered for nominations.

All applicants were evaluated based on five (05) criteria:

- 1) Academic Qualifications
- 2) Credit Union Experience
- 3) Communication
- 4) Personality/ Deportment
- 5) Knowledge/ Stability

The criteria were scored from 1 to 5 and a weighted average was taken off each of the committee members' score sheet to select the appropriate candidates. Each candidate was ranked according to their responses during the interviews. Eighteen (18) out of Twenty- One (21) nominees were selected to be presented to you, the membership, for election.

#### **4.0 NOMINEES**

The nominees are listed hereunder and are not in any order of ranking:

##### ***Board of Directors (07)***

- 1) Mr. Stephen Fraser
- 2) Ms. Marilyn John-Fahey
- 3) Ms. Gem Saunders- Le Maître
- 4) Ms. Georgiana Cudjoe
- 5) Mr. Michael Hernandez
- 6) Mr. Samuel Peters
- 7) Mr. David Brown

##### ***Credit Committee (07)***

- 1) Ms. Adeleine Gittens
- 2) Ms. Yolanda Harry Keshwar
- 3) Ms. Julia Bruce
- 4) Ms. Racheal Austin
- 5) Ms. Ursula Salina
- 6) Ms. Anne Simmons
- 7) Ms. Anne- Marie Campbell

##### ***Supervisory Committee (04)***

- 1) Mr. David Quamina
- 2) Mr. William Solomon
- 3) Mr. Clarence Duke
- 4) Mr. Mervyn Webster

#### **5.0 ORIENTATION**

An Orientation program before the Annual General Meeting (AGM), was scheduled for Wednesday 07th March 2018 at the Barataria Office, and this was conducted by Officers of the Co-operative Division. This Orientation program was to facilitate the nominee's acquisition of pertinent knowledge of their roles and functions in the various positions, and an understanding of the entire cooperative philosophy.

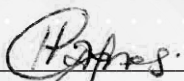


## 6.0 CONCLUSION

The Nominating Committee wishes to reiterate to persons offering themselves to serve on the various committees, that they should equip themselves with the necessary information as it relates to the roles, functions and the importance of each committee. Also, more research must be conducted on the Credit Union and applicants must be knowledgeable of the policies that exist within the Credit Union.

The Nominating Committee plays a pivotal role in the screening and selection of leadership for the Credit Union. Applicants should extend all courtesies that are required of an interview to the Committee. The members of the Nominating Committee thank the Board of Directors for the opportunity to serve, the Staff for their assistance and all applicants for offering themselves to serve and attending the interviews.

Cooperatively yours,



---

Candice Haynes  
Chairperson

## PROFILES 2018

### BOARD OF DIRECTORS



#### DAVID BROWN

Place of Employment: NMTS  
Occupation: Employee Relations Manager  
Credit Union Membership: 27 years  
Credit Union Experience:

- Past:
- Member of the Credit Committee
  - Member of the Board of Directors
  - Member of the Human Resource Committee

#### Education and Training:

- Bachelor of Arts in Labour Studies – Cipriani College
- Certificate in Industrial Relations
- Certificate in Supply Management
- Training in Videography and Photography
- Certificate in Television Production
- Diploma in Advance Labour Laws
- Leadership Essentials Workshop
- Managerial Skills Workshop
- Negotiation
- Conflict Resolution
- The Progressive Form of Discipline
- Managing Your Contracts System



#### MARILYN JOHN-FAHEY

Place of Employment: NMTS  
Occupation: New Business Supervisor  
Credit Union Membership: 21 years  
Credit Union Experience:

- Present:
- Vice President of the Board of Directors
  - Chairperson of the Education and Social Events Committees
- Past:
- Member of the Supervisory Committee
  - Member of the Credit Committee
  - Chairperson of the Supervisory Committee

#### Education and Training:

- Certificate in Credit Union Management
- The Supervisory Audit Function – Roles and Responsibilities of Officers
- Membership Development Programme – Key to Financial Freedom
- Anti-Money Laundering and Counter Terrorist Financing Training Seminar
- Introduction Level Training Events Management
- Introduction to Human Resource Management
- Introduction to Supervisory Management
- Introduction to Occupational Safety & Health
- Introduction to Industrial Relations



#### GEORGIANA CUDJOE

Place of Employment: Retired  
Credit Union Membership: 34 years  
Credit Union Experience:

- Present:
- Member of the Board of Directors
  - Secretary of the Delinquency Committee
- Past:
- Member of the Board of Directors
  - Chairperson of the Supervisory Committee
  - Secretary of the Human Resource Committee
  - Secretary of the Credit Committee
  - Secretary of the Board of Directors
  - Chairperson of the Health & Safety Committee

#### Education and Training:

- Certificate in Human Resource Management
- Training in Credit Union Administration
- Introduction to Environmental Health & Safety
- Introduction to Industrial Relations
- Credit Union Directors Professional Development Course
- Anti-Money Laundering & Counter Terrorist Financing Training Seminar

## BOARD OF DIRECTORS CONT'D..



### STEPHEN FRASER

Place of Employment: Ministry of National Security

Occupation: Immigration Officer

Credit Union Membership: 34 years

Credit Union Experience:

Present:

- Assistant Secretary to the Board of Directors
- Member of the Human Resource Committee

Past:

- Chairperson of the Credit Committee
- Member of the Credit Committee

Education and Training:

- Certificate in Security Management
- Certificate in Criminology

Other Affiliations

- Member of the Supervisory Committee of Agricola Credit Union



### SAMUEL PETERS

Place of Employment: NMTS

Occupation: Deputy Chief Security Officer

Credit Union Membership: 33 years

Credit Union Experience:

Present:

- Secretary of the Board of Directors

Past:

- Member of the Board of Directors

Education and Training:

- National Certificate in OSHA
- Senior Supervisory Personal Development Customer & Staff Relations
- Conflict Resolution
- Diploma in Supervisory Management
- Certificate in Marketing/Advertising/Public Relations
- Diploma in Supervisory Management
- Understanding Financial Statements
- Anti-Money Laundering Training
- Corporate Governance Training
- Calculating PEARLS Ratio



### GEM SAUNDERS LE-MAITRE

Place of Employment: Business Equipment & Interior

Occupation: Account Executive

Credit Union Membership: 30 years

Credit Union Experience:

Present:

- Member of the Social Events Committee
- Member of the Human Resource Committee

Past:

- Member of Board of Directors
- Chairperson Education Committee
- Vice President of Board of Directors
- Member Education Committee
- Assistant Secretary of the Board of Directors

Education and Training:

- Diploma Office Professional
- Diploma Human Resource Management
- Associate Degree Human Resource Management
- Associate Degree in Co-operative Studies



### MICHAEL HERNANDEZ

Place of Employment: NMTS

Occupation: Marketing Manager

Credit Union Membership: 33 years

Credit Union Experience:

Past:

- President of the Board of Directors
- Member of Supervisory Committee
- Director of Board of Directors
- Secretary of Board of Directors
- Chairperson of the Marketing & Communications Committee
- Chairperson of the Properties Committee

Education & Training:

- Master of Business Administration – General Management
- Diploma in Management
- Accounting Standards Workshop
- Strategic Marketing Workshop
- Certificate for Managing Financial Resources
- Certificate for Business for Non-Financial Managers



## SUPERVISORY COMMITTEE



### WILLIAM SOLOMON

Place of Employment: Retired

Credit Union Membership: 34 years

Credit Union Experience:

Present:

- Chairperson of the Credit Committee
- Member of the Delinquency Committee

Past:

- Member of the Education Committee
- Member of the Credit Committee

Education and Training:

- Plumbing (John Donaldson Technical Institute )
- Operation of Waste Water Treatment Plant (California State University)
- Anti-Money Laundering Workshop – Delinquency Management



### CLARENCE DUKE

Place of Employment: NMTS

Occupation: Plumber

Credit Union Membership: 33 years

Credit Union Experience:

Present:

- Member of the Credit Committee

Past:

- Member of the Education Committee
- Member of the Credit Committee
- Member of the Supervisory Committee

Other Associations:

- Executive Member of the North Branch of Transport and Industrial Workers Union

Education and Training:

- Training in Plumbing, Masonry and Carpentry
- Certificate in Electrical Engineering



### DAVID QUAMINA

Place of Employment: NMTS

Occupation: Estate Sergeant

Credit Union Membership: 26 years

Present:

- Member of the Supervisory Committee

Past:

- Co-opted member of the Education Committee
- Alternate for the Supervisory Committee

Education and Training:

- Diploma Industrial Relations
- Certificate Supervisory Management
- Certificate Human Resource Management
- Advance Certificate Further Security Training



### MERVYN WEBSTER

Place of Employment: NMTS

Occupation: Maintenance Technician

Credit Union Membership: 7 years

Present:

- Alternate for the Credit Committee

Education and Training:

- CXC Auto Mechanics
- CXC Social Studies
- CXC Math



## ANNE MARIE CAMPBELL

Place of Employment: Retired

Credit Union Membership: 34 years

Credit Union Experience:

Present:

- Chairperson of the Supervisory Committee

Past:

- Member of the Education Committee
- Member of the Supervisory Committee

Education and Training:

- Certificate in Performance Management
- Management Training Programme
- Supervisory Management
- Anti-Money Laundering Training
- Audit Function for Supervisory Committees
- Roles and Responsibilities of Supervisory Committee



## ADELEINE GITTENS

Place of Employment: Retired

Credit Union Membership: 16 years

Credit Union Experience:

Present:

- Secretary of the Credit Committee

Past:

- Former Senior Loan Officer at Progressive Credit Union

Education and Training:

- Financial Management for Credit Unions
- Loan Administration for Credit Unions
- Credit Evaluation Techniques
- Anti-Money Laundering Seminar
- Financial Counselling Seminar



## YOLANDA HARRY KESHWAR

Place of Employment: NMTS

Occupation: Security Officer

Credit Union Membership: 4 years

Present:

- Member of the Credit Committee

Education and Training:

- Anti-Money Laundering Training
- CXC English
- CXC Social Studies
- CXC History



## JULIA BRUCE

Place of Employment: NMTS

Occupation: Secretary II

Credit Union Membership: 17 years

Credit Union Experience:

Past:

- Member of the Credit Committee
- Tobago Representative
- Secretary of the Credit Committee
- Alternate for the Credit Committee

Education and Training:

- OSHA
- Advance Practical Accounting
- Credit Union Co-operative Training
- National Examination Council Level 1 Automated Office/Computer
- National Examination Council Level 1 Typist/Receptionist
- Micro Enterprises Management Techniques
- Delinquency Control in Financial Institutions
- Credit Evaluation Techniques
- Interpretation of key areas of the Co-operative Societies Act
- Anti-Money Laundering Training
- Compliance/Legal Training



## ANNE SIMMONS

Place of Employment: NMTS  
Occupation: Maintenance Supervisor  
Credit Union Membership: 23 years  
Credit Union Experience:

Past:

- Member of the Credit Committee
- Secretary of the Credit Committee

Education and Training:

- Micro Entrepreneurship
- Industrial Relations
- Supervisory Management
- Anti-Money Laundering Training
- Roles & Functions of the Statutory Committees

Other Associations:

- President of South Branch Transport and Industrial Workers Union



## RACHEAL AUSTIN

Place of Employment: NMTS  
Occupation: Human Resource Assistant  
Credit Union Membership: 9 years  
Credit Union Experience:

Past:

- Member of the Education Committee

Education and Training:

- School Based Law Enforcement Programme
- Crisis Management
- Certificate in Security Administration
- Certified Physical Instructor Training
- Hairdressing



## URSULA SALINA

Place of Employment: NMTS  
Occupation: Building Supervisor  
Credit Union Membership: 24 years  
Education and Training:

- Supervisory Management
- Crisis Management
- Coaching for Results Seminar

Other Associations:

- Shop Steward Transport and Industrial Workers Union





**FINANCIAL STATEMENTS**

for the year ended

December 31, 2017



## Financial Statements

for the year ended December 31, 2017

Contents	Pages
Statement of Management's Responsibilities	1
Independent Auditor's Report	2 to 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Members' Equity and Reserves	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 to 28

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## Statement of Management's Responsibilities

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Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Progressive Credit Union Co-operative Society Limited, which comprise the statement of financial position as at December 31, 2017, the statements of comprehensive income, changes in members' equity and reserves and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;
- Ensuring that the Society keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of Internal control that assures security of the Society's assets, detection/prevention of fraud, and the achievement of the Society's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Co-operative Societies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, management utilized International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

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 reporting date, or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

VERONICA JACOB  
TREASURER

March 2, 2018

ERSKINE ABEL  
PRESIDENT

March 2, 2018

ANNEMARIE CAMPBELL  
CHAIRPERSON  
SUPERVISORY COMMITTEE

March 2, 2018





**R. Ramdass & Co.**  
**CHARTERED ACCOUNTANTS**

17 Gaston Street, Lange Park,  
Chaguanas 500703 Trinidad West Indies  
Tel: 1-(868) 665-0583 / Fax: 665-0495  
E-mail : rramdass.co@gmail.com

**Independent Auditor's Report**

**To the Members of Progressive Credit Union Co-operative Society Limited**

**Opinion**

We have audited the financial statements of **Progressive Credit Union Co-operative Society Limited**, which comprise the statement of financial position as at 31<sup>st</sup> December 2017, and the statement of comprehensive income, statement of changes in members' equity and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at 31<sup>st</sup> December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in The Republic of Trinidad & Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Other information consists of the information included in the Society's 2017 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The 2017 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.





**Independent Auditor's Report (cont'd)**

**To the Members of Progressive Credit Union Co-operative Society Limited (cont'd)**

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



*R. Ramdass & Co.*  
CHARTERED ACCOUNTANTS

17 Gaston Street, Lange Park,  
Chaguanas 500703 Trinidad West Indies  
Tel: 1-(868) 665-0583 / Fax: 665-0495  
E-mail : rramdass.co@gmail.com

**Independent Auditor's Report (cont'd)**

**To the Members of Progressive Credit Union Co-operative Society Limited (cont'd)**

**Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

March 5, 2018





## Statement of Financial Position

as at December 31, 2017

	<u>NOTES</u>	<u>2017</u> \$	<u>2016</u> \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Held-to-maturity investments	6b	3,042,078	1,051,446
Loans to members	7	91,624,990	84,668,501
Property, plant and equipment	3	6,577,682	6,470,432
Total non-current assets		101,244,750	92,190,379
<b>Current assets</b>			
Cash and short term funds	4	346,153	665,580
Receivables	5	10,067,128	4,559,530
Available-for-sale investments	6a	6,959,632	6,219,725
Total current assets		17,372,913	11,444,835
<b>Total Assets</b>		<b>118,617,663</b>	<b>103,635,214</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
<b>Liabilities</b>			
Bank overdraft	8	3,568,999	790,208
Short term loan	9	4,192,410	-
Payables and accruals	10	2,291,856	1,501,565
Members' deposits		7,342,248	6,447,033
Members' shares	11	86,212,505	80,865,484
Total Liabilities		103,608,018	89,604,290
<b>Members' equity</b>			
Reserve fund		5,523,575	5,081,185
Education fund		409,017	259,017
Investment Re-measurement Reserve		190,216	78,936
Undivided surplus		8,886,837	8,611,786
Total Members' Equity		15,009,645	14,030,924
<b>Total Liabilities and Members' Equity</b>		<b>118,617,663</b>	<b>103,635,214</b>

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

These financial statements were approved by the Board of Directors on March 2, 2018 and signed on its behalf by:

  
 VERONICA JACOB  
 TREASURER

  
 ERSKINE ABEL  
 PRESIDENT

  
 ANNEMARIE CAMPBELL  
 CHAIRPERSON  
 SUPERVISORY COMMITTEE

## Statement of Comprehensive Income

for the year ended December 31, 2017

	<u>NOTES</u>	<u>2017</u>	<u>2016</u>
<b>Income</b>		\$	\$
Interest and dividends	12	11,941,859	11,318,965
Fees and other income		863,287	709,329
Rental		57,600	63,600
<b>Total income</b>		<b>12,862,746</b>	<b>12,091,894</b>
<b>Expenditure</b>			
Advertising & promotions		244,500	252,663
Bank charges & interest		183,498	40,415
Credit Union League dues		69,394	98,650
Depreciation		223,822	218,182
Donations		30,052	35,408
Education and seminars		227,913	-
Establishment	13	395,545	388,099
Insurance		1,364,716	1,245,474
Interest on members' deposits		29,062	31,618
Legal & professional fees		258,093	215,620
Meetings	14	729,040	697,353
Miscellaneous	15	67,432	146,960
Office and stationery		202,365	239,352
Provision for loan losses		900,000	700,000
Provision for FIP Death Claims		129,102	-
Security		414,474	433,828
Staff salaries & benefits	16	2,691,219	2,779,302
Tobago	17	296,721	272,898
<b>Total expenditure</b>		<b>8,456,949</b>	<b>7,795,820</b>
<b>Surplus for the year</b>		<b>4,405,798</b>	<b>4,296,074</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to Profit or Loss</i>			
Unrealised gain/(loss) on available-for-sale investments		111,280	(1,236)
<b>Total comprehensive income for the year</b>		<b>4,517,078</b>	<b>4,294,838</b>

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, 2017

	Reserve Fund	Education Fund	Investment Re- measurement Reserve	Undivided Surplus	Total Members' Equity
	\$	\$	\$	\$	\$
<b>Year ended December 31, 2017</b>					
Balance at January 1, 2017	5,081,185	259,017	78,936	8,611,786	14,030,924
Honorarium paid	-	-	-	(116,000)	(116,000)
Dividends paid	-	-	-	(3,174,167)	(3,174,167)
Entrance fees	1,810	-	-	-	1,810
Total comprehensive income for the year	-	-	111,280	4,405,798	4,517,078
Transfers	440,580	400,000	-	(840,580)	-
Fund expenditure/adjustment	-	(250,000)	-	-	(250,000)
<b>December 31, 2017</b>	<b>5,523,575</b>	<b>409,017</b>	<b>190,216</b>	<b>8,886,837</b>	<b>15,009,645</b>
<b>Year ended December 31, 2016</b>					
Balance at January 1, 2016	4,649,178	332,637	80,172	8,311,990	13,373,977
Honorarium paid	-	-	-	(116,000)	(116,000)
Dividends paid	-	-	-	(3,235,867)	(3,235,867)
Entrance fees	2,400	-	-	-	2,400
Total comprehensive income for the year	-	-	(1,236)	4,296,074	4,294,838
Transfers	429,607	214,804	-	(644,411)	-
Fund expenditure/adjustment	-	(288,424)	-	-	(288,424)
<b>December 31, 2016</b>	<b>5,081,185</b>	<b>259,017</b>	<b>78,936</b>	<b>8,611,786</b>	<b>14,030,924</b>

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





**Statement of Cash Flows**  
for the year ended December 31, 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>Cash flows from operating activities</b>		
Net surplus for the year	4,405,798	4,296,074
Adjustments to reconcile net surplus to net cash from operating activities:		
Depreciation	223,822	218,182
Provision for loan losses	900,000	700,000
Provision for FIP Death Claims	129,102	-
Loss on disposal of property, plant & equipment	2,602	-
Increase in receivables and prepayments	(5,636,700)	(3,755,462)
Increase/(decrease) in payables and accruals	790,291	(373,644)
Net cash from operating activities	<u>814,915</u>	<u>1,085,150</u>
<b>Cash flows from investing activities</b>		
Net changes in repayment of members loans	(7,856,489)	(1,470,504)
Net changes in investments	(2,619,259)	(1,150,019)
Net changes in members' deposits	895,213	646,292
Additions to property, plant and equipment	(333,672)	(108,155)
Proceeds from disposal of prop. plant & equip.	-	4,729
Net cash used in investing activities	<u>(9,914,207)</u>	<u>(2,077,657)</u>
<b>Cash flows from financing activities</b>		
Proceeds from short term loan	5,000,000	-
Repayment of short term loan	(807,590)	-
Dividends paid	(3,174,167)	(3,235,867)
Net changes in members' shares	5,347,021	4,400,892
Net change in education fund	(250,000)	(288,424)
Honorarium paid	(116,000)	(116,000)
Entrance fees	1,810	2,400
Net cash from financing activities	<u>6,001,074</u>	<u>763,001</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(3,098,218)</u>	<u>(229,506)</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>(124,628)</u>	<u>104,878</u>
<b>Cash and cash equivalents at end of year</b>	<u>(3,222,846)</u>	<u>(124,628)</u>
<b>Represented by:</b>		
Cash and short term funds	346,153	665,580
Bank overdraft	(3,568,999)	(790,208)
<b>Total cash and cash equivalents</b>	<u>(3,222,846)</u>	<u>(124,628)</u>

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



## Notes to the Financial Statements

for the year ended December 31, 2017

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### 1. REGISTRATION AND ACTIVITIES

The Society was incorporated under the Co-operative Societies Act of the Republic of Trinidad and Tobago on July 1<sup>st</sup>, 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:

- Disclosure Initiative (Amendments to IAS 7)

The above improvement is effective for annual periods beginning on 1 January 2017 and had no impact on the financial statements.

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

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 - Leases

These standards and amendments are effective for annual periods beginning after 1<sup>st</sup> January 2017 and management is currently assessing the impact on the financial reporting of the Society.

## Notes to the Financial Statements

for the year ended December 31, 2017

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### SIGNIFICANT ACCOUNTING POLICIES cont'd

#### 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.

##### 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.





## Notes to the Financial Statements

for the year ended December 31, 2017

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### SIGNIFICANT ACCOUNTING POLICIES cont'd

#### f. Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrumental 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, 2017

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### SIGNIFICANT ACCOUNTING POLICIES cont'd

#### f. Financial instruments (cont'd)

##### Impairment of financial assets

An assessment is made 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) Significant 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, 2017

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### SIGNIFICANT ACCOUNTING POLICIES cont'd

#### f. Financial instruments (cont'd)

##### Impairment of financial assets(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.

##### Members' shares

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

#### g. Borrowing costs

Short term loan is recognised initially at fair value, net of transaction cost incurred and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption of value is recognised in the statement of comprehensive income over the period of borrowings using the effective interest method. Loan fees are amortised over the term of the loan.





## Notes to the Financial Statements

for the year ended December 31, 2017

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### SIGNIFICANT ACCOUNTING POLICIES cont'd

#### **h. 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.

#### **i. Rental, fees and other income**

These are accounted for on the accruals basis.

#### **j. 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.

#### **k. 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.

#### **l. 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, 2017

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### SIGNIFICANT ACCOUNTING POLICIES cont'd

#### m. 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.

#### n. 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

#### o. 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.

#### p. Interest on members' deposits

These are computed on the accruals basis.

#### q. 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.

#### r. 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, 2017

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### SIGNIFICANT ACCOUNTING POLICIES cont'd

#### r. 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.

#### s. 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, 2017

**3. PROPERTY, PLANT AND EQUIPMENT**

	Freehold Property	Building	Furniture, Fixtures and Fittings	Equipment	Motor Vehicle	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended Dec 31, 2017</b>						
<b>Cost/Valuation</b>						
January 1, 2017	1,516,427	4,666,422	647,742	1,047,624	178,850	8,057,065
Additions	-	24,450	11,950	297,272	-	333,672
Disposals	-	-	-	(13,648)	-	(13,648)
<b>December 31 2017</b>	<b>1,516,427</b>	<b>4,690,872</b>	<b>659,692</b>	<b>1,331,248</b>	<b>178,850</b>	<b>8,377,089</b>
<b>Accumulated Depreciation</b>						
January 1, 2017	-	757,382	189,577	540,102	99,572	1,586,633
Charge for the year	-	93,129	23,260	91,576	15,856	223,821
Disposals	-	-	-	(11,047)	-	(11,047)
<b>December 31, 2017</b>	<b>-</b>	<b>850,511</b>	<b>212,837</b>	<b>620,631</b>	<b>115,428</b>	<b>1,799,407</b>
<b>Net Book Value</b>						
Balance as at	-	-	-	-	-	-
<b>December 31, 2017</b>	<b>1,516,427</b>	<b>3,840,361</b>	<b>446,855</b>	<b>710,617</b>	<b>63,422</b>	<b>6,577,682</b>
<b>Net Book Value</b>						
Balance as at	-	-	-	-	-	-
<b>December 31, 2016</b>	<b>1,516,427</b>	<b>3,909,040</b>	<b>458,165</b>	<b>507,522</b>	<b>79,278</b>	<b>6,470,432</b>
<b>Year ended Dec 31, 2016</b>						
<b>Cost/Valuation</b>						
January 1, 2016	1,516,427	4,619,654	628,322	1,012,552	178,850	7,955,805
Additions	-	46,768	19,420	41,967	-	108,155
Disposals	-	-	-	(6,895)	-	(6,895)
<b>December 31 2016</b>	<b>1,516,427</b>	<b>4,666,422</b>	<b>647,742</b>	<b>1,047,624</b>	<b>178,850</b>	<b>8,057,065</b>
<b>Accumulated Depreciation</b>						
January 1, 2016	-	665,015	165,960	459,888	79,752	1,370,615
Charge for the year	-	92,367	23,617	82,378	19,820	218,182
Disposals	-	-	-	(2,164)	-	(2,164)
<b>December 31, 2016</b>	<b>-</b>	<b>757,382</b>	<b>189,577</b>	<b>540,102</b>	<b>99,572</b>	<b>1,586,633</b>



## Notes to the Financial Statements

for the year ended December 31, 2017

	2017	2016
	\$	\$
<b>4. CASH AND SHORT TERM FUNDS</b>		
Cash in hand	346,153	617,626
RBC Royal Bank (T&T) Limited	-	47,954
	<b>346,153</b>	<b>665,580</b>
<b>5. RECEIVABLES</b>		
Interest receivable	38,998	7,896
Loan interest receivable	196,929	306,492
NMTS payroll	9,536,403	3,922,822
	<b>9,772,330</b>	<b>4,237,210</b>
Sundry receivables	423,900	322,320
Less: Provision for FIP Death Claims	(129,102)	-
	<b>294,798</b>	<b>322,320</b>
	<b>10,067,128</b>	<b>4,559,530</b>
<b>6. INVESTMENTS</b>		
<b>a. Available-for-sale</b>		
<b>Quoted Shares</b>		
Jamaica Money Market Brokers - 120,000 shares (2016:120,000)	198,000	108,000
Royal Bank of Canada - 265 shares (2016:265)	144,969	120,219
Guardian Holdings Limited - 3,000 shares (2016:3,000)	51,090	37,950
Republic Bank Limited -2,000 shares (2016:2,000)	203,020	216,880
	<b>54,000</b>	<b>48,060</b>
Grace Kennedy and Company Limited - 18,000 shares (2016:18,000)		
Sagcor Financial Corporation -10,000 shares (2016:10,000)	78,300	77,300
First Citizens Bank Limited -51433 shares (2016:20,183)	1,645,856	706,001
Trinidad and Tobago NGL Limited - 10,948 shares (2016:7,628)	290,122	160,188
<b>Units</b>		
Trinidad and Tobago Unit Trust Corporation;		
- 1st Scheme	19,806	18,624
- 2nd Scheme	3,819,287	4,262,198
- US\$ Income Fund	29,001	28,365
- Calypso Macro Index Fund	426,181	435,939
	<b>6,959,632</b>	<b>6,219,725</b>



## Notes to the Financial Statements

for the year ended December 31, 2017

### 6. INVESTMENTS (cont'd)

#### b. Held-to-Maturity

	2017 \$	2016 \$
Central Finance Facility	25,000	25,000
Government of the Republic of Trinidad and Tobago - Fixed Rate Bond 2025	1,992,000	-
National Insurance Property Development Co. Ltd - Fixed Rate Bond 2030	1,025,078	1,026,446
	<u>3,042,078</u>	<u>1,051,446</u>
	<u>10,001,710</u>	<u>7,271,171</u>

### 7. LOANS TO MEMBERS

Loans to members are stated at principal amounts outstanding net of 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	97,519,991	89,663,502
Less: Provision for loan losses	(5,895,001)	(4,995,001)
Net loan balances	<u>91,624,990</u>	<u>84,668,501</u>
<u>Provision for loan losses</u>		
Balance brought forward	4,995,001	5,092,381
Add: Provision for loan losses charged to surplus	900,000	700,000
Less: Amounts written off	-	(797,380)
Balance carried forward	<u>5,895,001</u>	<u>4,995,001</u>





**Notes to the Financial Statements**  
for the year ended December 31, 2017

	2017 \$	2016 \$
<b>8. BANK OVERDRAFT</b>		
RBC Royal Bank (T&T) Limited	3,568,999	790,208
<p>The Society has an approved overdraft facility with RBC Royal Bank (T&amp;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 \$3.2M.</p>		
<b>9. SHORT TERM LOAN</b>		
Central Finance Facility	4,192,410	-
<p>This loan was taken primarily to assist the Society with its working capital requirements. It is repayable in eleven (11) monthly installments of \$433,787 and one installment of \$431,093 inclusive of interest at a rate of 7.5% amortised. It is secured by; charge on property located at #80 Second Street, Barataria; a maximum of 51,433 shares in First Citizens Bank Limited; and National Insurance Property Development Co. Ltd fixed rate bond 2030 with a face value \$1,051,446.</p>		
<b>10. PAYABLES AND ACCRUALS</b>		
Interest payable	65,107	57,243
Sundry payables and accruals	2,226,749	1,444,322
	<u>2,291,856</u>	<u>1,501,565</u>
<b>11. MEMBERS' SHARES</b>		
An unlimited number of shares of \$5.00 each	86,212,505	80,865,484
<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>		
<b>12. INTEREST &amp; DIVIDENDS</b>		
Investment	282,752	192,592
Members' loans	11,659,107	11,126,373
	<u>11,941,859</u>	<u>11,318,965</u>



## Notes to the Financial Statements

for the year ended December 31, 2017

	2017 \$	2016 \$
<b>13. ESTABLISHMENT</b>		
Rent, rates & taxes	20,479	23,730
Repairs & maintenance	87,366	54,608
Telephone, electricity and cable	287,700	309,761
	<b>395,545</b>	<b>388,099</b>
<b>14. MEETINGS</b>		
Annual General	187,873	169,632
Board of Directors	303,947	289,541
Other Committees	101,894	114,034
Subsistence	135,326	124,146
	<b>729,040</b>	<b>697,353</b>
<b>15. MISCELLANEOUS</b>		
Cleaning	19,536	24,311
General	29,405	27,739
Loss on disp. of property, plant & equip.	2,603	-
Motor vehicle	15,888	9,022
Social events	-	85,888
	<b>67,432</b>	<b>146,960</b>
<b>16. STAFF SALARIES AND BENEFITS</b>		
Back pay	-	20,536
Ex-gratia & trade disputes	29,540	36,000
NIS' and medical plan	182,500	171,550
Pensions	30,024	30,024
Provision for vacation	849	10,110
Salaries	2,313,303	2,342,069
Staff welfare & travelling	74,493	67,674
Training	29,635	72,003
Uniforms	30,876	29,336
	<b>2,691,219</b>	<b>2,779,302</b>
<b>17. TOBAGO</b>		
Office	22,822	30,248
Rent	67,095	67,219
Security	87,593	86,401
Travel, subsistence & accomodation	79,015	56,703
Utilities	40,197	32,327
	<b>296,721</b>	<b>272,898</b>



## Notes to the Financial Statements

for the year ended December 31, 2017

### 18. 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: -

	2017	
	<u>Carrying Value</u>	<u>Fair Value</u>
<b>Financial Assets</b>		
Cash and short term funds	346,153	346,153
Investment securities	10,001,710	10,001,710
Investment interest receivable	38,998	38,998
Loan interest receivable	196,929	196,929
Loans to members	91,624,990	91,624,990
<b>Financial Liabilities</b>		
Bank overdraft	3,568,999	3,568,999
Short term loan	4,192,410	4,192,410
Members' deposits	7,342,248	7,342,248
Interest payable	65,107	65,107
Members' shares	86,212,505	86,212,505
	2016	
	<u>Carrying Value</u>	<u>Fair Value</u>
<b>Financial Assets</b>		
Cash and short term funds	665,580	665,580
Investment securities	7,271,171	7,271,171
Investment interest receivable	7,896	7,896
Loan interest receivable	306,492	306,492
Loans to members	84,668,501	84,668,501
<b>Financial Liabilities</b>		
Bank overdraft	790,208	790,208
Members' deposits	6,447,033	6,447,033
Interest payable	57,243	57,243
Members' shares	80,865,484	80,865,484



## Notes to the Financial Statements

for the year ended December 31, 2017

### 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.

#### 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

2017						
	<u>Effective Rate</u>	<u>Up to 1 year</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>	<u>Non Interest Bearing</u>	<u>Total</u>
<b>Financial Assets</b>						
Cash and short term funds	0.05%	-	-	-	346,153	346,153
Investment securities	6.50%	6,959,632	-	3,017,078	25,000	10,001,710
Loans to members	12.0%	4,361,093	83,839,004	3,424,894	-	91,624,990
<b>Financial Liabilities</b>						
Bank overdraft	10.50%	3,568,999	-	-	-	3,568,999
Short term loan	7.50%	4,192,410	-	-	-	4,192,410
Members' deposits	2.00%	4,364,544	2,977,704	-	-	7,342,248
Members' shares	0.00%	86,212,505	-	-	-	86,212,505
2016						
	<u>Effective Rate</u>	<u>Up to 1 year</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>	<u>Non Interest Bearing</u>	<u>Total</u>
<b>Financial Assets</b>						
Cash and short term funds	0.05%	47,954	-	-	617,626	665,580
Investment securities	6.50%	6,219,725	-	1,026,446	25,000	7,271,171
Loans to members	12.0%	2,086,821	77,289,072	5,292,608	-	84,668,501
<b>Financial Liabilities</b>						
Bank overdraft	10.50%	790,208	-	-	-	790,208
Members' deposits	2.00%	3,859,476	2,587,557	-	-	6,447,033
Members' shares	0.00%	80,865,484	-	-	-	80,865,484



**Notes to the Financial Statements**  
**for the year ended December 31, 2017**

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**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, 2017

### 18. FINANCIAL RISK MANAGEMENT (cont'd)

#### (c) Liquidity risk (cont'd)

2017				
	<u>Up to 1 year</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<b>Financial Assets</b>				
Cash and short term funds	346,153	-	-	346,153
Investment securities	6,959,632	-	3,042,078	10,001,710
Loan interest receivable	196,929	-	-	196,929
Investment interest receivable	38,998	-	-	38,998
Loans to members	4,361,093	83,839,004	3,424,893	91,624,990
<b>Financial Liabilities</b>				
Bank overdraft	3,568,999	-	-	3,568,999
Short term loan	4,192,410	-	-	4,192,410
Members' deposits	5,682,196	1,660,052	-	7,342,248
Accrued interest payable	65,107	-	-	65,107
Members' shares	86,212,505	-	-	86,212,505
2016				
	<u>Up to 1 year</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<b>Financial Assets</b>				
Cash and short term funds	665,580	-	-	665,580
Investment securities	6,219,725	-	1,051,446	7,271,171
Loans to receivable	306,492	-	-	306,492
Investment interest receivable	7,896	-	-	7,896
Loans to members	2,086,821	77,289,072	5,292,608	84,668,501
<b>Financial Liabilities</b>				
Bank overdraft	790,208	-	-	790,208
Members' deposits	3,859,476	2,587,557	-	6,447,033
Accrued interest payable	57,243	-	-	57,243
Members' shares	80,865,484	-	-	80,865,484

#### (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, 2017

### 18. 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.

### 19. 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>2017</u>	<u>2016</u>
	\$	\$
<b>Assets</b>		
Loan balances of Directors and Key Management Personnel	1,169,391	739,138
<b>Deposits and other liabilities</b>		
Deposits held by Directors and Key Management Personnel	86,658	105,816
Shares held by Directors and Key Management Personnel	883,573	666,374
<b>Remuneration</b>		
Directors	350,400	349,400
<b>Key management compensation</b>		
Short-term benefits	573,600	588,433

## Notes to the Financial Statements

for the year ended December 31, 2017

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### 20. 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, 2017

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, 2017

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### 21. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Society has no contracted capital commitments as well as no contingent liabilities at year end. (2016: nil)

### 22. SUBSEQUENT EVENTS

There are no events occurring after the statement of financial position date and before the date of approval of the financial statements by the Board of Directors that require adjustment to or disclosure in these financial statements

### 23. 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.

### 24. DIVIDENDS AND REBATE

The Board of Directors has proposed a dividend of 3% (2016: 3.5%) and a rebate on loan interest of 3% (2016: 3.5%) estimated to be \$2.5M (2016: \$2.8M) and \$341K (2016: \$412K) respectively, for the year ended December 31, 2017. 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.



## RESOLUTIONS

### Appointment of Auditors:

*Whereas every society is required to appoint an auditor in accordance with Section 51 (1) of the Co-operative Societies Act and Regulations Chapter 81:03*

*And Whereas Bye-Law 15 (b) (iv) of the society's Bye-Laws requires the Annual General Meeting to appoint an Auditor for the ensuing term:*

*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 2018 December 31st.

### Dividend and Honoraria:

*Whereas Progressive Credit Union Co-operative Society Limited has realized a Net Surplus as at 2017 December 31st in the sum of Four Million Four Hundred and Five Thousand, Seven Hundred and Ninety Eight Dollars (\$4,405,798);*

*And Whereas Bye-Law 15(b) (v) requires the Annual General Meeting to approve the distribution of the surplus*

*Be it resolved*, that after Statutory Deductions, the remaining Net Surplus for the year ended 31st December, 2017, be divided, in accordance with Bye law 25, as follows:

- |                            |   |  |
|----------------------------|---|--|
| 1. Dividend of 3.0%        | - | \$2.540M Credited to Members' Share Accounts.                            |
| 2. Interest Rebate of 3.0% | - | \$0.341M Credited to Members' Deposit Accounts.                          |
| 3. Honoraria               | - | \$116,000.00 to be distributed among the Board and Statutory Committees. |

### Maximum Liability:

*Whereas Progressive Credit Union Co-operative Society Limited was given approval by the Commissioner for Co-operative Development for a Maximum Liability in the amount of Ten Million dollars (\$10M) on 8th November, 2011;*

*And Whereas the society's liabilities have exceeded the amount of Ten Million Dollars (\$10M) for the financial year ended 31st December, 2017;*

*And Whereas after a review of the operations of the society the Board of Directors have found it necessary to increase such Maximum Liability;*

*And Whereas Regulation 14 of the Co-operative Societies Act and Regulations Chapter 81:03 states :*

*"14 (1) Every society shall, from time to time, fix at a general meeting the maximum liability it may incur in respect of loans or deposits whether from members or non-members.*

*(2) The maximum liability fixed under sub regulation (1) shall be subject to the approval of the Commissioner, who may at any time reduce it.*

*(3) No society shall receive loans or deposits in excess of the maximum liability approved by the Commissioner."*

*Be it resolved*, that the Maximum Liability of the Progressive Credit Union Co-operative Society Limited be fixed in the sum of Twenty Million Dollars (\$20,000,000.00).



## STATEMENT OF BUDGETED INCOME & EXPENDITURE FOR THE YEAR 2018

	BUDGET 2018	AUDITED 2017	BUDGET 2018 vs AUDITED 2017	
ITEM	\$	\$	\$	%
<b>Income:</b>				
Interest on members' loans	11,349,282.89	11,941,859.00	(592,576.11)	-4.96%
Fees and Other Income	866,830.42	863,287.00	3,543.42	0.41%
Rental income	57,600.00	57,600.00	-	0.00%
			-	
<b>TOTAL INCOME</b>	<b>12,273,713.31</b>	<b>12,862,746.00</b>	<b>(589,032.69)</b>	<b>-4.58%</b>
			-	
<b>General and Administrative Expenses</b>			-	
Advertising and promotion	312,000.00	244,500.00	67,500.00	27.61%
Bad debts	900,000.00	900,000.00	-	0.00%
Bank charges and interest	213,000.00	183,498.15	29,501.85	4.05%
Board and Committee expenses	785,850.00	729,040.00	56,810.00	25.38%
Depreciation	223,200.00	223,821.97	(621.97)	-2.07%
Donations	48,000.00	30,052.20	17,947.80	7.87%
Education & Seminars Expenses	481,000.00	227,913.43	253,086.57	0.00%
Establishment	429,000.00	395,545.00	33,455.00	2.45%
Miscellaneous	159,800.00	67,432.00	92,368.00	133.11%
Insurances	1,422,000.00	1,364,716.00	57,284.00	22.20%
League dues	82,032.00	69,394.00	12,638.00	9.79%
Legal and professional fees	301,200.00	258,092.51	43,107.49	148.33%
Provision of FIP Death Claims	-	129,102.00	(129,102.00)	
Members' Fixed Deposit Interest	18,000.00	29,062.00	(11,062.00)	-2.67%
Salaries and Benefits	3,301,955.11	2,691,219.00	610,736.11	301.80%
Security	390,000.00	414,474.22	(24,474.22)	-8.25%
Stationery and postage	131,040.00	202,365.00	(71,325.00)	
Tobago Expenses	278,409.00	296,721.00	(18,312.00)	-0.22%
		-	-	
<b>TOTAL EXPENDITURE</b>	<b>9,476,486.11</b>	<b>8,456,948.48</b>	<b>1,019,537.63</b>	<b>23.14%</b>
			-	
<b>NET SURPLUS FOR THE YEAR</b>	<b>2,797,227.20</b>	<b>4,405,797.52</b>	<b>(1,608,570.32)</b>	







**Progressive**  
**CREDIT UNION**  
CO-OPERATIVE SOCIETY LIMITED

**Head Office**

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

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**North Office**

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

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**Tobago Office**

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