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# FOCUS ON SUCCESS

ANNUAL GENERAL MEETING





## VISION STATEMENT

To empower our members to improve their lives.



## MISSION STATEMENT

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



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## 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 33RD ANNUAL GENERAL MEETING

*Notice is hereby given that the Thirty-Third Annual General Meeting of the Progressive Credit Union Co-operative Society Limited will be virtually broadcast on:*

**Date:** Saturday 21st November 2020

**Time:** 10:00 a.m. (Login available from 9:00 a.m.)

**Virtual Platform:** Zoom Webinar

### AGENDA

1. Call to order – National Anthem
2. Invocation/Credit Union Prayer/Minute of Silence
3. Reading of the Notice convening the 33rd Annual General Meeting
4. First Credentials Committee Report
5. Adoption of Standing Orders
6. Confirmation of Minutes of the 32nd Annual General Meeting
7. Matters arising out of the Minutes of the 32nd Annual General Meeting
8. President's Address
  - Presentation of Reports – 2019
  - *Board of Directors*
  - *Credit Committee*
  - *Supervisory Committee*
  - *Education Committee*
9. Nominating Committee's Report
10. Second Credentials Committee Report
11. Election of Officers
12. Financials
  - *Auditor's Report*
  - *Financial Statement*
  - *Budget for the Year Ending 2020 December 31*
13. Resolutions
14. General Business
15. Vote of Thanks and Formal Closure

By order of the Board



**Candice Haynes**  
**SECRETARY**

## STANDING ORDERS/ZOOM GUIDELINES - VIRTUAL AGM

1. A member shall keep his/her microphone muted and video camera off for the duration of the meeting, except when speaking.
2. Speeches should be clear and relevant to the subject before the meeting
3. A member shall indicate his desire to speak by use of the “Raise Hand” function on the Zoom Platform and shall speak once recognized by the Chairman.
4. A member must unmute his microphone, identify himself and then address the Chair.
5. A member shall only address the Meeting, when called upon by the Chairman to do so.
6. A member shall keep his cell phone on silent mode for the duration of the meeting.
7. A member shall conduct himself in a professional manner for the duration of the meeting and shall refrain from sharing any explicit, violent or inappropriate content.
8. When a motion is withdrawn, any amendment to it fails.
9. The Chairman has the right to a “Casting Vote”.
10. If there is equality of vote on an amendment, and if the chairman does not exercise his casting vote, the amendment is lost.
11. Provision should be made for protection by the Chairman from vilification (personal abuse).
12. No member shall impute improper motives against another member.
13. A member shall not speak twice on the same subject matter except
  - a) As a mover of the motion who has the right of apply
  - b) He/She rise to object or explain with the permission of the Chair.
14. On no account can a member call the Chair to order.

### ZOOM MEETING GUIDELINES

Members are requested to pay close attention to the following to make the virtual meeting and the voting process easy for you:

- (a) To mute the microphone, click on the icon in the bottom left hand corner of the screen.
- (b) If a member attempts to speak while the microphone is muted a notification will pop-up prompting him to unmute same. You must comply.
- (c) Cell phones on vibrate mode will cause disruptions during the meeting. As such, cell phones shall be only on silent mode. In the event that a member needs to accept or make an urgent call, he shall mute his micro phone before doing so.
- (d) All members are required to utilize the chat box on the right hand side of your screen to communicate any challenges. This will aid the process of a smooth meeting and minimize disruptions.
- (e) The ‘Raise Hand’ function is found on the right side of the screen.

**MINUTES OF THE THIRTY-SECOND ANNUAL GENERAL MEETING OF  
PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED  
HELD AT THE SOUTHERN ACADEMY FOR THE PERFORMING ARTS,  
MINISTRY OF COMMUNITY DEVELOPMENT, CULTURE & THE ARTS,  
CORNER TODD STREET & RIENZI KIRTON HIGHWAY, SAN FERNANDO.**

**1.0 CALL TO ORDER/NATIONAL ANTHEM**

The meeting was called to order at 10.12 a.m. by former Director and Chairman of the proceedings, Mr. Claude Dillon, who welcomed all present to the 32nd Annual General Meeting.

**2.0 INVOCATION/CREDIT UNION PRAYER/ MINUTE OF SILENCE**

Ms. Anne Simmons led the Invocation, followed by the recitation of the Credit Union Prayer.

*One minute silence was observed for departed members.*

Mr. Claude Dillon alluded to the theme for the Annual General Meeting: "Power of the Past, Force of the Future" and informed the meeting that he was part of the 'Power of the Past'.

He then introduced the members at the Head Table and invited the President, Mr. Erskine Abel, to conduct the proceedings.

**3.0 NOTICE OF MEETING**

The Notice of the 32nd Annual General Meeting of Progressive Credit Union Cooperative Society Limited was read by the Secretary to the Board, Mr. Michael Hernandez.

**4.0 1ST CREDENTIAL COMMITTEE'S REPORT**

On behalf of the Credentials Committee, Mr. David Brown reported that at 9.58 a.m. there were one hundred and seventeen (117) members and four (4) guests present. In accordance with Bye-Law 14(c) (1) the meeting was duly constituted.

**5.0 ADOPTION OF STANDING ORDERS**

President Erskine Abel read the Standing Orders, as stated on page 5 of the Brochure.

**Adoption**

The Standing Orders were unanimously adopted by the meeting, on a motion moved by Mrs. Patricia Claxton-Francois and seconded by Mr. Samuel Peters.

**6.0 BROCHURE TAKEN AS READ**

The Brochure was taken as read on a motion moved by Mr. William Solomon, seconded by Mr. Robert Taylor and unanimously accepted by the meeting.

**7.0 MINUTES OF 31ST ANNUAL GENERAL**

The Chairman drew members' attention to the Minutes of the 31st Annual General Meeting which was held on March 24, 2019, as stated on pages 6 to 22 of the Brochure, and invited questions/comments.

**Corrections/Omissions**

There were no corrections to/omissions from the Minutes of the 31st Annual General Meeting.

**Confirmation**

The Minutes of the 31st Annual General Meeting were confirmed on a motion moved by Mr. Kirland Jacob, sec-

onded by Mrs. Glenda Peters Nelson, and accepted by the meeting.

#### **Matters Arising out of the Minutes**

With respect to matters raised under “General Business” at the 31st Annual General Meeting, the Chairman apprised the meeting as follows:

- Progressive Credit Union celebrates its 35th Anniversary and the Society was in the process of compiling the history of the Credit Union as well as putting plans in place for a library at the Credit Union’s Office at Chacon Street.
- Next year the first video conferencing of the Annual General Meeting will be held for members in Tobago.
- The Massy Stores Christmas vouchers were reduced and a greater amount in cash was issued to members.
- The Credit Union flag was on the stage at the 32nd AGM.
- The lock at the downstairs toilet of Barataria Office was repaired.
- A ramp was constructed on the ground floor of the Barataria Office for differently-abled members and the upper floor is being looked at in that regard.
- Mr. Leno Dyer was given the information with respect to his mother’s membership in Progressive Credit Union.
- Additional staff was put in place at the Tobago office.

#### **8.0 MINUTES OF THE SPECIAL GENERAL MEETING – NOVEMBER 13, 2018**

The Chairman drew members’ attention to the Minutes of the Special General Meeting held on Tuesday, November 13, 2018, as stated on pages 23 to 31 of the Brochure, and invited questions/comments.

#### **Matter Arising**

The Chairman informed the meeting that the amended Bye-Laws were being reviewed by the Commissioner for Co-operatives Office and this process will take some time.

#### **Confirmation**

The Minutes of the Special General Meeting were confirmed on a motion moved by Mr. Kirland Jacob, seconded by Mrs. Glenda Peters-Nelson, and accepted by the meeting.

#### **9.0 AMENDMENT OF AGENDA**

On a motion moved by Mr. David Brown, seconded by Mr. Stephen Fraser and unanimously accepted by the meeting, the Agenda was amended to include “Greetings” and “President’s Address”.

#### **10.0 GREETINGS**

Mr. Claude Dillon welcomed and thanked the following guests, some of whom brought greetings on behalf of their organizations:

Mr. Fabian Joseph	Cooperative Credit Union League of Trinidad and Tobago
Mrs. Martha St. Hillaire-Noel	Attorney at Law
Mr. Simon Gowrie	CUNA
Ms. Martha Sandy	San Fernando Corporation Employees Credit Union
Mr. James Solomon	TATECO (San Fernando) CU
Mr. Ramnarine Ramdass	Auditors

Ms. Alana Blackman	Neal & Massy Credit Union
Ms. Elizabeth Spence Abdul-Haqq	Co-operative Division
Ms. Ifeola Bernard	St. Stephen's Credit Union
Mr. Evans Cadogan	Zenith Credit Union
Mr. Marlon Charles	Central Finance Facility
Ms. Carol Joseph	SFCCU
Ms. Maria Cardinez	South East Regional Chapter
Mr. Carlos Newton	SugaPay
Mr. Kennneth Scantlebury	South East Regional Chapter
Mr. Malcolm Alexander	Past President
Mr. Brian Moore	Credit Union League

In bringing greetings from the Cooperative Division, Ministry of Labour and Small Business Development, Ms. Elizabeth Spence Abdul-Haqq congratulated Progressive Credit Union on its 35th Anniversary. She noted that the journey was not easy but the Credit Union has shown that it could stand the test of time.

She commended the Board for meeting the needs of its members notwithstanding the internal and external challenges, and wished the Credit Union success in 2019 and the years to come.

Mr. Fabian Joseph brought greetings on behalf of the Cooperative Credit Union League of Trinidad and Tobago (CCULTT). He apologized for the absence of the President and Chief Operating Officer of the League who, he explained, were attending another function at the time. Mr. Joseph congratulated and wished Progressive Credit Union continued success as it continues to navigate the many challenges ahead given the present scenario with the Credit Union.

Mr. Marlon Charles brought greetings on behalf of the Board, Management and Staff of the Central Finance Facility (CFF). He implored Progressive Credit Union to continue to be a part of the CFF as the organization was there to support the Credit Union regarding pooling of resources, fixed deposits, and whatever the Society needs. He reminded that the officers at the CFF were willing to work with the Credit Union to achieve members' needs. Mr. Charles then congratulated the Credit Union and wished that it continued to progress.

In bringing greetings on behalf of the Board and Management of SugaPay, Antigua, Mr. Carlos Newton thanked Progressive Credit Union for being the pioneers of the ATM project within Trinidad and Tobago. He noted that given its name, Progressive Credit Union was the first credit union to conduct an ATM transaction under the project which showed progress in the digital age. He thanked the Credit Union for taking that leap of faith and encouraged the Society to continue on its journey that is set before it.

Mr. Hameed Hasmath brought greetings on behalf of the Board, Management and Staff of San Fernando Corporation Employees Credit Union. He congratulated Progressive Credit Union on its 35th anniversary and 32nd Annual



General Meeting and wished God's blessing on the Credit Union.

On behalf of CUNA Insurance Society, Mr. Simon Gowrie brought greetings and congratulated Progressive Credit Union on its 35th anniversary and 32nd Annual General Meeting. He gave the assurance that CUNA was there to continue partnership with the Credit Union with its products and services as the Credit Union provides for its members. Mr. Gowrie wished God's blessings on Progressive Credit Union and continued progress.

In bringing greetings on behalf of the South East Regional Chapter, Mrs. Marcia Goodridge-Constantine thanked Progressive Credit Union for its Directors – Mr. Michael Hernandez and Ms. Gem Saunders Le Maitre, who is the President of the South East Regional Chapter and Marilyn John-Fahey of the Supervisory Committee of the Chapter. She also welcomed Ms. Gemma Ottley as the appointed Director and extended best wishes and God's blessings to Progressive Credit Union Cooperative Society Limited.

#### **11.0 PRESIDENT'S ADDRESS**

The President, Mr. Erskine Abel, indicated that he observed that for over 12 years, the government had been developing a new Act to regulate credits unions in Trinidad and Tobago. The process, he stated, had spanned three terms of government, so it did not matter which Government was in power.

He informed that the team of credit unionists representing the Movement in discussions with the Government was advocating for an independent regulator to look at credit unions under the philosophy of co-operatives and noted that the League and the Ministry's team, along with other secondary bodies of the Credit Union Movement would meet to discuss and finalize preparation for a new Act. The Act, he noted, pointed in the direction of the Central Bank as the regulator and stated that if that happened it would have banking responsibilities which would lead to an area of taxation.

He further noted that banks charged for everything and Progressive Credit Union did not wish to be a bank. He then urged members to be vigilant and to observe what is written in the print media as the new Act will affect all credit unions.

The President drew members' attention to the fact that the Minister of Public Utilities, the line minister for MTS, lead the team for the Government in the discussions between Government and the Credit Union Movement, so there was a question hanging over the heads of MTS personnel. Mr. Abel stressed that the Credit Union Movement needs to be the "Force of the Future" and must show that it can withstand whatever the Government brought and that it was strong enough to direct the Government where the Movement wanted to go.

He informed the meeting that MTS, so far, had about eight (8) payrolls outstanding and noted that members become frustrated when they are unable to access money from the credit union and often times take out their frustration on the staff. He advised members that it was neither the fault of the credit union nor the staff.

He stated that workers have been very accommodative to the Management of MTS and advised that they let Management know that they must be paid when they work. He noted that something has to be done about that situation immediately.

The President thanked members for the opportunity to serve the Credit Union. He wished God's richest blessings on the forefathers as well as the upcoming technological children.

Mr. Abel expressed his deepest appreciation to his fellow Directors and Committee members, Officers, the General Manager and staff as well as members for their indefatigable display of magnanimity and spiritedness in having another successful year in spite of the prevailing economic circumstances.



## **12.0 PRESENTATION OF REPORTS**

### **12.1 Board of Directors**

After welcoming the Tobago members, the President drew members' attention to the Board of Directors' Report as stated on pages 37 to 49 of the Brochure.

Some achievements of the Credit Union during the period under review:

- The Credit union accepted one hundred and forty-eight (148) new members.
- Total membership at the end of the year stood at 7,430 members.
- Total shares stood at \$84,312,767
- Increase in Deposits from \$7,342,248 to \$7,843,290
- Decrease in loans from \$91,624,989 to \$86,032,073
- Increase in Surplus from \$4,405,798 to \$4,892,484
- Total Assets reduced from \$118,617,664 to \$112,715,162
- Total Income decreased from \$12.9 million to \$12.3 million.
- Decrease in expenditure from \$8.5 million to \$7.44 million.

Some highlights of activities of Progressive Credit Union during the last financial year;

- Boat cruise
- Mobile App Advertising
- Digital Signage introduced at Tobago Office
- Radio Advertising
- Caribbean Beat Advertising
- Website Revamp
- Jingle Competition

The President outlined the Projections for 2019 as follows:

- New member growth of 300
- Net Share growth of \$5.5 million
- Loan disbursement of \$42.7 million
- Increase in Investments to \$12.5 million
- Surplus of \$3.6 million
- Dividend payment of 3%

Mr. Abel apprised the meeting of the following upcoming events:

- |                                    |        |
|------------------------------------|--------|
| • Instagram Advertising            | March  |
| • Youth Arm Meme Competition       | April  |
| • Flash sale on Washers and Stoves | May    |
| • Down the Islands Boat Ride       | June   |
| • Rewards Programme (ATM Cards)    | August |

Mr. Abel informed the meeting that Progressive Credit Union continued to demonstrate its involvement as a cooperative partner within the entire credit union sector through its active participation with the South East Regional Chapter (SERC) and the Cooperative Credit Union League of Trinidad and Tobago.

#### **Acceptance**

There being no questions/comments on the Board of Directors' Report, it was unanimously accepted by the meeting on a motion moved by Mrs. Antoinette James-Lynch and seconded by Ms. Debra Mitchell.

### **12.2 Credit Committee**

The Chairperson of the Committee, Ms. Adeleine Gittens, drew members' attention to the Credit Committee's report

as stated on pages 51 to 53 of the Brochure.

**Acceptance**

There being no questions/comments on the report, it was unanimously accepted by the meeting on a motion moved by Mr. Stephen Castillo and seconded by Mr. Stephen Fraser.

**12.3 Supervisory Committee**

The Chairperson of the Committee, Mr. William Solomon, drew members' attention to the Credit Committee's report as stated on pages 55 to 57 of the Brochure.

The Committee attended the following workshops/training programmes:

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

The Supervisory Committee found that the management and staff operated within the Bye-Laws of the Credit Union and the Co-operative Societies Act.

**Acceptance**

There being no questions/comments on the report, it was unanimously accepted by the meeting on a motion moved by Ms. Cheryl Campbell and seconded by Ms. Gloria Isaac Irvin.

**12.4 Education Committee**

The Chairperson of the Committee, Mrs. Gem Saunders-Le Maitre, drew members' attention to the Education Committee's report as stated on pages 58 to 60 of the Brochure.

She indicated that during the period under review, the Credit Union granted four (4) S.E.A. one (1) CSEC and three (3) Bursary awards to members' children.

She also highlighted the following activities of the Education Committee during the period under review:

- Pre-retirement Seminar
- Team Building Seminar
- Credit Union Appreciation Day

**Acceptance**

There being no questions/comments on the report, it was unanimously accepted by the meeting on a motion moved by Ms. Racheal Austin and seconded by Mrs. Ginelle Small-Cummings.

**13.0 NOMINATING COMMITTEE'S REPORT**

Ms. Veronica Jacob, Chairperson of the Nominating Committee, presented its report.

Ms. Jacob informed that persons were nominated for election to the Board and Statutory Committees as follows:

**Board of Directors**

Erskine Abel  
Errol Thomas  
Stefan Small  
David Brown

Samuel Peters  
Holly Francois  
Allyson White

**Supervisory Committee**

David Quamina  
Yolanda Harry-Keshwar  
Adeleine Gittens  
Ginelle Small Cummings  
Annie Henry  
Debra Mitchell

**Credit Committee**

Racheal Austin  
Anne Marie Campbell  
Cheryl Campbell  
Anne Simmons  
William Solomon  
Clarence Duke  
Julia Bruce

**Matters Arising**

In response to Mr. Antoine, Ms. Jacob indicated that members should be persistent in offering themselves to serve their credit union, advising that if they did not succeed on the first occasion they should try again.

**Acceptance**

The report was unanimously accepted by the meeting on a motion moved by Mr. Malcolm Alexander and seconded by Mr. Wayne Holder.

**14.0 2ND CREDENTIAL COMMITTEE'S REPORT**

On behalf of the Credentials Committee, Mr. David Brown reported that at 11.48 a.m. there were three hundred (300) members and twenty-five (25) guests present.

**15.0 ELECTION OF OFFICERS**

Mrs. Marcia Goodridge-Constantine and her team from the South East Regional Chapter conducted the elections and the Co-operative Officers monitored the counting of ballots.

The Returning Officer's team displayed the ballot boxes to the members to verify their emptiness and she then informed of the vacancies as follows:

Board of Directors	-	4
Supervisory Committee	-	3
Credit Committee	-	5

*Members voted accordingly.*

**Elections Results**

The Returning Officer announced the results of the Elections as follows:

**Supervisory Committee**

Officers	No. of Votes
Adeleine Gittens	201

David Quamina	195
Ginelle Small Cummings	117
Debra Mitchell	117 (1st Substitute)
Yolanda Harry-Keshwar	101 (2nd Substitute)
Annie Henry	043

#### **Credit Committee**

<b>Officers</b>	<b>No. of Votes</b>
Anne Marie Campbell	204
William Solomon	200
Clarence Duke	197
Cheryl Campbell	185
Anne Simmons	166
Racheal Austin	134 (1st Substitute)
Julia Bruce	109 (2nd Substitute)

#### **Board of Directors**

<b>Officers</b>	<b>No. of Votes</b>
Erskine Abel	223
Holly Francois	203
Errol Thomas	145
Allyson White	135
Stefan Small	129 (1st Substitute)
David Brown	101 (2nd Substitute)
Samuel Peters	083

#### **Destruction of Ballots**

A motion for the destruction of the ballots was moved by Ms. Anne Simmons, seconded by Ms. Cheryl Ann La Croix and accepted by the meeting.

### **16.0 AUDITORS' REPORT/FINANCIAL STATEMENTS**

Mr. Ramdass presented the External Auditors' Report.

The Treasurer, Ms. Veronica Jacob, led the meeting through the Financial Statements.

Some highlights were as follows:

- Total Assets of \$112,715,162
- Loans to members stood at \$86,032,073
- Receivables and Prepayments of \$7,810,760
- Members' Deposits stood at \$7,843,290
- Members' Shares stood at \$84,312,767
- Security of \$2,733,843
- Total Income of \$12,319,672
- Total Expenditure of \$7,444,405
- Net Surplus of \$4,892,494
- Nine (9) salary payments were received so that decreased the overdraft at the bank.
- Members are not being charged interest for late payment of loans due to the company not transferring the funds deducted from members' salaries.

### **Discussion**

In response to Mr. Gerald Antoine's query about the increase in security, it was revealed that Amalgamated Security Company was being paid to collect cash and man the doorway while meetings were in progress, and that most of the cost was for MTS' Security, armed as well as unarmed, with a higher rate for the un-uniformed officers.

In answer to a query about the variance in insurance payment, the Treasurer stated that it was a temporary measure taken by the credit union to hold back on CUNA insurance (approximately \$1 million). She also noted that the Society will handle any eventualities in the meantime.

It was suggested that measures be put in place to manage the period during which MTS' Management faced difficulty in forwarding funds to the credit union, on behalf of members.

### **Acceptance**

The Financial Statements were unanimously accepted by the meeting on a motion moved by Mr. Stephen Fraser and seconded by Mr. Gerald Antoine.

## **17.0 BUDGET 2019**

Ms. Veronica Jacob drew members' attention to the Budget for 2019, as stated on page 110 of the Brochure and invited questions/comments.

Projections for 2019 were as follows:

- Total Income of \$12,177,086.78
- Total Expenditure of \$8,566,949.13
- Net Surplus of \$3,610,137.65

The budget would be reviewed, and adjusted accordingly, depending on the circumstances, every month.

### **Acceptance**

The Budget for 2019 was approved, on a motion moved by Mr. Gerald Antoine, seconded by Mr. Stephen Fraser and accepted by the meeting.

## **18.0 RESOLUTIONS**

On behalf of the Board, the Secretary, Mr. Michael Hernandez, moved the following resolution:

### **18.1 Appointment of Auditors**

Whereas every Society is required to appoint an auditor in accordance with Section 51 (1) of the Cooperative 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 Co-operative Society Limited for the year ending 2019 December 31st.

The resolution was seconded by Mr. Samuel Peters and unanimously accepted by the meeting.

### **18.2 Dividend and Honoraria**

On behalf of the Board, the Secretary, Mr. Michael Hernandez, moved the following resolution:

Whereas Progressive Credit Union Cooperative Society Limited has realized a Net Surplus as at December 31, 2018 in the sum of four million, eight hundred and seventy-five thousand, two hundred and sixty-seven dollars

(\$4,875,267)

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

Be It Resolved that after Statutory Deductions, the remaining Net Surplus for the year ended December 31 2018, be divided, in accordance with the Bye-Law 15, as follows:

- |                          |   |  |
|--------------------------|---|--|
| 1. Dividend of 3%        | - | \$2.58M. Credited to Members' Share Accounts                             |
| 2. Interest Rebate of 3% | - | \$0.319M Credited to Members' Deposit Accounts                           |
| 3. Honoraria             | - | \$116,000.00 to be distributed among the Board and Statutory Committees. |

The resolution was seconded by Ms. Dianne Holdford and unanimously accepted by the meeting.

### 18.3 Write-off of Non-Performing Loans

On behalf of the Board, the Secretary, Mr. Michael Hernandez, moved the following resolution:

Whereas, Progressive Credit Union Co-operative Society Limited has a Delinquency Policy, which was approved at a meeting of the Board of Directors held on September 6th 2007 and revised on December 15th 2016 and Whereas, the Delinquency Policy is consistent with the requirements of the World Council of Credit Unions (WOCCU), Generally Accepted Accounting Principles (GAAP), International Financial Reporting Standards (IFRS), and International Accounting Standards (IAS).

And Whereas, it requires that Progressive Credit Union write-off as loan losses, non-performing loans which are in arrears for a period which exceeds seven years.

And Whereas, the Delinquency Policy mandates that Progressive Credit Union actively pursue all avenues to recover all funds owed to the Credit Union by way of loans.

And Whereas, the previous write-off occurred at the 2016 Special General Meeting and booked in the 2016 financial statements. And Whereas, the Co-operative Societies Act, Chapter 81:03 of 1971, and paragraph 32 of the Regulations states: "Bad debts – 32. The Board may, with the approval of the general meeting, cause bad debts to be written off the books of the Society."

Be It Resolved that the Progressive Credit Union Co-operative Society Limited be granted permission to write-off \$250,000.00 of the bad debts over seven years old.

The resolution was seconded by Mr. Gerald Antoine and unanimously accepted by the meeting.

### 19.0 GENERAL BUSINESS

Mr. Gerald Antoine opined that to write-off a quarter of a million dollars is a lot of money and when he came through the door that morning he heard the President speaking about the challenges faced by the Credit Union. He did not think that many members had a quarter of a million dollars in their Credit Union. He enquired whether those shareholders had access to more funds and the Chairman responded in the negative.

Mr. Friday indicated that he looked at the Delinquent Members List at the Office on numerous occasions and noted that there were some members on the list who have since left the shores of Trinidad and Tobago and stated that some persons within that forum knew where some of the delinquent members reside.

In answer to Leila Williams' query about reduction in the vouchers, it was revealed that, because of the cash flow



problems, the Board decided to issue half of the value of the voucher, that is \$1,000.00 in cash.

The Treasurer explained that the Credit Union has a 60-day credit history with Massy Stores and a similar relationship was being developed with Penny Savers in Tobago. It was suggested that more options with respect to Christmas vouchers should be explored.

Ms. Esther Simmons and Mr. Miguel Mendoza, on behalf of the Youth Arm, thanked members for their assistance and support. The audience was then invited to a hike to Rio Seco Waterfalls which was planned for April 13, 2019. The membership was urged to look out for more upcoming events hosted by the Youth Arm of the Society.

The Chairman implored members to encourage their children to participate in the Youth Arm activities.

## **20.0 DISTRIBUTION OF HAMPERS**

Chairman of the Proceedings Mr. Claude Dillon co-ordinated the distribution of hampers at the Annual General Meeting.

Members with the following numbers won hampers:

- 133 – Mr. Emmanuel Roche
- 035 – Ms. Patsy Peters Rawlins
- 053 – Ms. Avian St. Hill
- 295 – Ms. Pearl Rueben Hall
- 047 – Mr. Lloyd Charles
- 333 – Mr. Samuel Ruiz
- 163 – Mr. Lloyd Charles
- 132 – Ms. Linda Toolsie
- 264 – Ms. Mary D'Abreo
- Ms. James (President's Hamper to the first Tobago member to register at the AGM)

## **21.0 VOTE OF THANKS**

Ms. Georgiana Cudjoe thanked God for his blessings in helping Progressive Credit Union to have had another successful year and hoped that his blessings would prevail. She thanked the members from the various credit unions who brought greetings on behalf of their organizations as well as other specially invited guests.

Ms. Cudjoe expressed her appreciation for the attendance and assistance of officers from the office of the Commissioner of Cooperatives and all others who contributed to the successful hosting of the Annual General Meeting.

She thanked the general membership for attending the meeting and noted the contribution of members of staff of the Credit Union.

She then wished members a safe journey to their various destinations.

## **22.0 CLOSURE**

There being no further business to discuss, the Chairman brought the meeting to a close at 2.07 p.m.

Cooperatively yours



**Candice Haynes**  
Secretary





## PRESIDENT'S MESSAGE

### 1.0 INTRODUCTION

My discourse on this year's theme "**Focus on Success**" would be two-fold.

- (1) To explain the strategic direction taken by our Board of Directors and;
- (2) To motivate and empower our shareholders/members through the successes achieved

### 2.0 IMPACT OF FOCUS ON STRATEGY

Focus is where you place great importance on something, that is, where benchmarks/standards/criterion is set. Therefore, pleasing and satisfying our members and making a reasonable return on assets have been the focus of our **business - the strategy**.

**We focused on where we are, where we wanted to go, and what we needed to do to achieve those goals** and that set the tone of our action. It was definitely not what we feared. The tasks at hand where focus was placed were: the growth of the Credit Union membership, the growth of our asset base, adapting to the changes in technology and empowering our human capital to name a few.

We listened to our members' complaints and suggestions and where possible those ideas were taken into consideration whenever we reviewed our strategic plan.

People, your mind are literally designed to pay attention to the things that you notice. For example, once you notice a certain car, you see it everywhere. So whatever you look for it's going to be everywhere. If you look for the negative, it will be there, but if you look for the positive, it will overwhelm you. At Progressive Credit Union (PCU) we remain positive and view the glass as half full and not half empty.

We have a fiduciary duty to manage and to take this cooperative to the next level and have demonstrated that, through our collective capabilities and **competencies** in the past, at present and certainly will for the future.

As we continue pursuit of attaining our goals, we will experience challenges. Some challenges would be easily manageable than others; however there is **never** success without challenges. We remain **focused** on success by overcoming and where possible, eliminating those challenges/barriers.

In the past some negative people were expecting us to fail but we remained resilient just as David did when he faced Goliath. David's focus was on conquering Goliath and it did not matter what weapon he had but through his focus, determination and favor from God, it was possible. We overcame the negativity and the odds and confused our 'so called' detractors by being robust in strategizing, implementing and monitoring our goals and policies.

### 3.0 ACHIEVING SUCCESS FOR OUR MEMBERS

Success is the accomplishment of a goal or purpose and the outcome of a task undertaken.

Success and nothing less were the thought process engaged and maintained to reach where we are at present. Whenever we contemplated of quitting, you the members were the ones that were remembered and the reason why the Credit Union was started.

We operated by a few principles in order to be successful.

- We were disciplined in attending meetings and submitting our reports on a regular and timely manner. We remained faithful to ourselves and the Credit Union's vision– that's the one word that separated us from our detractors.
- We took responsibility for the Credit Union and this is what we have been doing over the past 35.5 years in order to attain the level of success thus far.

When failure occurs everyone and everything is blamed for such demise; but when success is achieved, credit is not given for maneuvering the barriers, managing the tough situations, fighting back mentally and sometimes emotionally, choosing to “**Never give up**” and take full responsibility for all the unavoidable and unforeseen circumstances which arose during our journey.

Success over the years and at present represents the various levels of temperament both individually and collectively used by the board of directors and staff.

- We had a clear Vision – “To empower our members to improve their lives.
- We took action where necessary
- We never quit – We survived for 35+ years and would be here for many more years

If being successful were easy everybody would do it and it would not be so special. Anything worthwhile in life will not be easy to attain and that is the best as it eliminates the majority who are unwilling to work. We would have hundreds of members applying every year to come and serve on the Board of Directors and Committees if doing so was an easy task.

### 4.0 TRAINING AND TEAMWORK IN ACHIEVING SUCCESS

Through regular training a good management team was developed over the years as we knew it is a critical component of running a successful Credit Union. The Board of Directors will continue to make important decisions that would directly affect the Credit Union in order to sustain our position in the market.

We made good hiring decisions when we employed our professional managers and staff.

Empathy is an important factor exercised as we place ourselves in our members' situations by trying to understand their needs. We are also committed to understanding the desired outcomes of our shareholders hence the reason our services were expanded to supply household appliances.

Our success was based on a clear and unshakeable purpose which enabled us to navigate the downturn in the economy, the ongoing cash flow situation which emanated from our parent company, and other unplanned eventualities that we had no control over. Purpose infused our work with a sense of urgency, care and importance. Having and remembering the Credit Union's purpose is the most important principle for our success.

Progressive's business success was also based on cooperation. This at times was difficult as we had to deal with 12 board members with different backgrounds, personality, style, thinking etc. to come to one common goal. We cooperate internally with staff and shareholders and externally with stakeholders, credit unions and other players in the industry. We are usually opened to criticism and praise and like to engage our members.

Our secret for success is in the mindset and approach the Board of Directors embodied within our respective businesses and careers. We will remain steadfast as we focus on our success.

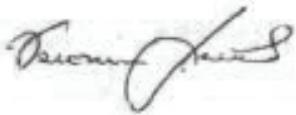
## 5.0 CONCLUSION

As I close, I would like to leave 2 quotes with you the shareholders.

**You will never reach your destination or achieve your goal if you stop and throw stones at every dog that barks.**  
*(Winston Churchill)*. Ignore the pot hound when it barks.

**Where you are headed is more important than how fast you are going. Rather than always focusing on what's urgent, learn to focus on what is really important.** *(Stephen Covey)*

Cooperatively Yours



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**Veronica Jacob**  
President



## BOARD OF DIRECTORS' REPORT 2019

### 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 ending 2019.

### 2.0 ECONOMIC OVERVIEW

Global growth softened towards the end of 2019, with the International Monetary Fund (IMF) lowering its annual projection to 3.0 per cent, 0.2 per cent below its mid-year estimate. In global energy markets, natural gas prices (Henry Hub) remained below US\$3 per mmbtu and West Texas Intermediate (WTI) oil prices hovered around US\$60 per barrel in December.

Domestically, in the third quarter of 2019 natural gas production increased to 3,604 million cubic feet per day (mmcf/d), 3.7 per cent above output in the same quarter of 2018, despite maintenance shutdowns at two large natural gas platforms. This spurred year-on-year increases in petrochemicals (23.3 per cent) and liquefied natural gas (8.0 per cent). At the same time, over the third quarter of 2019, crude oil production remained at its level of just under 60,000 barrels per day during the first half of the year, compared with a daily average of around 64,000 barrels in calendar 2018, a reflection of the ongoing maturation of the oil fields. In the non-energy sectors, preliminary data for indicators monitored by the Central Bank point to modest expansions in the distribution and finance sectors during the third quarter. An uptick in local sales of cement suggests that construction activity is responding to the rise in public sector infrastructural investments.

According to data from the Central Statistical Office, headline inflation slowed to 0.3 per cent in the twelve months to November 2019, with core inflation (which excludes food prices) also decelerating to 0.6 per cent. Meanwhile, the food sub-index as a whole registered a year-on-year decline of -1.1 per cent in November 2019, reflecting reductions in the measured prices of vegetable items in the Index. On the labour front, the Ministry of Labour and Small Enterprise Development reported that the number of persons retrenched during January to October 2019 rose by 27 per cent year-on-year.

The growth in private sector credit extended by the consolidated financial system slowed to 4.3 per cent in September 2019 (year-on-year) compared with 4.5 per cent in July 2019. The contraction in business credit deepened to 5.5 per cent but consumer credit, driven by debt consolidation and refinancing, grew by 5.9 per cent while real estate mortgage loan growth accelerated to 10.9 per cent. Commercial banks' daily excess reserves at the Central Bank averaged around \$5.5 billion in November 2019. The Central Bank's liquidity management operations have balanced the public sector's financing requirements with prevailing credit and inflationary conditions.

The interest rate gap between three-month TT and US treasury securities has remained negative, but narrowed to -51 basis points at the end of November 2019. TT short term rates fell by 24 basis points since August 2019 in the context of the excess liquidity conditions, but equivalent US rates decreased by 40 basis points during the same period. Meanwhile, the Central Bank maintained its fortnightly sales of foreign currency to authorised dealers and official international reserves were US\$6.93 billion at the end of November 2019, US\$640 million lower than at the start of the year.

The Monetary Policy Committee (MPC) considered the shifting external conditions, especially on the trade and geopolitical fronts. Domestically, available indicators suggest that while there remains room for macroeconomic policy support towards a durable economic recovery, external balance has not yet been restored. Taking these factors into consideration, the MPC agreed to maintain the repo rate at 5.00 per cent.

## **(CBTT MONETARY POLICY ANNOUNCEMENT December 27, 2019) CORONAVIRUS AND THE ECONOMY**

The world is being threatened by the new coronavirus that began in China and is now, making its way across the regions. The extract comes from an interview with the Honorable Prime Minister on the impending dangers of the virus on the citizenry and the economy. Progressive Credit Union would continue to monitor.

While dealing with the potential threat of the Coronavirus from a health perspective remains the main priority, Prime Minister Dr. Keith Rowley expressed concern about the potential financial fallout should the virus linger longer than expected.

“We are a nation that has a very significant reliance on the external markets and the external economy,” said the Prime Minister, who said while certain protocols have been put in place as safeguards should the Coronavirus arrive in T&T, he continued to look at the impact the virus had on neighbouring economies which could affect our own.

“There are some bigger issues here for us. As we look at the effect that this threat of the virus is having on the international trading community, we in Trinidad and Tobago have serious exposure,” “For example, we’ve seen the record collapse of the stock exchange. Don’t think we are not involved in that. The performance of our Heritage Fund is directly impacted by the performance of the stock exchange because that is where that investment largely lies. If the stock ex-change is doing well then our earnings are doing well. If the exchange is doing badly for whatever reason, then we have concerns there.”

Prime Minister Rowley said the virus could hinder T&T trade and manufacturing sectors. “We also are trading in products for which the demand is of interest to us because if the demand is not there then the prices of those products that we trade in would fall,” he said.

Some concern was also attached to the performance of the energy sector.

“Yesterday I was looking at the performance in the gas and oil sector and there are some serious developments there largely driven by concerns that the Chinese economy may not be as robust as it was predicted to be,” Rowley said.

While he is hopeful the country can avoid any cases of the virus coming to our shores, he said given the wide diaspora this country has worldwide, there is the possibility that returning nationals will come from affected countries.

“Given the connections that we have and the businesses that we do around the world, it is quite likely that somewhere along the way we could be exposed to persons who are infected being in our border or coming to us as nationals who have every right to return to Trinidad and Tobago.

*(Peter Christopher - Trinidad Guardian March 3rd 2020)*

### **3.0 GOVERNANCE STRUCTURE**

The Inaugural meeting of the Board was held on Friday 29th March, 2019 at the Progressive Credit Union Corporate Office, Chacon Street, San Fernando. The elected Executive Committee for the 2019/2020 comprised of:-

Ms. Veronica Jacob	- President
Ms. Georgiana Cudjoe	- Vice President
Ms. Candice Haynes	- Secretary
Mr. Errol Thomas	- Assistant Secretary
Mr. Holly Francois	- Treasurer



**Directors:-**

Ms. Gemma Ottley	- Director
Ms. Sabrina Peters	- Director
Mrs. Marilyn John- Fahey	- Director
Ms. Allyson White	- Director
Ms. Gem Saunders Le Maitre	- Director
Mr. Michael Hernandez	-Director
Mr. Erskine Abel	-Director

**Substitute Director:-**

Mr. Stephen Small	- 1st Substitute
Mr. David Brown	- 2nd Substitute

The Board of Directors also appointed the following Management Committees.

**Education Committee:-**

Ms. Georgiana Cudjoe	- Chairperson
Ms. Allyson White	- Secretary/Member
Ms. Thecla Quamina	- Co-opted Member
Mr. Errol Thomas	- Member
Mrs. Marilyn John- Fahey	- Member
Mr. Anthony Perry	- Co-opted Member

**Human Resource Committee:-**

Ms. Candice Haynes	- Chairperson
Mr. Gerald Antoine	- Secretary
Mr. Claude Dillon	- Co-opted Member
Mr. Errol Thomas	- Member

**Finance Committee:-**

Mr. Holly Francois	- Chairperson
Mr. Malcolm Alexander	- Co-opted Member
Mr. Erskine Abel	- Member
Mr. Meryn Webster	- Co-opted Member

**Delinquency Committee:-**

Mr. Errol Thomas	- Chairperson
Ms. Sabrina Peters	- Secretary/Member
Mr. Erskine Abel	- Member
Mr. Darren Deokumar	- Senior Recoveries Officer

**Properties Committee:-**

Ms. Georgiana Cudjoe	- Chairperson
Mrs. Marilyn John- Fahey	- Secretary
Mr. Michael Hernandez	- Member
Mr. David Brown	- Co-opted Member

**Marketing and Communications Committee:-**

Mr. Erksine Abel	- Chairperson
Ms. Gianna Guevara	- Marketing Co-ordinator
Ms. Allyson White	- Member

Ms. Racheal Austin	- Member
Ms. Yolanda Harry-Keshwar	- Member
Ms. Gem Saunders-Le-Maitre	- Member

#### Health and Safety Committee:-

Mr. Errol Thomas	- Chairperson
Ms. Gemma Ottley	- Secretary/ Member
Ms. Debra Mitchell	- Co-opted Member
Ms. Sabrina Peters	- Member

#### Out Going Board Members

There are four (04) outgoing Board members who are eligible for re-election and have indicated their willingness to continue to serve the Society. They are Ms. Veronica Jacob, Ms. Candice Haynes, Ms. Gemma Ottley and Ms. Sabrina Peters.

#### 4.0 Meetings

NAME	BOARD	SPECIAL	JOINT	EXCUSED	TOTAL
Veronica Jacob	9	3	3	1	16
Georgiana Cudjoe	10	3	3	0	16
Holy Francois	10	3	3	0	16
Candice Haynes	10	2	3	1	16
Errol Thomas	10	3	3	0	16
Erskine Abel	10	3	2	1	16
Marilyn John Fahey	10	2	3	1	16
Micheal Hernandez	7	2	2	5	16
Gemma Ottley	10	2	3	1	16
Gem Saunders Le Maitre	8	3	3	2	16
Allyson White	7	1	2	6	16
Sabrina Peters	7	2	2	5	16

#### 5.0 Membership

The Society continued in its pursuit to attract new members during the year, resulting in an acceptance of 128 new members. Our total membership at the end of the year was 7,571 active members.

#### 6.0 Financial Performance Highlights: -

The year 2019 showed varied results for the Society which was similar to the results for the previous period in some respects. This is no doubt because we have and continue to face various challenges due to the prevailing economic conditions. The most significant of which is the collection or lack thereof of our receivables and its resulting impacts. This problem is by no means a new one as it has been ongoing for the past few years commencing since 2017. However, the Society has found a way to combat this challenge which led us to the introduction of the ACH debit as a method of payment. While this has not been a perfect solution, it has allowed us the opportunity to continue to serve you our members to the best of our ability and survive this tumultuous period.

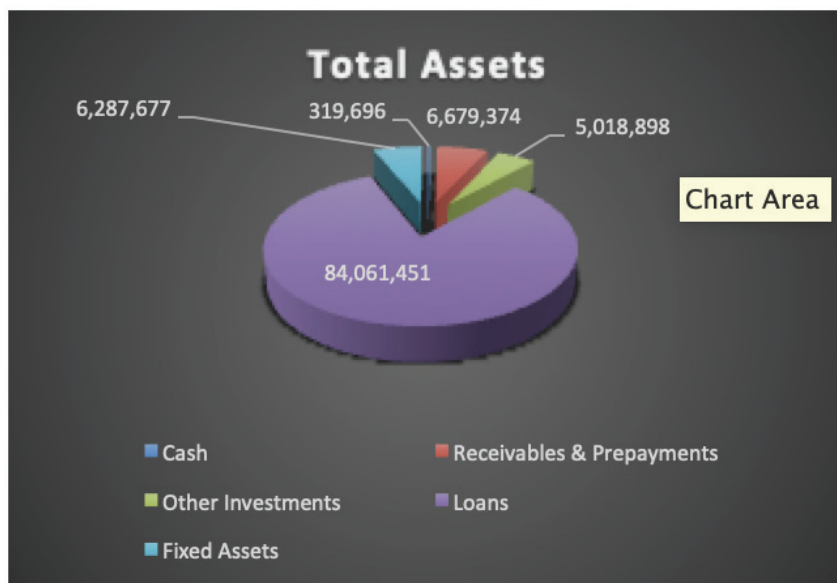
We believe as we focus our efforts on this the Society will reduce our reliance on NMTS thereby returning us to a growth path in not just some but all areas of our operations.



The key details of our financial performance are provided below.

Year	Shares	Deposits	Loans	Surplus	Assets
2019	86,692,322	7,900,400	84,317,084	4,716,367	117,434,828
2018	84,312,767	7,843,290	86,032,073	4,892,494	112,715,162
2017	86,212,205	7,342,248	91,624,989	4,405,798	118,617,664
2016	80,865,484	6,647,033	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

Table 1: Financial Highlights

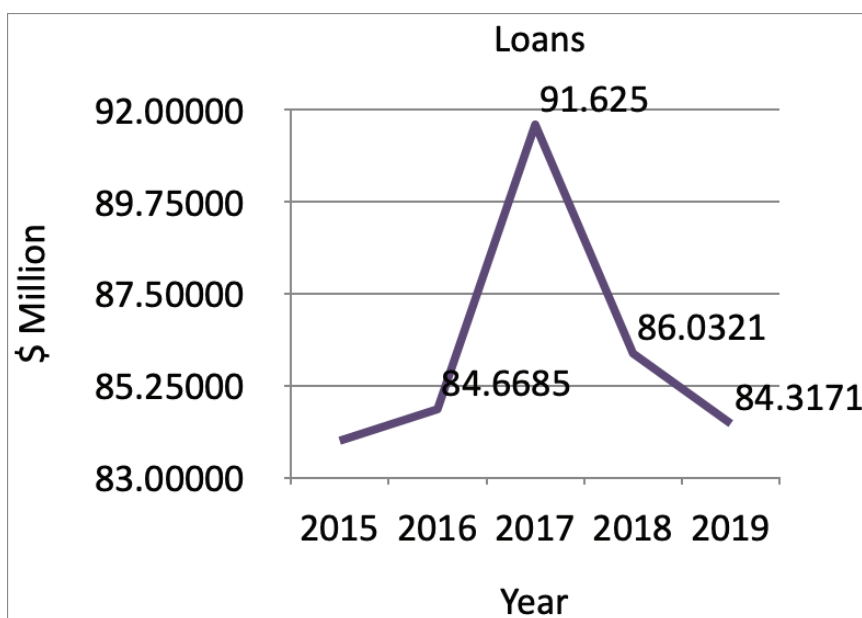


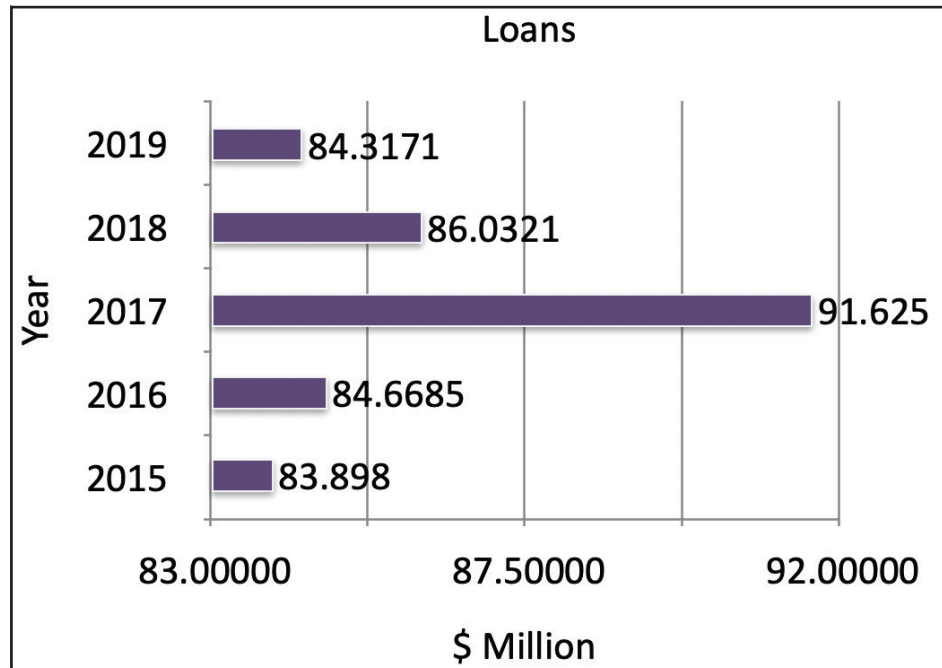
### Total Assets

Total assets as at December 31st, 2019 stood at \$117.2m, when compared to 2018, it increased by \$4.7m or 4.2%. This was due to an increase in the investment portfolio. The portfolio increased by \$7.6m. This increase resulted from stringent measures implemented to conserve limited cash resources for the increasingly challenging cash flow situation.

### Loans

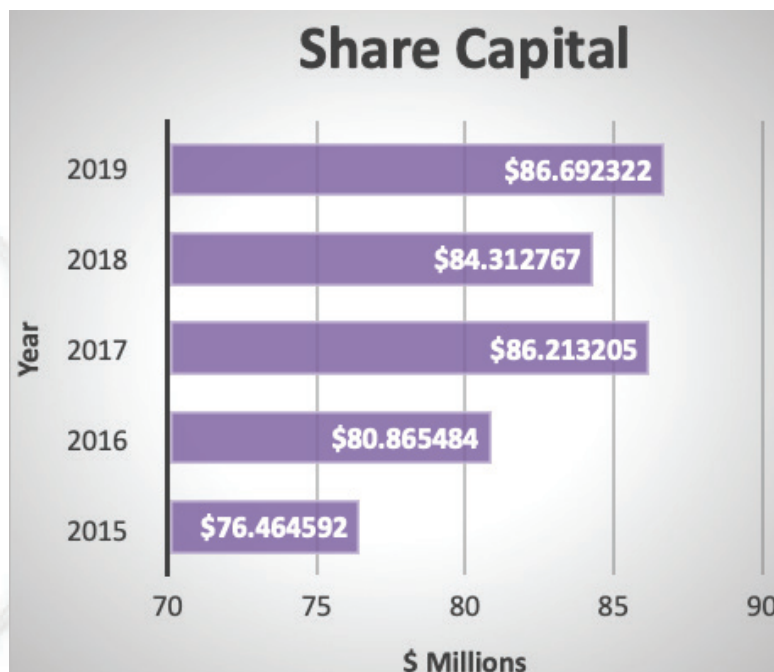
The loans to members portfolio accounted for 72% of the total assets of the Society in 2019 declining from 76% in 2018. The total loan portfolio also decreased by \$1.7m or 2.0% from \$86.03m in 2018 to \$84.32m in 2019. This decline resulted from a decline in the volume of loans disbursed during the period which was approximately 21% less than for 2018.





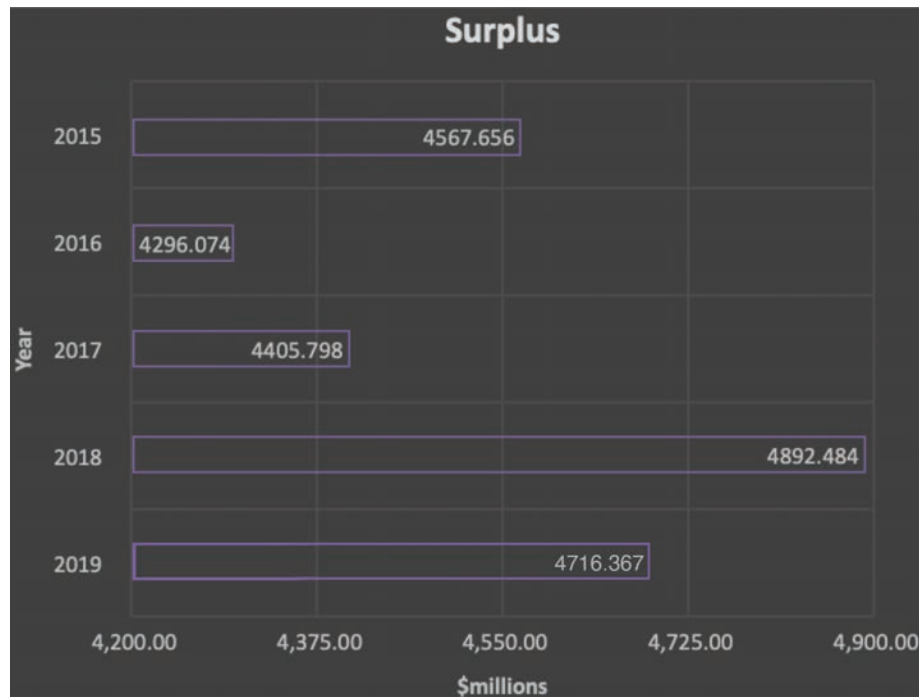
## Shares

Members continue to demonstrate their faith in our Society by contributing to an increase in the overall Share-holding which increased from \$84.3m in 2018 to \$86.7 in 2019. This increase was \$2.4m or 2.8% greater than the period of 2018.



## Income and Expenditure

Total income increased by \$16k or approximately .1% moving from \$12.32m in 2018 to \$12.34m in 2019. The total expenditure increased by \$.9m or 12% moving from \$7.44m in 2018 to \$8.34m in 2019. This increase can be attributed mainly to an increase in the expected credit loss liability as well as an increase in salaries and benefits. The overall surplus decreased by \$176k or 3.6% moving from \$4.9m in 2018 to \$4.7m in 2019.



## 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 2019 as compared with 2018:

	RATIO	PEARLS STANDARD	2019	2018
P	Prov. Allowances > 1yr	100%	122%	123%
	Prov. Allowances 1-12mths	35%	115%	72%
E	Net Loans to Total Assets	70-80%	71.8%	76.2%
	Institutional Capital/Total Assets	>10%	15.4%	14.7%
A	Total Delinquency	<=5%	12.9%	9.5%
R	Net Loan Income/Loan Portfolio	Entreup. Rate	14.2%	13.5%
	Total Operating Exp/Total Assets	<5%	7.0%	7.0%
L	liquidity	>20%	13%	6%
S	Growth in Loans		-2.0%	-6.0%
	Growth in Total Assets	>Inflation Rate	4.2%	-5.0%

Table2: Pearls Ratios

## 7.0 Delinquency

In 2019, significant strides were made by this Department and Delinquency Committee in the recovery process. The Society would have successfully repossessed 3 vehicles for the purpose of reducing members' outstanding obligations to the Society. This effort will be continued aggressively in the coming financial period.

The non-performing loans exposure as a percentage of total loans was 12.9%. This ratio was based on the calculation performed in determining the expected loss as per IFRS9.

Again we have followed the prudent approach which dictates that a loan loss provision must be instituted. The sum of \$1,188,306 has been provided in the 2019 accounts. The total expected credit loss as at December 31st, 2019 was \$7,163,770.

In 2019 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 2019 is as follows:

Loan	Total	Shares / Collateral / Judgements	Exposure
Total Delinquency	23,200,421.18	(11,405,796.16)	11,794,624.12
Total Loans O/S			91, 421,449.65
Delinquency Ratio			12.9%

## 8.0 Projections - 2020

Projections 2019	Status	Projections 2020
New member growth target of 300	New members admitted	New member growth target of 300
Net share growth of \$5.5M.	\$2.4M share increase	Net share growth of \$5m
Loan disbursement of \$42.7M	Loan disbursement of \$34.00M.	Loan disbursement of \$42m
Increase in investments to \$12.5M.	Total Investments to \$19.7M.	Increase in investments to \$25m
Surplus \$3.6M.	Surplus - \$5.08M.	Surplus \$2.5m
Dividend payment 3%.	Board recommends	Dividend payment 3%
Delinquency 5%	Delinquency 13.27%	Delinquency 5%

Table 4: Projections and Status

## 9.0 Human Resources

Last year the Society was under tremendous financial constraints due to the non-payment of remittances from the parent company MTS. As a result we were unable to execute our plans in an attempt to increase our service delivery and to better serve our valued members. The staff would have been exposed to mandatory compliance training and internal customer service training.

One of our strategic objectives was achieved which was the purchase and implementation of the Micropay software which alleviates the processing of payroll. The Society is in the process of negotiations for the periods 2016 to 2018 and 2019 to 2021. The management of the Society expresses our gratitude to all staff who demonstrated a high level of commitment, dedication and passion in the midst of all the challenges.

The Dangerous Drugs Act Chapter 11:25, Act Number 24 of 2019 has been amended which speaks to the decriminalization of Marijuana and the Society is in the process of drafting a drug policy. The policies that have been reviewed and approved by the Board of Directors were as follows:

- Delinquency;
- Car Policy;
- Cheque Management and
- Anti- Fraud.

The new additions to our staff were Ms. Jody David as Manager Accounting and Ms. Alana Ramsingh Accounts Clerk.

The Society continues to re-evaluate our service delivery as we aspire to exceed our members' expectations through investment in our human capital whilst providing financial products to improve their standard of living.

## 10.0 Marketing

### 10.1 32nd Annual General Meeting

The 32nd Annual General Meeting was held at The Southern Academy for the Performing Arts, Ministry of Community Development Culture & the Arts, Corner Todd Street and Rienzi Kirton Highway, San Fernando on Saturday 23rd March 2019. The theme of the event was "Power of the Past, Force of the Future". Approximately Three Hundred and Fifty Nine (359) members were in attendance at the event. Several persons from other organizations were brought greetings on behalf of their respective organizations. The token distributed for 2019 was a beach towel in various colours.

The election process was supervised by twelve (12) officers of the South East Regional Chapter. The following members won door prizes at the Annual General Meeting:

- 133 – Mr. Emmanuel Rocke
- 035 – Ms. Patsy Peters Rawlins
- 053 – Ms. Avian St. Hill
- 295 – Ms. Pearl Rueben Hall
- 047 – Mr. Lloyd Charles
- 333 – Mr. Samuel Ruiz
- 163 – Mr. Lloyd Charles
- 132 – Ms. Linda Toolsie

### 10.2 Mother's Day and Father's Day Appliance Sale Competition

During part of the months of April, May and June 2019, a sales competition was held in celebration of the Mothers



and Fathers among our members. The Mother's Day Appliance Sale began on the 23rd April and ended on 23rd May, 2019. The Father's Day sale began on the 23rd May and ended on the 3rd June 2019. Eight (8) hampers were distributed to lucky winners who participated in the competition.

The sale applied to all appliances in our very extensive appliance catalogue and is now an annual event on our calendar. Look out for the start dates in 2020!

### **10.3 Improving Brand Awareness**

In 2019, the Marketing Department began an Instagram page as well as a Twitter account. These allowed us new avenues to disseminate information to our members through free advertising media. Its intention was to create a buzz and build brand awareness which will in turn encourage more traffic to our organization. It is in line with achieving our marketing objectives by attracting new members to Progressive. You can follow us on Instagram @progressivecu and Twitter @cu\_progressive.

### **10.4 Building the Kiddie and Youth Arms**

Spearheaded by the Marketing and Communications Committee, Progressive Credit Union has embarked on growing the membership of our Kiddie and Youth Arms. In this vein, the Marketing Department has made several visits to schools in the Southern area on several occasions and addressed the PTA as well as provided sponsorship for various events. The schools are as follows:

- **Holy Faith Convent, Penal**
- **Princes Town Methodist Primary School**
- **St. Stephen's College, Princes Town**
- **St. Peter's Pre-School**

We were also invited to set up a display at National Youth Empowerment Program at Trinidad and Tobago Bureau of Standards. The Credit Union took the initiative to sponsor five (5) students from Penal Convent to attend the program. From our display, we were able to capture the attention of the students that attended and were able to speak with them on a one on one basis, thereby educating them on the importance of becoming a member of the Society and saving towards their future. North and North-East schools, we are coming to you in 2020!

### **10.5 Tobago Day Trip**

The Marketing Department embarked on a campaign "Meeting You Home" in our sister isle of Tobago. We did so as it allowed us to engage our Tobago members, and discuss with them the challenges that they are facing and the relevant measures that are being put into place to remedy the situation until it is rectified. On our visit to Tobago, we were able to visit three schools namely the Scarborough Secondary School, Signal Hill Secondary School and Goodwood Secondary School. While there, we were able to sit and speak with the security guards of all three schools informing them of upcoming events, and answer any questions which they had. The Marketing team also visited our Tobago office and helped with the display set up of the mini appliances.

### **10.6 Sangre Grande Visit**

Progressive Credit Union was invited by NMTS to set up a booth and be a part of their team to meet with and inform residents of Foster Road Sangre Grande about the products and services offered by the Society on Thursday 14th May, 2019. Persons in attendance were interested in learning and joining the Credit Union.

In summary, the department has been working hard, seeking new opportunities to market the credit union, and broaden the range of the age of our members. It is our hope to maintain and even surpass this momentum in 2020.



#### 10.7 UPCOMING EVENTS:

The following is a preview of Progressive's planned marketing efforts in this regard for the year 2020:

- |              |   |
|--------------|---|
| 1. March     | New Member Orientation Seminar            |
| 2. April     | New Membership Drive Tobago               |
| 3. April     | Student Jeopardy Contest                  |
| 4. May       | Mother's Day Appliance Sale               |
| 5. June      | Boat Cruise & Father's Day Appliance Sale |
| 6. August    | Appliance Sale                            |
| 7. September | Beach Clean-up                            |

#### 11.0 Cooperative Involvement

#### 12.0 Obituaries

We extend sincere condolences to all fellow co-operators and members who lost a loved one. We wish you peace and the strength to carry on and may their Souls have Perpetual Rest.

#### 13.0 CONCLUSION

Throughout most of 2019, the Credit Union experienced huge shortfalls in cash remittances due to the monies outstanding by member attached to the Host Company – MTS. The last payment received from MTS was September 2019 and the Society is yet to receive any monies thus far. As a result of the restricted finances, the Board had to reduce the share to loan ratio to 1:1 1/5 and in case of an extreme emergency 1:2 and the Society had to withdraw from our savings to facilitate you our esteemed members because without you the members we have no Credit Union. In addition, the Society experienced numerous share withdrawals and member resignations due to the limited finances available which hampered our ability to properly serve you the membership as we would have planned.

The Board expresses tremendous gratitude to our members for their loyalty, patience, perseverance and understanding in the face of difficult times which is a result from the global market forces. We, the Board of Directors do not have words enough to express our heartfelt thanks to our General Manager and Staff, who exhibited a very high level of resilience, commitment and patience and who were ably guided by us the Board.

Appreciation is extended to the Board of Directors, Statutory Committees and Co-opted Members of all Board appointed committees. We the Board will continue to seek the wisdom and strategic direction from our Lord and Saviour Jesus Christ to guide us in the year 2020.

We declare success, prosperity and victory to you all.

Cooperatively yours

  
**Candice Haynes**  
Secretary

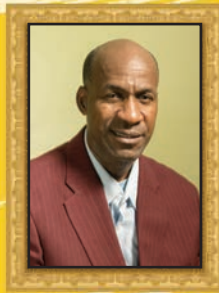
# BOARD MEMBERS



Veronica Jacob  
*President*



Georgina Cudjoe  
*Vice President*



Holly Francois  
*Treasurer*



Candice Haynes  
*Secretary*



Errol Thomas  
*Assistant Secretary*



Erskine Abel  
*Director*



Gemma Ottley  
*Director*



Gem Saunders  
Le Maitre  
*Director*



Allyson White  
*Director*



Michael Hernandez  
*Director*



Sabrina Peters  
*Director*



Marilyn John Fahey  
*Director*



# STAFF MEMBERS

## GENERAL MANAGER



Mrs. Camille Joseph-Dipnarine

## NORTH STAFF



*L to R:*

Lashawn Forde, Ayanna Abel-Lewis, Amelia Ganness,  
Victoria Jeetam, Seeta Seepersad

*Absent:* Joanne Meade

## TOBAGO STAFF



*L to R:*

Rholda John, Sasha Gaye-Thompson

## SOUTH STAFF



*Back Row L to R:*

Darren Deokumar, Asha Thomas, Tshiann Hamid,  
Gianna Guevara, Giselle Manwaring, Annette Hinkson,  
Keston Crichlow

*Middle Row:* Keiva Brown, Turon Nicholas, Shorn Bhola, Esther  
Simmons, Kahidja John, Alana Ramsingh

*Seated:* Amrita Kunjal, Anthony Perry, Jody David

## CREDIT COMMITTEE'S REPORT

### 1.0 INTRODUCTION

The Credit Committee has performed various activities over the period under review. The following is a report of their activities.

### 2.0 CREDIT COMMITTEE MEMBERS

The names mentioned below are the members who were elected at the last Annual General Meeting, held on 23rd March 2019 at the Southern Academy for the Performing Arts, Todd Street San Fernando.

- 1) William Solomon
  - 2) Anne Marie Campbell
  - 3) Clarence Duke
  - 4) Anne Simmons
  - 5) Cheryl Campbell
- Racheal Austin 1st Substitute

Mr. William Solomon and Ms. Anne Marie Campbell were elected as Chairperson and Secretary respectively, at the Inaugural meeting held at the Credit Union's Head Office, Chacon Street, San Fernando on March 29th, 2019.

### 3.0 MEETINGS

A total of 33 meetings were held in accordance with the bye-laws, policies and guidelines of the Credit Union. Meetings were held every Thursday, and were rescheduled if it coincided with a Public Holiday.

The attendance by members of the committee were as follows:

Credit Members	Present	Excused
Mr. William Solomom	31	2
Ms. Anne Marie Campbell	30	3
Mr. Clarence Duke	28	5
Ms. Anne Simmons	26	7
Ms. Cheryl Campbell	31	2

**Total number of meetings - 33**

Please note Ms. Cheryl Campbell resigned from the Committee in December 2019, and was replaced by Ms. Rachael Austin to fulfill Ms. Campbell's unexpired term.

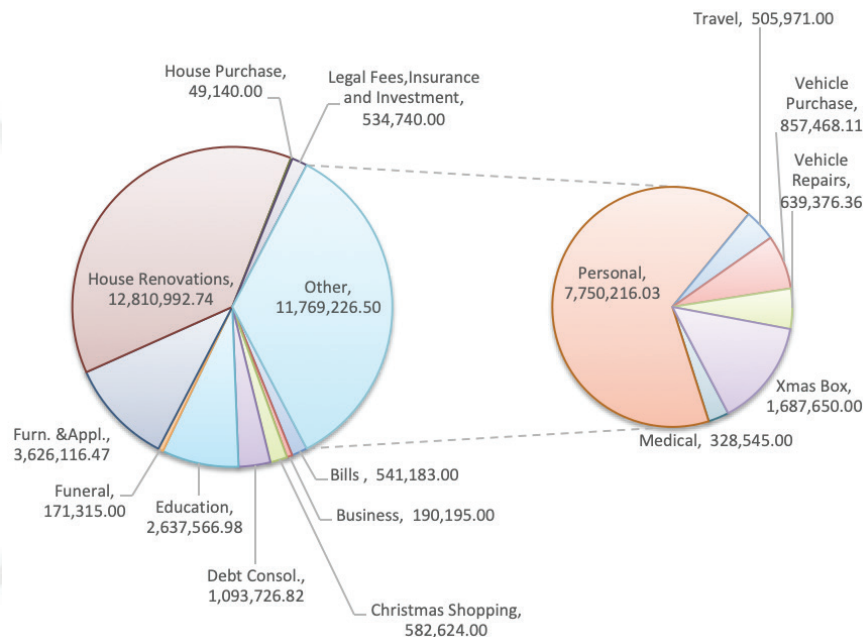
### 4.0 Loan Applications and Disbursements

Loans Approved

The committee approved 4118 loans with a cash value of Thirty-Four Million, Three Hundred and Seventy-Five thousand, Five Hundred and Thirty-Three Dollars (\$34,375,533). *(See Attached Comparative Schedule)*

LOANS APPROVED	# OF LOANS - 2019	2,018	2,019
<b>Bills</b>	<b>30</b>	541,183.00	330,862.00
<b>Business</b>	<b>2</b>	190,195.00	41,545.00
<b>Christmas Shopping</b>	<b>104</b>	582,624.00	754,092.00
<b>Debt Consol.</b>	<b>40</b>	1,093,726.82	789,686.00
<b>Education</b>	<b>336</b>	2,637,566.98	3,179,912.00
<b>Funeral</b>	<b>9</b>	171,315.00	68,540.00
<b>Furn. &amp;Appl.</b>	<b>292</b>	3,626,116.47	3,665,089.40
<b>House Renovations</b>	<b>564</b>	12,810,992.74	13,907,467.15
<b>House Purchase</b>	<b>3</b>	49,140.00	87,963.74
<b>Legal Fees, Insurance and Investment</b>	<b>18</b>	534,740.00	441,715.00
<b>Medical</b>	<b>22</b>	328,545.00	258,795.00
<b>Personal</b>	<b>2,211</b>	7,750,216.03	7,043,414.00
<b>Travel</b>	<b>43</b>	505,971.00	812,867.00
<b>Vehicle Purchase</b>	<b>25</b>	857,468.11	1,268,111.26
<b>Vehicle Repairs</b>	<b>28</b>	639,376.36	371,273.00
<b>Xmas Box</b>	<b>375</b>	1,687,650.00	1,354,200.00
<b>TOTAL</b>	<b>4102</b>	<b>34,006,827</b>	<b>34,375,533</b>

### LOANS DISBURSED IN 2019





**5.0 Site Visits / Interviews**

These activities were conducted to assess the relative importance of the application made by members for House Construction and Modification. Interviews were also conducted upon requests, or when the Committee observed that a member would face difficulties in the future.

**6.0 Training / Seminars**

Members of the Committee attended a training session on 24th August, 2019 at the Ministry of Labour, St. James Street, San Fernando, and on 16th November, 2019 - FIU Training Session at the Credit Union's North Branch.

**7.0 Joint Meetings**

The Credit Committee attended all Joint Meetings called by the Board of Directors.

**8.0 Delinquency**

The Credit Committee continues to work in close collaboration with the Delinquency Committee, the Board and the Loans Officers, with respect to delinquency.

**9.0 Tobago**

The Committee paid one visit to Tobago to address members concerns and all other relevant matters.

**10.0 Conclusion**

Once again, the Committee will like to firstly thank God for allowing us to achieve another successful year despite the many challenges faced. To the membership, the Board of Directors, the General Manager and Staff, Ms. Cheryl Campbell and all other committees, again we say thank you for all courtesies extended during this period.

Cooperatively Yours



William Solomon  
Chairperson



Anne Marie Campbell  
Secretary



**The Credit Committee**

**Back Row Standing (L-R):** William Solomon, Clarence Duke

**Seated (L-R):** Racheal Austin, Anne-Marie Campbell

**Missing:** Anne Simmons



## SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee brings greeting to all members, prospective members, guests and all well-wishers present at this 33rd Annual General Meeting of the Progressive Credit Union Co-operative Society Limited.

The following Members were elected at the 32nd Annual General Meeting which was held on the 23rd March 2019, at the Southern Academy for the Performing Arts, Corner Todd Street and Renzi Kirton Highway, San Fernando, and served on the Supervisory Committee for the period 2019/2020 term in the following positions:

- |                              |                |
|------------------------------|----------------|
| • Ms. Adeleine Gittens       | Chairperson    |
| • Mr. David Quamina          | Secretary      |
| • Ms. Ginelle Small-Cummings | Member         |
| • Ms. Debra Mitchell         | 1st Substitute |

### 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 maintain the smooth running of the Society, and to protect the assets of the Credit Union. The Committee remained fully informed as to the financial conditions and stability of the Credit Union.

### 2.0 Attendance at meetings

Names	Present	Excused	Absent
Adeleine Gittens	13	2	-
David Quamina	7	6	-
Ginelle Small-Cummings	13	2	-

### 3.0 Aims and Objectives:

The Supervisory Committee had the following aims and objectives:

- To examine all bank reconciliations to ensure all transactions and returned cheques were accounted for.
- To monitor cheque payments, vouchers and journals for authorized signatures; inconsistencies were reported and corrected
- To visit all branches and conduct cash counts.
- To examine the Fixed Assets' Register and conduct physical checks.
- To identify any weaknesses in the organization and make recommendations for improvement where necessary.

### 4.0 Seminars and Workshop:

Members of the Supervisory Committee attended the following workshops and training programmes:

Internal Audit Function:

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

### 5.0 Findings:

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

The Supervisory Committee had a presence at all Board Meetings, submitted quarterly 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.

#### **6.0 Visits**

The Committee visited the Tobago, Barataria and South Offices during which cash transactions were monitored and meetings held with the Management.

#### **7.0 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 being experienced by NMTS, in order to effectively fulfill 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 the smooth running of the Credit Union, always keeping member's well-being at the forefront.

The Supervisory Committee would like to also commend the members of Progressive Credit Union for your patience, understanding, and continued support.

#### **8.0 Conclusion:**

The Committee takes 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 2020-2021, we would like to again thank YOU the members that have given us the opportunity to serve.

Cooperatively Yours,



**Adeleine Gittens**  
*Chairperson*

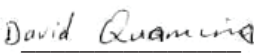


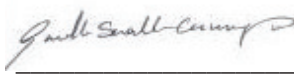
**David Quamina**  
*Secretary*



**Ginelle Small-Cummings**  
*Member*

  
**Adeleine Gittens**  
*Chairperson*

  
**David Quamina**  
*Secretary*

  
**Ginelle Small-Cummings**  
*Member*

## EDUCATION COMMITTEE'S REPORT - 2019/2020

The Committee were comprised of the following members:

<b>Ms. Georgiana Cudjoe</b>	<b>Chairperson</b>
<b>Ms. Allyson White</b>	<b>Secretary</b>
<b>Ms. Marilyn John-Fahey</b>	<b>Member</b>
<b>Ms. Thecla Quamina</b>	<b>Co-Opted Member</b>
<b>Mr. Anthony Perry</b>	<b>Staff Representative</b>

### 1.0 INTRODUCTION

EDUCATION is about teaching and learning skills and knowledge. It also means helping people to learn how to do things and supporting them during the process. Through education the knowledge of society, country and of the world is passed on from generation to generation. The benefits of education are personal and natural causes that have been shown to increase economic growth and stability. Another major benefit of education is that it helps societies run smoothly. We live longer, fuller and happier lives as learned and knowledgeable individuals.

It was a challenging year, one where our Education Committee continued to face financial problems but with the theme of our last Annual General Meeting “ Power of the Past Force of the Future” we were forced to look at our priorities.

### 2.0 CREDIT UNION MONTH'S ACTIVITIES

The Credit Union month's activities were held with the opening ceremony at the U.W.I. Grounds, St Augustine. The Host being the North East Regional Chapter, an umbrella body of the Cooperative Credit Union League of Trinidad and Tobago. The theme for this year's Credit Union Month was 'Local Service Global Reach'. Our Credit Union was actively involved in ensuring a successful day, filled with a host of fun activities which everyone enjoyed.

On Saturday 28th October 2019, the Tobago members participated in our Interfaith Service and thirty-fifth anniversary celebration years of existence. They were presented with tokens and enjoyed an evening of music and entertainment.

Our Credit Union would like our members to show more interest in our educational programs. It would have been our pleasure to offer more to our members, but poor attendance continues to inhibit our agenda.

### EDUCATION PROGRAMMES

A Wills and Testimonials Programme was held in Trinidad on January 19th 2019 at the Creative Arts Centre. Topics discussed were:

- Financial Counselling
- Our health
- Trinidad and Tobago Retired Persons
- Small Business Opportunities

On May 19th 2019, a Wills and Testimonials seminar was also held in Tobago at the Scarborough Secondary School.

Presentations were made by the Trinidad and Tobago Cancer Society and the Trinidad and Tobago Association of Retired Persons (TTARP). Some of the topics discussed were as follows:

- Breast cancer affecting both men and women
- Cervical and Prostate Cancer
- Methods of Prevention

A question and answer session were held with the lawyer, Mrs Pallackdarry-Singh- Wheeler. A brief address was delivered by the President - Ms. Jacob and the Chairman of the Marketing and Communication Committee - Mr. Erskine Abel.

The members gained great knowledge and information which would have been beneficial to all present. They were presented with tokens.

### **3.0 PETER MC DAVID EXCELLENCE AWARDS**

Our Annual Peter Mc David Excellence Awards was held on Saturday 14th September 2019, at the North Office in Barataria. Presentations were made to students: 5 - SEA, 2 - CSEC and 1 - Tertiary. The theme chosen was "Tough Times Don't Last; Excellence Does" and the feature speaker was Mr. Kaelan Ferreira.

Mr. Ferreira encouraged dialogue with the students using a rubber band to demonstrate how far they can stretch themselves. He shared past experiences of goals which can be achieved, and urged them to do their best in whatever sphere of life they may choose. The students performed dance and poems to the enjoyment of all present. They were all given monetary gifts and tokens. It was a memorable moment for all present.

### **4.0 TRAINING**

Training seminars were held during the year for Board, Staff, Supervisory and Credit Committees who benefitted from the various programmes offered. Members of the Board of Directors, Statutory Committees and Staff attended regional and international conferences to educate themselves on what is taking place in the global Credit Union Industry as well as their roles and responsibilities.

### **5.0 CHILDREN'S CHRISTMAS PARTY**

Annual Christmas parties were held in Trinidad and in Tobago on Sunday 8th December, 2019 and Saturday 14th December, 2019 respectively. The venues were MTS Plaza, Trinidad and Buccoo Integrated Facility, Tobago.

The children were treated to lots of games and activities such as bouncy castle, face painting, bran tub, balloon art, riding the cars, sailing in boats, horse riding and taking pictures with Santa. Both locations had similar events which were quite successful and enjoyable.

The Committee would like to thank, Ms. Guevara, Mr. Perry, Ms. Abel-Lewis and other staff who provided assistance at these events.

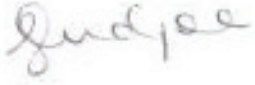
### **6.0 CONCLUSION**

Our Committee wishes to express a heartfelt thank you to all our members who participated in the programmes offered. We urge the wider membership to grasp these opportunities to learn more about the Credit Union movement. We express special gratitude to you the membership for your continued support.

Special thanks to the Board, the General Manager, her hard-working Staff and the Statutory Committees for their

unwavering support. May God continue to grant his blessings upon us all.

Cooperatively Yours,



**Georgiana Cudjoe**  
**Chairperson, Education Committee**





## NOMINATING COMMITTEE'S REPORT - 2020

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 Mr. Michael Hernandez, Chairperson of the Nominating Committee as well as Mrs. Marilyn John Fahey - Director to form of the Nominating Committee.

### 1.0 COMPOSITION OF THE NOMINATING COMMITTEE

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

- Mr. Michael Hernandez - Chairperson
- Mrs. Marilyn John Fahey - Director
- Mr. Malcolm Alexander - Member
- Mr. Omar Dubay - Member
- Ms. Noeline Downes-Mayers - Member

### 2.0 METHODOLOGY

The Committee held its first meeting on Monday February 17th 2020 at the North Office, Barataria. At this meeting the terms and references of the Committee were discussed, the schedule of interviews were determined. The date for the Orientation seminar for all nominees was scheduled for March 12th 2020.

Advertisements were placed in the Trinidad Express Newspapers on 15th December 2020; 19th 22nd, 29th January, 2020 and 31st. The deadline for nominations was extended from January 31st 2020 to February 7th 2020. Notices were posted on the Society's Instagram Page on January 7th and 15th 2020; and the Facebook page on December 5th, 2019, and January 2nd, 7th and 15th 2020. In addition, notices were placed at Progressive Credit Union's three (03) offices located in Tobago, San Fernando and Barataria.

### 3.0 INTERVIEWS

Eighteen (18) applications were received in total, seven (07) for the Board of Directors, six (06) for the Credit Committee and five (05) for the Supervisory Committee. None of the four (4) outgoing members of the Board of Directors, neither the members of the Credit Committee were statute barred and have all indicated their willingness to continue serving. However Mr. David Quamina of the Supervisory Committee was statute barred and did not contest any other nomination and one (01) member did not submit a nomination form on account of personal reasons. Ms. Cheryl Campbell of the Credit Committee resigned in December 2019 resulting in the First Substitute Ms. Racheal Austin joining the Committee to fulfil the unexpired period of Ms. Campbell.

Interviews were conducted over a period of two (02) day:

- Saturday 07th February, 2020 - (Barataria Office) eleven (11) persons
- Tuesday 10th February, 2020 - (South Office) six (06) persons

One (1) nominee who submitted a nomination form for the Credit Committee did not to attend their interview on Tuesday 10th February, 2020.

At a Special Meeting of the Board of Directors held on Saturday 07th March 2020, permission was granted to reopen nominations for the Credit Committee to ensure that there are substitutes on the Committee in keeping with the Bye-Laws. On Tuesday 10th March 2020 the Committee interviewed two (2) additional nominees who are presented to the membership for consideration.



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. All nineteen (19) 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) Ms. Sabrina Peters
- 2) Mr. Stephen Fraser
- 3) Ms. Veronica Jacob
- 4) Ms. Candice Haynes
- 5) Mr. Samuel Peters
- 6) Ms. Gemma Ottley
- 7) Mr. David Brown

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

- 1) Mr. William Solomon
- 2) Mr. Clarence Duke
- 3) Ms. Racheal Austin
- 4) Ms. Anne-Marie Campbell
- 5) Mr. Juno Rawle Gray
- 6) Ms. Anne Simmons
- 7) Ms. Ursula Salina

##### **Supervisory Committee (05)**

- 1) Mr. Wilfred Wallace
- 2) Ms. Melina Prieto
- 3) Ms. Ginelle Small-Cummings
- 4) Mr. Mervyn Webster
- 5) Mr. Heeralal Sookhai

#### 5.0 ORIENTATION

An Orientation program was scheduled for Thursday 12th March 2020 for these nominees, and was conducted by Officers of the Co-operative Division. This Orientation program was to facilitate the nominee's acquisition of pertinent knowledge of their respective 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. The members of the Nominating Committee would like to thank the Board of Directors for the opportunity to serve; the Staff for their assistance and all nominees for offering themselves to serve and attending the interviews.

Cooperatively yours,



**Michael Hernandez**  
Chairperson



## DAVID BROWN

**Place of Employment:** NMTS

**Occupation:** Employee Relations Manager

**Credit Union Membership:** 29 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



## SAMUEL PETERS

**Occupation:** Retired

**Credit Union Membership:** 35 years

**Credit Union Experience:**

**Past:**

- Member of the Board of Directors
- Secretary of the Board of Directors
- Chairperson Properties Committee
- Chairperson Marketing and Communications Committee

**Education and Training:**

- Master of Business Administration in Leadership, Entrepreneurship and Innovation
- 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



## GEMMA CHERYL OTTLEY

**Occupation:** Retired

**Credit Union Membership:** 36 years

**Credit Union Experience:**

**Present:**

- Secretary of the Supervisory Committee

**Past:**

- Member of the Credit Committee
- Chairperson of the Credit Committee
- Secretary of the Supervisory Committee
- Chairperson of the Supervisory Committee
- Education and Training:
- Supervisory Management Training
- Anti-Money Laundering and Counter Terrorism Financial Training
- Credit Evaluation Techniques
- Small Business Development Programme

**Other Associations:**

- Member of the Estate Police Association Finance Committee
- Chairperson of the Estate Police Elections Committee
- Member of Branch Board of Estate Police Association



## SABRINA PETERS-RUSSEL

**Place of Employment:** Ministry of Education

**Occupation:** Senior School Social Worker

**Credit Union Membership:** 28 years

**Credit Union Experience:**

**Present:**

- Member of the Board of Directors
- Member of HSE Committee
- Secretary of the Delinquency Committee

**Past:**

- Secretary of the Supervisory Committee
- Member of the Board of Directors
- Member of the HR Committee

**Education and Training:**

- M.Sc. Counselling
- B.Sc. Social Work
- Certificate in How to Conduct an Audit
- Money Laundering Seminar
- IOM's Counter Trafficking Sensitization Training
- Quality Customer Service Management Workshop
- Social Marketing
- Certified Mediator



## VERONICA JACOB

**Place of Employment:** NMTS

**Occupation:** Accountant

**Credit Union Membership:** 36 years

**Credit Union Experience:**

**Present:**

- President of the Board of Directors

**Past:**

- President of the Board of Directors
- Secretary to the Board of Directors
- Assistant Secretary to the Board of Directors
- Chairperson of the Finance Committee
- Member of the Education Committee
- Member of the Credit Committee
- Chairperson of the Nominations Committee
- Treasurer to the Board of Directors

**Education and Training:**

- BSc in Accounting
- ACCA (Presently Pursuing)
- Post Graduate in Principals and Practice of Management
- Administrative Professional Secretary
- Attended several Co-operative courses with respect to various committees served
- Attended conferences both local and abroad



## STEPHEN FRASER

**Place of Employment:** Ministry of National Security

**Occupation:** Immigration Officer

**Credit Union Membership:** 36 years

**Credit Union Experience:**

**Past:**

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

**Education and Training:**

- Certificate in Security Management
- Certificate in Criminology
- Tertiary Education

**Other Affiliations:**

- Member of the Supervisory Committee of Agricola Credit Union
- Member of the Credit Committee of Agricola Credit Union



## CANDICE HAYNES

**Place of Employment:** NMTS

**Occupation:** Human Resource Officer II

**Credit Union Membership:** 15 years

**Credit Union Experience:**

**Present:**

- Secretary of the Board of Directors
- Chairperson of the HR Committee

**Past:**

- Member of the Board of Directors
- Assistant Secretary of the Board of Directors
- Secretary of the HR Committee
- Secretary to the HSE Committee

**Education and Training:**

- Bachelor's Degree in Human Resource Management
- Associate Degree in Human Resource Management
- Certificate in Human Resource Management
- Calculating & Understanding the Key Pearls Ratio
- Directors & Managers Professional Development Programme
- Audit Roles & Responsibilities of Supervisory, Board & Committee Members
- Anti-Money Laundering and Counter Financing of Terrorism Workshop
- Certificate of Participation in Minute Taking
- Certificate of Participation in HR Labour Law

**Other Affiliations:**

- Member of the Human Resources Management Association of Trinidad and Tobago





### HEERALAL SOOKHAI

**Place of Employment:** NMTS

**Occupation:** Acting Building Supervisor

**Credit Union Membership:** 24 years

**Education and Training:**

- Jordan Hill Presbyterian
- ASJA Boys College
- National Energy Skills Center
- Building Construction Technology
- Cabinet Making
- Computer Literacy
- Supervisory Development
- Small Engine Repairs
- Agricultural Spray Can Repairs
- Tile Laying
- Masonry
- Plumbing
- Carpentry
- Coaching for Results



### GINELLE SMALL CUMMINGS

**Place of Employment:** NMTS

**Occupation:** Maintenance Technician I

**Credit Union Membership:** 12 years

**Credit Union Experience:**

**Present:**

- Member of the Supervisory Committee

**Education and Training:**

- Survival Training
- Physical Training
- Environmental Education
- Map Reading
- First Aid
- Tourism Education
- Certificate in Resistant and Prevention Programme

**Other Associations:**

- President – Jimroy Wyse Cultural Committee
- President Chaguanas Police Station Community Council
- Manager Netball Team
- President Enterprise Police Youth Club





## WILFRED WALLACE

**Place of Employment:** NMTS

**Occupation:** Accountant

**Credit Union Membership:** 16 years

**Past:**

- Member of the Finance Committee

**Education and Training:**

- Completed ACCA Professional Examinations
- Certificate in Peachtree Accounting
- Certificate in Stores Management



## MELINA PREITO

**Place of Employment:** NMTS

**Occupation:** Assistant Storekeeper

**Credit Union Membership:** 12 years

**Education and Training:**

- Secretarial
- Accounting
- Screen Printing
- Logistics & Warehouse
- Conversational Spanish
- Certificate in Office Management



## MERVYN WEBSTER

**Place of Employment:** Self Employed

**Occupation:** Food Preparation

**Credit Union Membership:** 9 years

**Past:**

- Member of the Finance Committee
- Member of the HSE Committee
- Alternate for the Credit Committee

**Education and Training:**

- School of Telecommunication
- E.R.I.
- Polytechnic
- Continuation Classes
- Servol



### ANNE MARIE CAMPBELL

**Place of Employment:** Retired

**Credit Union Membership:** 36 years

**Credit Union Experience:**

**Present:**

- Secretary of the Credit Committee

**Past:**

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



### JUNO RAWLE GRAY

**Place of Employment:** NMTS

**Last Position Held:** Maintenance Co-ordinator

**Credit Union Membership:** 32 years

**Credit Union Experience:**

**Past:**

- Member of the Board of Directors
- Member of the Credit Committee
- Member of the Supervisory Committee

**Education and Training:**

- Strategic Planning Workshop
- Delinquency Control in Credit Unions
- Supervisory Committee Development Programme
- Diploma in Air Conditioning & Refrigeration
- Small Business Development Workshop



## CLARENCE DUKE

**Place of Employment:** NMTS

**Occupation:** Plumbing

**Credit Union Membership:** 35 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

**Education and Training:**

- Training in Plumbing, Masonry and Carpentry
- Certificate in Electrical Engineering
- Small Construction Management

**Other Associations:**

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



## RACHEAL AUSTIN

**Place of Employment:** NMTS

**Occupation:** Human Resource Assistant

**Credit Union Membership:** 11 years

**Credit Union Experience:**

**Present:**

- Member of the Credit Committee
- Member of the Marketing & Communications Committee

**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
- Dressmaking
- Garment Construction
- Territe Design
- Preservatives



## WILLIAM SOLOMON

**Occupation:** Retired

**Credit Union Membership:** 36 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
- Chairperson 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



## ANNE SIMMONS

**Occupation:** Retired

**Credit Union Membership:** 25 years

**Credit Union Experience:**

**Present:**

- Member of the Credit Committee

**Past:**

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

**Education and Training:**

- Micro Entrepreneurship
- Introduction to Credit Union Organization & Management
- Industrial Relations
- Supervisory Management
- Anti-Money Laundering Training
- Roles & Functions of the Statutory Committees



## URSULA SALINA

**Place of Employment:** NMTS

**Occupation:** Building Supervisor

**Credit Union Membership:** 26 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, 2019





## Financial Statements

for the year ended December 31, 2019

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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, 2019, 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.



HOLLY FRANCOIS  
TREASURER

July 23, 2020



VERONICA JACOB  
PRESIDENT

July 23, 2020



ADELEINE GITTENS  
CHAIRPERSON  
SUPERVISORY COMMITTEE

July 23, 2020



# *R. Ramdass & Co.*

CHARTERED ACCOUNTANTS

"ICATT REGISTERED FIRM"

17 Gaston Street, Lange Park,  
Chaguana 500703 Trinidad West Indies  
Tel: 1-(868) 665-0583 / Fax: 665-0495  
E-mail : [rramdass.co@gmail.com](mailto: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 2019, 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 2019, 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 2019 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The 2019 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.





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## **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.*

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## **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.**

July 24, 2020



## Statement of Financial Position

as at December 31, 2019

	NOTES	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment securities	7a	3,376,075	3,377,623
Loans to members	8a & b	84,317,084	86,032,073
Property, plant and equipment	3	6,287,677	6,382,996
Right-of-use asset	4	103,159	-
Total non-current assets		94,083,995	95,792,692
<b>Current assets</b>			
Cash and short term funds	5	319,696	423,158
Receivables and prepayments	6	6,688,314	7,810,760
Investment securities	7b	16,342,823	8,688,552
Total current assets		23,350,833	16,922,470
<b>Total Assets</b>		<b>117,434,828</b>	<b>112,715,162</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
<b>Liabilities</b>			
Bank advance	9	1,267,639	1,355,243
Payables and accruals	10	3,181,743	2,224,298
Lease liability	11	107,492	-
Members' deposits	12	7,900,400	7,843,290
Members' shares	13	86,692,322	84,312,767
Total liabilities		99,149,596	95,735,598
<b>Members' equity</b>			
Reserve fund		6,487,791	6,014,234
Education fund		409,017	409,017
Investment re-measurement reserve		190,216	190,216
Undivided surplus		11,198,208	10,366,096
Total members' equity		18,285,232	16,979,564
<b>Total Liabilities and Members' Equity</b>		<b>117,434,828</b>	<b>112,715,162</b>

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

These financial statements were approved by the Board of Directors on July 23, 2020, and signed on its behalf by:

  
.....  
HOLLY FRANCOIS  
TREASURER

  
.....  
VERONICA JACOB  
PRESIDENT

  
.....  
ADELEINE GITTENS  
CHAIRPERSON  
SUPERVISORY COMMITTEE



## Statement of Comprehensive Income

for the year ended December 31, 2019

	NOTES	2019 \$	2018 \$
<b>Income</b>			
Interest and dividends	14	11,460,654	11,580,471
Fees and other income		812,895	680,101
Rental		62,100	59,100
<b>Total income</b>		<b>12,335,649</b>	<b>12,319,672</b>
<b>Expenditure</b>			
Advertising and promotions		210,152	279,603
Bank charges and interest		140,444	233,151
Credit Union League dues		76,951	75,370
Depreciation	3 & 4	276,624	226,641
Donations		35,140	39,901
Education and seminars		121,057	115,505
Establishment	15	417,921	393,911
Expected credit losses	8b	1,188,306	803,528
Green fund levy		180,942	-
Insurances		375,902	691,009
Interest on members' deposits		63,067	21,985
Legal and professional		210,653	207,797
Meetings	16	722,450	706,044
Miscellaneous	17	100,103	74,062
Office and stationery		202,731	145,717
Security		439,920	450,057
Staff salaries and benefits	18	3,391,039	2,733,843
Tobago	19	189,034	246,281
<b>Total expenditure</b>		<b>8,342,436</b>	<b>7,444,405</b>
<b>Surplus before changes in fair value of equity investment securities measured at FVTPL</b>		<b>3,993,213</b>	<b>4,875,267</b>
Net change in FV of equity investment securities		723,154	17,227
<b>Net surplus for the year</b>		<b>4,716,367</b>	<b>4,892,494</b>

## Statement of Changes in Members' Equity and Reserves

for the year ended December 31, 2019

	Reserve Fund \$	Education Fund \$	Investment Re-measurement Reserve \$	Undivided Surplus \$	Total Members' Equity \$
<b>Year ended December 31, 2019</b>					
Balance at January 1, 2019	6,014,234	409,017	190,216	10,366,096	16,979,563
Impact of adopting IFRS 16 at January 1, 2019 (notes 4 & 11)	-	-	-	(1,058)	(1,058)
Restated balance at January 1, 2019	6,014,234	409,017	190,216	10,365,038	16,978,505
Honorarium paid	-	-	-	(116,000)	(116,000)
Dividends paid	-	-	-	(2,895,561)	(2,895,561)
Entrance fees	1,920	-	-	-	1,920
Net surplus for the year	-	-	-	4,716,367	4,716,367
Transfers	471,637	400,000	-	(871,637)	-
Fund expenditure/adjustments	-	(400,000)	-	-	(400,000)
<b>December 31, 2019</b>	<b>6,487,791</b>	<b>409,017</b>	<b>190,216</b>	<b>11,198,207</b>	<b>18,285,231</b>
<b>Year ended December 31, 2018</b>					
Balance at January 1, 2018	5,523,575	409,017	190,216	8,886,837	15,009,645
Impact of adopting IFRS 9 at January 1, 2018	-	-	-	473,301	473,301
Restated balance at January 1, 2018	5,523,575	409,017	190,216	9,360,138	15,482,946
Honorarium paid	-	-	-	(116,000)	(116,000)
Dividends paid	-	-	-	(2,542,636)	(2,542,636)
Interest rebate	-	-	-	(338,651)	(338,651)
Entrance fees	1,410	-	-	-	1,410
Net surplus for the year	-	-	-	4,892,494	4,892,494
Transfers	489,249	400,000	-	(889,249)	-
Fund expenditure/adjustments	-	(400,000)	-	-	(400,000)
<b>December 31, 2018</b>	<b>6,014,234</b>	<b>409,017</b>	<b>190,216</b>	<b>10,366,096</b>	<b>16,979,563</b>

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



## Statement of Cash Flows

for the year ended December 31, 2019

	NOTES	2019	2018
		\$	\$
<b>Cash flows from operating activities</b>			
Net surplus for the year		3,993,213	4,875,267
Adjustments to reconcile net surplus to net cash from operating activities:			
Depreciation	3	217,677	226,641
Expected credit losses		1,188,306	803,528
Impact of adopting IFRS 9		-	473,301
Impact of adopting IFRS 16 as at January 1, 2019		(1,058)	-
Loss on disposal of property, plant and equipment		-	1,183
Increase in right-of-use asset		(103,159)	-
Decrease in receivables and prepayments		1,122,446	2,256,368
Increase/(decrease) in payables and accruals		957,445	(67,558)
Increase in lease liability		107,492	-
Net cash from operating activities		7,482,362	8,568,730
<b>Cash flows (used in)/from investing activities</b>			
Net change in loans to members		526,683	4,789,389
Net change in investment securities		(6,929,569)	(2,047,244)
Net change in members' deposits		57,110	501,043
Additions to property, plant and equipment		(122,358)	(33,135)
Net cash (used in)/from investing activities		(6,468,134)	3,210,053
<b>Cash flows used in financing activities</b>			
Repayment of short term loan		-	(4,192,408)
Dividends paid		(2,895,561)	(2,881,286)
Net change in members' shares		2,379,555	(1,899,738)
Net change in education fund		(400,000)	(400,000)
Honorarium paid		(116,000)	(116,000)
Entrance fees		1,920	1,410
Net cash used in financing activities		(1,030,086)	(9,488,022)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(15,858)</b>	<b>2,290,761</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>(932,085)</b>	<b>(3,222,846)</b>
<b>Cash and cash equivalents at end of year</b>		<b>(947,943)</b>	<b>(932,085)</b>
<b>Represented by:</b>			
Cash and short term funds	5	319,696	423,158
Bank advance	9	(1,267,639)	(1,355,243)
<b>Total cash and cash equivalents</b>		<b>(947,943)</b>	<b>(932,085)</b>

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

## **Notes to the Financial Statements**

for the year ended December 31, 2019

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these financial statements are stated below and are consistent with those of the previous financial year with the exception of those impacted by new and amended standards and interpretations: -

#### **a. Basis of preparation**

These financial statements have been prepared on a historical cost basis, except for investment securities, which have been measured at fair value. The financial statements are presented in Trinidad & Tobago dollars.

#### **Statement of compliance**

The financial statements of the Society have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### **b. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with IFRS requires management to make certain significant estimates and judgements that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Estimates and judgements 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. Other disclosures relating to the Society's exposure to risks and uncertainties includes:

- Capital risk management
- Financial risk management and policies
- Sensitivity analysis disclosures

The estimates and judgements that have a significant risk of causing material adjustments 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, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Significant accounting judgements and estimates (cont'd)

##### 1) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Society has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Society measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Society uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Society determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Society measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Society recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.



## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Significant accounting judgements and estimates (cont'd)

##### II) Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Society's Expected Credit Loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Society's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

##### c. Adoption of new accounting policies

The accounting policies adopted are consistent with those of the previous financial year with the exception of those impacted by new and amended standards and interpretations.

##### i) New and amended standards and interpretations adopted by the Society

In these financial statements, the Society adopted IFRS 16 which is effective for annual periods beginning on or after 1 January 2019. This standard was applied on a modified retrospective basis, with certain exceptions. As permitted, we did not restate our prior period comparative financial statements. Differences in the amounts resulting from the adoption of IFRS 16 are recognised in our opening January 1, 2019 undivided surplus as if we had always followed the new requirements.



## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Adoption of new accounting policies (cont'd)

##### IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees- leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, which will lead to a higher charge being recorded in the statement of comprehensive income compared to IAS 17. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Society will recognise a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying IAS 17. As permitted by the standard, this amount will be equal to the lease liability, adjusted for any prepayments or accrued lease payments relating to that lease. The lease liability will be measured at an amount equal to the outstanding lease payments at the date of initial application, considering extension and termination options, discounted at the Society's incremental borrowing rate in the economic environment of the lease.

**ii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Society.***

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Society and have not been disclosed.

**iii) *Standards, amendments and interpretations to existing standards early adopted by the Society.***

The Society did not early adopt any new, revised or amended standards.



## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### d. Foreign currency translation

##### *Functional and presentation currency*

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the Society operates (the 'functional currency'). The financial statements are presented in Trinidad and Tobago Dollars, which is the Society's functional and presentation currency.

##### *Transactions and balances*

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

#### e. Interest income and expense

Interest income and expense are recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial instruments designated at FVTPL. Interest income on financial assets measured at FVOCI under IFRS 9, are also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. When calculating the EIR, we estimate future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

#### f. 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.

#### g. Rental, fees and other income

These are accounted for on the accruals basis.

## Notes to the Financial Statements

for the year ended December 31, 2019

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### h. Financial instruments

##### Date of recognition

Financial assets and liabilities, with the exception of loans and advances to members and balance due to members, are initially recognised on the settlement date, which is the date that an asset is delivered to or by the Society. Loans and advances to members are recognised when funds are disbursed or transferred to the members' accounts. The Society recognises balances due to members when funds are deposited with the Society.

##### Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Society accounts for the Day 1 profit or loss, as described below.

##### Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Society recognises the difference between the transaction price and fair value in net operating income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

##### Measurement categories of financial assets and liabilities

The Society classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost; or
- Fair value through profit or loss (FVTPL).

The Society may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities are measured at amortised cost.



## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial instruments (cont'd)

##### (i) Financial assets and liabilities

###### Loans to members and financial investments at amortised cost

The Society only measures Loans and advances to members and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

The details of these conditions are outlined below:

###### Business model assessment

The Society determines its business model at the level that best reflects how it manages financial assets to achieve its business objective.

The Society's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Society's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Society's original expectations, the Society does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

###### *The SPPI (solely payments of principle and interest) test*

As a second step of its classification process the Society assesses the contractual terms of financial assets to identify whether they meet the SPPI test.



**Notes to the Financial Statements**

for the year ended December 31, 2019

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Financial instruments (cont'd)**

**Financial assets and liabilities (cont'd)**

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Society applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

**(ii) Financial assets and financial liabilities at fair value through profit or loss**

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met.

Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or
- The liabilities are part of the Society's financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial instruments (cont'd)

##### Financial assets and financial liabilities at fair value through profit or loss (cont'd)

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Society's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate as explained in **Note 2(e)**. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss as other investment income when the right to the payment has been established.

#### (iii) Reclassification of financial assets and liabilities

The Society does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Society acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Society reclassified any one of its financial assets from loans and advances to debt instruments at amortised costs. No financial liabilities were reclassified.

#### (iv) Derecognition of financial assets and liabilities

##### Derecognition due to substantial modification of terms and conditions

The Society derecognises a financial asset, such as a loan to a member, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit impaired (POCI).

When assessing whether or not to derecognise a loan to a member, amongst others, the Society considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion



## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial instruments (cont'd)

##### Derecognition of financial assets and liabilities (cont'd)

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Society records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

##### (v) Derecognition other than for substantial modification

###### Financial assets

A financial asset (or, where applicable, a part of a financial asset) is derecognised when the rights to receive cash flows from the financial asset have expired. The Society also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Society has transferred the financial asset if, and only if the Society has transferred its contractual rights to receive cash flows from the financial asset, or

###### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

##### (vi) Impairment of financial assets

###### Overview of the ECL principles

The Society has been recording the allowance for expected credit losses for all loans and other debt financial assets, not held at FVTPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial instruments (cont'd)

##### Impairment of financial assets (cont'd)

##### Overview of the ECL principles (cont'd)

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Society has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Society groups its loans into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When loans are first recognised, the Society recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Society records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Society records an allowance for the LTECLs.

For financial assets for which the Society has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

##### **The calculation of ECLs**

The Society calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.



## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial instruments (cont'd)

##### Impairment of financial assets (cont'd)

##### The calculation of ECLs (cont'd)

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Society has the legal right to call it earlier.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Society calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Society records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For loans considered credit-impaired, the Society recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.



## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial instruments (cont'd)

##### Impairment of financial assets (cont'd)

##### Forward looking information

In its ECL models, the Society relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Consumer price index and inflation
- Interest rates
- Gas prices
- Unemployment rate

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

##### Collateral valuation

To mitigate its credit risks on financial assets, the Society seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate and other non-financial assets. Collateral, unless repossessed, is not recorded on the Society's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis.

The Society's credit risk management policies include requirements relating to collateral valuation and management, including verification requirements and legal certainty. Valuations are updated periodically depending upon the nature of the collateral. Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement during its periodic review of loan accounts in arrears. Policies are in place to monitor the existence of undesirable concentration in the collateral supporting the Society's credit exposure.

##### Collateral repossessed

The Society's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Society's policy.

## Notes to the Financial Statements

for the year ended December 31, 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial instruments (cont'd)

##### Impairment of financial assets (cont'd)

##### Collateral repossessed (cont'd)

In its normal course of business, the Society does not physically repossess properties or other assets in its loan portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the members/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

##### Write-offs

Financial assets are written off either partially or in their entirety only when the Society has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

#### (vii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### i. 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.

No depreciation is provided on freehold land and capital work-in-progress.

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

Buildings	-	2%
Furniture, fixtures and fittings	-	5%
Equipment	-	12 ½% - 20%
Motor vehicle	-	20%



## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Property, plant and equipment (cont'd)

The assets residual values and useful lives are reviewed at each reporting date and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

#### j. 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.

#### k. 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.

#### l. Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more than likely that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

#### m. Taxation

The profits arising from the Society are exempt from income tax, as per the Co-operative Societies Act Chapter 81:03 sections 76-77.

## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### n. Leases

The Society accounts for a contract or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Society obtains substantially all the economic benefits from the use of the asset; and
- The Society has the right to direct use of the asset.

The Society considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Society obtains substantially all the economic benefits from the use of the asset, the Society considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Society has the right to direct use of the asset, the Society considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Society considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Society applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

#### o. 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 transferred to the Reserve Fund.

#### p. 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.



## Notes to the Financial Statements

for the year ended December 31, 2019

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**q. 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.

**r. Interest on members' deposits**

These are computed on the accruals basis.

**s. Cash and cash equivalents**

Cash and cash equivalents are short-term, highly liquid investments readily converted to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost, which is equivalent to fair value.

Cash and cash equivalents also comprise cash balances which are payable on demand and deposits with maturities of three months or less from the date of acquisition. Bank advance is disclosed as a current liability.

**t. Comparatives**

Where necessary comparative figures are adjusted to conform with changes in presentation in the current year.

**Notes to the Financial Statements**  
for the year ended December 31, 2019

**3. PROPERTY, PLANT AND EQUIPMENT**

	Freehold Property	Buildings	Furniture, Fixtures and Fittings	Equipment	Motor Vehicle	Total
	\$	\$	\$	\$	\$	\$

**Year ended Dec 31, 2019**

**Cost/Valuation**

January 1, 2019	1,516,427	4,700,580	666,011	1,338,016	178,850	8,399,884
Additions	-	20,936	11,852	89,570	-	122,358
<b>December 31 2019</b>	<b>1,516,427</b>	<b>4,721,516</b>	<b>677,863</b>	<b>1,427,586</b>	<b>178,850</b>	<b>8,522,242</b>

**Accumulated Depreciation**

January 1, 2019	-	943,860	235,250	709,666	128,112	2,016,888
Charge for the year	-	93,811	21,778	91,941	10,147	217,677
<b>December 31, 2019</b>	<b>-</b>	<b>1,037,671</b>	<b>257,028</b>	<b>801,607</b>	<b>138,259</b>	<b>2,234,565</b>

**Net Book Value**

Balance as at						
<b>December 31, 2019</b>	<b>1,516,427</b>	<b>3,683,845</b>	<b>420,835</b>	<b>625,979</b>	<b>40,591</b>	<b>6,287,677</b>

**Year ended Dec 31, 2018**

**Cost/Valuation**

January 1, 2018	1,516,427	4,690,872	659,692	1,331,248	178,850	8,377,089
Additions	-	9,708	6,319	17,108	-	33,135
Disposals	-	-	-	(10,340)	-	(10,340)
<b>December 31 2018</b>	<b>1,516,427</b>	<b>4,700,580</b>	<b>666,011</b>	<b>1,338,016</b>	<b>178,850</b>	<b>8,399,884</b>

**Accumulated Depreciation**

January 1, 2018	-	850,511	212,837	620,631	115,428	1,799,407
Charge for the year	-	93,349	22,413	98,195	12,684	226,641
Disposals/adjustment	-	-	-	(9,160)	-	(9,160)
<b>December 31, 2018</b>	<b>-</b>	<b>943,860</b>	<b>235,250</b>	<b>709,666</b>	<b>128,112</b>	<b>2,016,888</b>

**Net Book Value**

Balance as at						
<b>December 31, 2018</b>	<b>1,516,427</b>	<b>3,756,720</b>	<b>430,761</b>	<b>628,350</b>	<b>50,738</b>	<b>6,382,996</b>

## Notes to the Financial Statements

for the year ended December 31, 2019

### 4. RIGHT-OF-USE ASSET

#### i) 2019

Property  
\$

Balance as at January 1	162,107
Depreciation charge for the year	(58,948)
Balance as at December 31	<u><u>103,159</u></u>

#### ii) Amount recognised in profit and loss

##### 2019 - Leases under IFRS 16

Interest on lease liability	11,422
Depreciation	58,948

##### 2018 - Operating leases under IAS 17

Expense for the year	<u><u>16,774</u></u>
Future minimum lease payments under these leases at December 31 are as follows:	
Within 1 year	67,095
Between 2 and 5 years	<u>117,416</u>
	<u><u>184,511</u></u>

#### iii) Amount recognised in statement of cash flows

##### 2019

Interest on lease liability	11,422
Present value of lease liability	<u>107,492</u>
Total cash outflow of lease	<u><u>118,914</u></u>



**Notes to the Financial Statements**  
for the year ended December 31, 2019

	<u>2019</u> \$	<u>2018</u> \$
<b>5. CASH AND SHORT TERM FUNDS</b>		
Cash in hand	319,696	423,158
	<b>319,696</b>	<b>423,158</b>
<b>6. RECEIVABLES AND PREPAYMENTS</b>		
Interest receivable	45,024	45,023
Loan interest receivable	353,522	352,039
NMTS payroll	5,891,892	7,102,488
	6,290,438	7,499,550
Sundry receivables	397,876	311,210
	<b>6,688,314</b>	<b>7,810,760</b>
<b>7. INVESTMENT SECURITIES</b>		
<b>a. Debt investment securities measured at amortised cost:</b>		
Central Finance Facility Co-operative Society of Trinidad and Tobago Ltd	25,000	25,000
Government of the Republic of Trinidad and Tobago - Fixed Rate Bond 2025	1,992,000	1,992,000
National Insurance Property Development Co. Ltd - Fixed Rate Bond 2030	1,022,075	1,023,623
National Investment Fund - 2023	337,000	337,000
	<b>3,376,075</b>	<b>3,377,623</b>
<b>b. Equity investment securities measured at FVPL:</b>		
Jamaica Money Market Brokers - 120,000 shares	308,400	210,000
Royal Bank of Canada - 265 shares	141,879	123,255
Guardian Holdings Limited - 3,000 shares	64,950	54,300
Republic Bank Limited -2,000 shares	262,440	214,520
Grace Kennedy and Company Limited - 18,000 shares	71,100	52,200
Sagcor Financial Company Ltd -2,303 shares	118,426	90,000
First Citizens Bank Limited -51,433 shares	2,288,769	1,747,180
Trinidad and Tobago NGL Limited - 10,948 shares	262,314	318,587
<b>Units</b>		
Trinidad and Tobago Unit Trust Corporation;		
- 1st Scheme	21,289	19,804
- 2nd Scheme	12,459,801	5,530,918
- US\$ Income Fund	29,794	29,063
- Calypso Macro Index Fund	313,661	298,725
	<b>16,342,823</b>	<b>8,688,552</b>

## Notes to the Financial Statements

for the year ended December 31, 2019

### 8. LOANS TO MEMBERS

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

#### a) Credit concentration

	<u>2019</u>	<u>2018</u>
	\$	\$
Special	57,705	189,763
Business	1,061,147	1,119,486
Consumer	61,647	79,499
Xmas	1,277,403	1,605,436
Ordinary	87,320,305	86,390,366
Education	64,079	50,198
Vehicle	1,638,568	2,822,553
Gross loans	91,480,854	92,257,301
Less: Expected credit losses	(7,163,770)	(6,225,228)
Total loans net of expected credit losses	<u>84,317,084</u>	<u>86,032,073</u>

#### b) Analysis of movement in expected credit loss

Balance at beginning of the year	6,225,228	5,421,700
Expected credit losses	1,188,306	803,528
Loans written off	(249,764)	-
Balance at end of year	<u>7,163,770</u>	<u>6,225,228</u>

The table below shows the staging of loans to members and the related expected credit losses.

#### December 31, 2019

	Stage 1 0-30 days in arrears	Stage 2 31-90 days in arrears	Stage 3 > 90 days in arrears	Sum total
Principal	68,587,432	9,970,924	12,922,498	91,480,854
Expected credit losses	(101,665)	(475,335)	(6,586,770)	(7,163,770)
	<u>68,485,767</u>	<u>9,495,589</u>	<u>6,335,728</u>	<u>84,317,084</u>

#### December 31, 2018

	Stage 1 0-30 days in arrears	Stage 2 31-90 days in arrears	Stage 3 > 90 days in arrears	Sum total
Principal	80,211,353	2,368,218	9,677,730	92,257,301
Expected credit losses	(108,479)	(71,192)	(6,045,557)	(6,225,228)
	<u>80,102,874</u>	<u>2,297,026</u>	<u>3,632,173</u>	<u>86,032,073</u>



## Notes to the Financial Statements

for the year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>9. BANK ADVANCE</b>		
RBC Royal Bank (T&T) Limited	1,267,639	1,355,243
The Society has an approved overdraft facility with RBC Royal Bank (T&T) Limited. The approved limit on this facility attracts interest at the rate of 10.75% 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.		
<b>10. PAYABLES AND ACCRUALS</b>	<u>2019</u>	<u>2018</u>
	\$	\$
Interest payable	35,922	53,659
Sundry payables and accruals	3,145,821	2,170,639
	<u>3,181,743</u>	<u>2,224,298</u>
<b>11. LEASE LIABILITY</b>		
Balance as at January 1	163,165	-
Payment of lease liability	(55,673)	-
Balance as at December 31	<u>107,492</u>	<u>-</u>
<b>12. MEMBERS' DEPOSITS</b>		
Demand deposits	4,249,819	3,880,902
Fixed deposits	1,891,940	2,382,269
Protector plan	1,714,013	1,527,303
Other	44,628	52,816
	<u>7,900,400</u>	<u>7,843,290</u>
<b>13. MEMBERS' SHARES</b>		
An unlimited number of shares of \$5.00 each	86,692,322	84,312,767
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.		
<b>14. INTEREST AND DIVIDENDS</b>	<u>2019</u>	<u>2018</u>
	\$	\$
Investment	433,770	365,305
Members' loans	11,026,884	11,215,166
	<u>11,460,654</u>	<u>11,580,471</u>



**Notes to the Financial Statements**  
for the year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>15. ESTABLISHMENT</b>		
Rent, rates and taxes	18,902	12,377
Repairs and maintenance	111,080	81,692
Telephone, electricity and cable	287,939	299,842
	<b>417,921</b>	<b>393,911</b>
<b>16. MEETINGS</b>		
Annual General	200,009	173,410
Board of Directors	345,281	320,925
Other committees	140,309	109,150
Subsistence	36,851	102,559
	<b>722,450</b>	<b>706,044</b>
<b>17. MISCELLANEOUS</b>		
Cleaning	34,774	13,186
General	37,247	35,156
Loss on disp. of property, plant and equip.	-	1,183
Motor vehicle	28,082	24,537
	<b>100,103</b>	<b>74,062</b>
<b>18. STAFF SALARIES AND BENEFITS</b>		
Back pay	37,848	104,078
Ex-gratia and trade disputes	-	13,946
NIS and medical plan	185,505	176,408
Pensions	530,024	27,522
Provision for vacation	72,801	6,543
Salaries	2,432,316	2,278,153
Staff welfare and travelling	78,304	109,776
Training	20,512	17,267
Uniforms	33,729	150
	<b>3,391,039</b>	<b>2,733,843</b>
<b>19. TOBAGO</b>		
Lease interest	11,421	-
Office	35,063	22,656
Rent	-	67,095
Repairs and maintenance	2,242	1,561
Security	95,150	105,107
Travel, subsistence and accomodation	20,585	37,420
Utilities	24,573	12,442
	<b>189,034</b>	<b>246,281</b>

## Notes to the Financial Statements

for the year ended December 31, 2019

### 20. 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 summarises the carrying amount and fair values of the Society's financial assets and liabilities: -

	2019	
	<u>Carrying Value</u>	<u>Fair Value</u>
<b>Financial Assets</b>		
Cash and short term funds	319,696	319,696
Investment securities	19,718,898	19,718,898
Loan interest receivable	353,522	353,522
Loans to members	84,317,084	84,317,084
<b>Financial Liabilities</b>		
Bank advance	1,267,639	1,267,639
Members' deposits	7,900,400	7,900,400
Interest payable	35,922	35,922
Members' shares	86,692,322	86,692,322
	2018	
	<u>Carrying Value</u>	<u>Fair Value</u>
<b>Financial Assets</b>		
Cash and short term funds	423,158	423,158
Investment securities	12,066,175	12,066,175
Loan interest receivable	352,039	352,039
Loans to members	86,032,073	86,032,073
<b>Financial Liabilities</b>		
Bank advance	1,355,243	1,355,243
Members' deposits	7,843,290	7,843,290
Interest payable	53,659	53,659
Members' shares	84,312,767	84,312,767



## Notes to the Financial Statements

for the year ended December 31, 2019

### 20. 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.

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

2019						
	<u>Effective</u> <u>Rate</u>	<u>Up to 1 year</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>	<u>Non</u> <u>Interest</u> <u>Bearing</u>	<u>Total</u>
<b>Financial Assets</b>						
Cash and short term funds	0.05%	-	-	-	319,696	319,696
Investment securities	6.50%	16,342,823	-	3,351,075	25,000	19,718,898
Loans to members	12.00%	1,939,238	71,603,398	10,774,448	-	84,317,084
<b>Financial Liabilities</b>						
Bank advance	10.50%	1,267,639	-	-	-	1,267,639
Members' deposits	2.00%	6,764,001	1,136,399	-	-	7,900,400
Members' shares	3.00%	86,692,322	-	-	-	86,692,322
2018						
	<u>Effective</u> <u>Rate</u>	<u>Up to 1 year</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>	<u>Non</u> <u>Interest</u> <u>Bearing</u>	<u>Total</u>
<b>Financial Assets</b>						
Cash and short term funds	0.05%	-	-	-	423,158	423,158
Investment securities	6.50%	8,688,552	-	3,352,623	25,000	12,066,175
Loans to members	12.00%	2,307,228	69,651,894	14,072,951	-	86,032,073
<b>Financial Liabilities</b>						
Bank advance	10.50%	1,355,243	-	-	-	1,355,243
Members' deposits	2.00%	7,101,602	741,688	-	-	7,843,290
Members' shares	3.00%	84,312,767	-	-	-	84,312,767



## Notes to the Financial Statements

for the year ended December 31, 2019

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### 20. 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 summarised 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, 2019

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

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

	2019			
	<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	319,696	-	-	319,696
Investment securities	16,342,823	-	3,376,075	19,718,898
Loan interest receivable	353,522	-	-	353,522
Investment interest receivable	45,024	-	-	45,024
Loans to members	1,939,238	71,603,398	10,774,448	84,317,084
<b>Financial Liabilities</b>				
Bank advance	1,267,639	-	-	1,267,639
Members' deposits	6,764,001	1,136,399	-	7,900,400
Interest payable	35,922	-	-	35,922
Members' shares	86,692,322	-	-	86,692,322

	2018			
	<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	423,158	-	-	423,158
Investment securities	8,688,552	-	3,377,623	12,066,175
Loan interest receivable	352,069	-	-	352,069
Investment interest receivable	45,023	-	-	45,023
Loans to members	2,307,228	69,651,894	14,072,951	86,032,073
<b>Financial Liabilities</b>				
Bank advance	1,355,243	-	-	1,355,243
Members' deposits	7,101,602	741,688	-	7,843,290
Interest payable	53,659	-	-	53,659
Members' shares	84,312,767	-	-	84,312,767

#### (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 recognised 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, 2019

### 20. 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 minimise human error.

### 21. 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>2019</u> \$	<u>2018</u> \$
<b>Assets</b>		
Loan balances of Directors and Key Management Personnel	1,002,168	936,993
<b>Deposits and other liabilities</b>		
Deposits held by Directors and Key Management Personnel	47,466	73,409
Shares held by Directors and Key Management Personnel	917,880	843,791
<b>Remuneration</b>		
Directors	428,000	348,960
<b>Key management compensation</b>		
Short-term benefits	634,943	542,236



## Notes to the Financial Statements

for the year ended December 31, 2019

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### 22. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Society has no contracted capital commitments as well as no contingent liabilities at year end.  
(2018: nil)

### 23. SUBSEQUENT EVENTS

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

### 24. CAPITAL RISK MANAGEMENT

The Society manages its capital to ensure that it will be able to continue as a going concern while maximising 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.

### 25. DIVIDENDS AND REBATE

The Board of Directors has proposed a dividend of 3% (2018: 3%) and a rebate on loan interest of 3% (2018: 3%) estimated to be \$2.6M (2018: \$2.5M) and \$320K (2018: \$319K) respectively, for the year ended December 31, 2019. 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.

## Notes to the Financial Statements

for the year ended December 31, 2019

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### 26. 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, 2019

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.

## RESOLUTIONS

### Resolution No. 1

#### Appointment of Auditors:

**Whereas every Society is required to appoint an auditor in accordance with Section 51 (1) of the Cooperative 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 2020 December 31st.

### Resolution No. 2

#### Dividend and Honoraria:

**Whereas** Progressive Credit Union Cooperative Society Limited has realized a Net Surplus as at 2019 December 31st in the sum of **Four Million Four Hundred and Sixty Six Thousand, Six Hundred and Eighty One (\$4,466,681.00)**; **And whereas** Bye-Law 15 (b) (v) **requires the Annual General Meeting to approve the distribution of surplus**; **BE IT RESOLVED**, that after Statutory Deductions, the remaining Net Surplus for the year ended 31st December 2019, be divided, in accordance with the Bye-Law 15, as follows:

- |                          |   |   |
|--------------------------|---|---|
| 1. Dividend of 3%        | - | \$2.6M. Credited to Members' Share Accounts.                            |
| 2. Interest Rebate of 3% | - | \$0.320M Credited to Members' Deposit Accounts.                         |
| 3. Honoraria             | - | \$120,000.00 to be distributed among the Board and Statutory Committees |

### Resolution No. 3

#### Write off of Non-Performing Loans

##### Preamble

It is considered normal business practice to write-off bad debts once, where in the opinion of the organization, all steps have been taken to recover that debt. It is also Progressive Credit Union's Board policy to write-off non-performing loans (bad debts) once these loans are in arrears for a period exceeding seven years.

While this write off is normal business practice and in accordance with International Accounting Convention IAS 37 and the Cooperatives Societies Act, Chapter 81:03 of 1971, and paragraph 32 of the Regulations, it has always been the practice of the Board of Directors of Progressive Credit Union to seek and obtain prior approval of the Annual General Meeting to write-off all such delinquent loans. Under the circumstances, and with the guidance of the office of the Commissioner for Co-operatives, your Board humbly asks that the Membership consider and approve the under stated Resolution.

##### Resolution

**"Whereas**, Progressive Credit Union Co-operative Society Limited has a Delinquency Policy, which was approved at a meeting of the Board of Directors held on September 6th 2007 and revised on December 15th 2016 and **Whereas**, the Delinquency Policy is consistent with the requirements of the World Council of Credit Unions (WOCCU), Generally Accepted Accounting Principles (GAAP), International Financial Reporting Standards (IFRS), and International Accounting Standards (IAS).

**And Whereas**, it requires that Progressive Credit Union write-off as loan losses, non-performing loans which are in arrears for a period which exceeds seven years.



And *Whereas*, the Delinquency Policy mandates that Progressive Credit Union actively pursue all avenues to recover all funds owed to the Credit Union by way of loans.

And *Whereas*, the previous write-off occurred at the 2016 Special General Meeting and booked in the 2016 financial statements. And *Whereas*, the Co-operatives Societies Act, Chapter 81:03 of 1971, and paragraph 32 of the Regulations states: “Bad debts – 32. The Board may, with the approval of the general meeting, cause bad debts to be written off the books of the Society.”

**BE IT RESOLVED that the Progressive Credit Union Co-operative Society Limited be granted permission to write-off \$250,000.00 of the bad debts over seven years old.**



## AMENDMENT OF BYE-LAW 10 (D)

### PROGRESSIVE CREDIT UNION

The Cooperative Societies Act Chapter 81:03 Section 41 (3) states that a society shall, subject to section 30 and unless prevented by order of a Court of competent jurisdiction, pay to such nominee or legal personal representative, as the case may be, a sum not exceeding five thousand dollars due to the deceased member from the society.

Bye-Law 10 (d) of the Progressive Credit Union – sub heading Limit – [Act 41 (d)] states - provided further, the Society shall unless prevented by order of such a court of competent jurisdiction, pay to such nominee or legal personal representative, as the case may be, a sum not exceeding five thousand dollars (\$5,000.00) due to the deceased.

The Finance Act No. 23 of 2019 amended the Cooperative Societies Act in section 41 (3) by deleting the words ‘five thousand dollars’ and substituting the words ‘fifty thousand dollars’. The amendment was passed by the Senate on 10th December 2019 and assented to on the 17th December 2019.

In view of the above it is proposed that the Bye-Law 10 (d) of the Progressive Credit Union – sub heading Limit – [Act 41 (d)] be amended to read the Society shall, unless prevented by order of such a court of competent jurisdiction, pay to such nominee or legal personal representative, as the case may be, a sum not exceeding fifty thousand dollars (\$50,000.00) due to the deceased.

We further propose that such amendment take effect from January 01st 2020 in accordance with the Laws of the Republic of Trinidad and Tobago.

# STATEMENT OF BUDGETED INCOME AND EXPENDITURE FOR THE YEAR 2020

	BUDGET 2020	AUDITED 2019	BUDGET 2020 vs AUDITED 2019	
	2,009.00			PERCENT
ITEM	\$	\$	\$	%
<b>Income:</b>				
Interest on members' loans	11,465,141.92	11,460,654.00	4,487.92	0.00
Fees and Other Income	832,021.58	812,895.00	19,126.58	0.02
Rental income	62,100.00	62,100.00	-	-
<b>TOTAL INCOME</b>	<b>12,359,263.49</b>	<b>12,335,649.00</b>	<b>23,614.49</b>	<b>0.01</b>
<b>General and Administrative Expenses</b>				
Advertising and promotion	354,700.00	210,152.00	144,548.00	0.69
Bank charges and interest	140,970.00	140,444.00	526.00	0.00
Meetings	677,800.00	722,450.00	(44,650.00)	(0.06)
Credit Union League Dues	82,032.00	76,951.00	5,081.00	0.07
Depreciation	252,000.00	276,624.00	(24,624.00)	(0.09)
Donations	50,400.00	35,140.00	15,260.00	0.43
Education & Seminars Expenses	555,009.00	121,057.00	433,952.00	3.58
Establishment	571,200.99	417,921.00	153,279.99	0.37
Green Fund Levy	51,342.00	180,942.00		
Miscellaneous	82,800.00	100,103.00	(17,303.00)	(0.17)
Insurances	378,000.00	375,902.00	2,098.00	0.01
Legal and professional fees	536,500.00	210,653.00	325,847.00	1.55
Members' Fixed Deposit Interest	80,000.00	63,067.00	16,933.00	0.27
Provision for Loan Losses	900,000.00	1,188,306.00	288,306.00	0.24
Salaries and Benefits	4,297,567.61	3,391,039.00	906,528.61	0.27
Security	463,200.00	439,920.00	23,280.00	0.05
Stationery and postage	93,000.00	202,731.00	(109,731.00)	(0.54)
Tobago Expenses	268,809.00	189,034.00	79,775.00	0.42
<b>TOTAL EXPENDITURE</b>	<b>9,835,330.60</b>	<b>8,342,436.00</b>	<b>1,622,494.60</b>	<b>0.19</b>
<b>NET SURPLUS FOR THE YEAR</b>	<b>2,523,932.90</b>	<b>3,993,213.00</b>	<b>1,469,280.10</b>	<b>(0.37)</b>





**Head Office**

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601111

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Fax: 652-4012

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**North Office**

#80 Second Street,  
Barataria

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**Tobago Office**

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