



# MEETING *the* CHALLENGE





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# 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.

# NATIONAL ANTHEM

Forged from the love of liberty,  
In the fires of hope and prayer,  
With boundless faith in our destiny  
We solemnly declare.  
Side by side we stand  
Islands of the blue Caribbean Sea,  
This our native land  
We pledge our lives to thee.  
Here every creed and race,  
Find an equal place,  
And may God bless our nation.  
Here every creed and race,  
Find an equal place,  
And may God bless our nation.

# CREDIT UNION PRAYER

Lord, make me 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.







# Freeze All Your Debts

Pay A Single  
Monthly Installment



COME IN TO TALK ABOUT OUR  
**DEBT CONSOLIDATION  
LOANS**

All Normal Lending Criteria Apply  
*At Progressive Credit Union, Your Achievement, Our Goal...*

# NOTICE OF THE 34TH ANNUAL GENERAL MEETING

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

**Date: Saturday 27th March 2021**

**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 34th Annual General Meeting
4. First Credentials Committee Report
5. President's Address
6. Adoption of Standing Orders
7. Confirmation of Minutes of the 33rd Annual General Meeting
8. Matters arising out of the Minutes of the 33rd Annual General Meeting
9. Presentation of Reports – 2020
  - *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 for the year ending 2020 December 31*
  - *Budget for the Year Ending 2021 December 31*
13. Third Credentials Committee Report
14. Resolutions
15. General Business
16. Vote of Thanks and Formal Closure

## Notes:

- To pre-register, visit our website at [www.progressivecutt.com](http://www.progressivecutt.com)

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’ button is found on the bottom of the screen.



# MINUTES OF THIRTY-THIRD ANNUAL GENERAL MEETING OF PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD VIRTUALLY ON SATURDAY, NOVEMBER 21ST, 2020

## 1.0 CALL TO ORDER/NATIONAL ANTHEM

The meeting was called to order at 10:20 a.m. by Chairperson of the proceedings, Ms. Allyson White, who welcomed all present to the 33rd Annual General Meeting.

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

Ms. Sabrina Peters led the Invocation, followed by the recitation of the Credit Union Prayer.

One minute silence was observed for departed members.

## 3.0 NOTICE OF MEETING

The Notice of the 33rd Annual General Meeting of Progressive Credit Union Cooperative Society Limited was read by the Secretary to the Board, Ms. Candice Haynes.

## 4.0 1ST CREDENTIAL COMMITTEE'S REPORT

On behalf of the Credentials Committee, Ms. Candice Haynes reported that at 10.29 a.m. there were one hundred and seventeen (117) members signed on to the meeting and four (4) guests in attendance. In accordance with Bye Law 14 (c) (1) the meeting was duly constituted.

## 5.0 AMENDMENT OF AGENDA

On a motion moved by Mrs. Gem Saunders Le Maitre and seconded by Mr. Stephen Fraser and accepted by the meeting, with thirty-six members voting for, none against and two (2) abstentions, the Agenda was amended to include "Amendment of Bye Law 10 (d)" as Item 14.

## 6.0 ADOPTION OF STANDING ORDERS

President Veronica Jacob read the Standing Orders, as stated on page 7 of the Annual Report/Brochure.

## Adoption

The Standing Orders were adopted by the meeting, on a motion moved by Mr. Stephen Fraser and seconded by Ms. Allyson White, with forty-two (42) members voting for, none against and no abstention.

## 7.0 BROCHURE TAKEN AS READ

The Brochure was taken as read by the meeting.

## 8.0 MINUTES OF 32ND ANNUAL GENERAL MEETING

The Chairman drew members' attention to the Minutes of 32nd Annual General Meeting as stated on pages 8 to 18 of the Annual Report/Brochure and invited questions/comments.

### *Corrections/Omissions*

Page 8: Item 7.0 – Change "2019" to "2018".

Page 13: Item 12.3 – Change "Supervisory" to "Credit" before Committee.

### *Confirmation*


Minutes of the 32nd Annual General Meeting were confirmed, as amended, on a motion moved by Mrs. Gem Saunders Le Maitre and seconded by Mrs. Ginnelle Small-Cummings, with a vote of forty-three (43) for, none against and no abstention.

### *Matters Arising out of the Minutes*

With respect to the Boat Cruise, the Chairman informed the meeting that members were reimbursed and those who have not received their reimbursement as yet can contact the credit union's office with their ticket stub as proof in order to be reimbursed.

Regarding the late receipt of cash from the parent company, MTS, what the credit union put in place was direct debit. However, sometimes, members would go and withdraw the money before the bank pulls it from the credit union - especially, in December, members run to take out the money and this increases the delinquency portfolio.

Members should be honest and leave their money



because they know they took loans from the credit union and the credit union has to retrieve its money.

A member asked a question about why use Massy Stores, the Chairman explained that Massy Stores is used because the credit union looks for a supplier/ grocery that is nationwide because the membership is nationwide.

In Tobago, Penny Savers is used because they are the only ones who accept the conditions. The Society asks for a credit upfront because the amount of loans paid out in December, it helps the credit union to manage its cash-flow to pay that money in January.

However, the Society is still sourcing other groceries but they do not have facilities all over the country and it would be very difficult to just put five thousand in this grocery and five thousand in that grocery, hence the reason the Society is sticking with Massy Stores because they are nationwide.

## 9.0 PRESIDENT'S ADDRESS

The President, Ms. Veronica Jacob, in speaking on the theme: "Focus on Success", explained the strategic direction taken by the Board of Directors of Progressive Credit Union during the period ended December 31st, 2019. Another strategy was to motivate and empower shareholders/members through the successes achieved.

The Board of Directors focused on where the credit union was, where it wanted to go and what it needed to do to achieve its goals. Focus was placed on the following:

- Growth of the credit union's membership
- Growth of its asset base
- Adapting to the changes in technology
- Empowering its human capital

The Society listened to its members' complaints/ suggestions and, where possible, the ideas were taken into consideration whenever the credit union reviewed its Strategic Plan.

The Board of Directors remains positive and ensures its fiduciary duty is fulfilled by taking Progressive Credit Union to the next level through Directors' collective capabilities and competencies in the past, present and going forward.

As the Society continues pursuit of obtaining its goals, there would be challenges but there is never success without challenges. The Board remains focused on success by overcoming and, where possible, eliminating those challenges/barriers.

In the past, negative persons were expecting Progressive Credit Union to fail but it remained resilient and overcame the negativity and confused its detractors by being robust in strategizing, implementing and monitoring its goals and policies.

Whenever Directors contemplated quitting, they remembered the members/shareholders and the reason why the credit union was established.

### *Achieving Success for members*

The Board of Directors operated by the following principles in order to attain the level of success thus far:

- Disciplined in attending meetings and submitting reports in a regular and timely manner
- Faithful to themselves and the credit union's vision
- Took responsibility for the credit union over the past 35.5 years
- Had a clear vision
- Took action where necessary
- Never quitted
- Having and remembering the credit union's purpose

### *Training and Teamwork in achieving success*

Through regular training, a good management team was developed over the years. The Board would continue to make important decisions that directly affect the credit union in order to sustain the Society's position in the market.

Good hiring decisions were made in the employment of professional managers and staff. Directors place themselves in members' situation by trying to understand their needs. The Society's services were expanded to include the supply of household appliances.

The credit union's success was based on co-operation and a clear and unshakable purpose which enabled it to navigate the downturn in the economy, the ongoing cash flow situation which emanated from the parent company and other unplanned eventualities over which the Society had no control. Purpose infused the Board's work with a sense of urgency, care and importance.

In closing, the President left two quotes with words of advice to the shareholders/members from Winston Churchill and Stephen Covey, respectively:

- *You will never reach your destination or achieve your goal, if you stop and throw stones at every dog that barks. Ignore the pot hound when it barks.*
- *Where you are headed is more important than how fast you are going. Rather than always focus on what's urgent, learn to focus on what is really important.*

## 10.0 BOARD OF DIRECTORS' REPORT

The Chairman drew members' attention to the Board of Directors' Report as stated on pages 22 to 32 of the Annual Report/Brochure and invited questions/comments.

### **Correction**

Page 24: Under Substitute Director, instead of "Steven Small", it should be "Stefan Small".

Some highlights of achievements during the period under review:

- 128 new members, increasing the total number of active members to 7,571.
- 4.2% increase in total assets to \$117.2 million
- 2% decrease in the loan portfolio from \$86.03 million to \$84.32 million
- 2.8% increase in shares from \$84.3 million to \$86.7 million
- 3.6% decrease in overall surplus from \$4.9 million to \$4.7 million.
- 12.9% Delinquency ratio

## **Projections 2020**

New members' growth target of 300  
Net share growth of \$5 million  
Loan disbursement of 42 million  
Increase in Investments to \$25 million  
Surplus: \$2.5 million  
Dividend payment: 3%  
Delinquency: 5%

The Board reviewed and approved the following policies:

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

## **Improving Brand Awareness**

The following two new accounts were created to improve brand awareness:

Instagram @progressivecu

Twitter @cu\_progressive

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

The Marketing Department visited schools in the southern area on several occasions and addressed the PTA as well as provided sponsorship for various events, namely:

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

## **Tobago Day Trip**

The Board of Directors visited Scarborough Secondary, Signal Hill Secondary and Goodwood Secondary Schools.

## **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. Persons in attendance were interested in learning and joining the credit union.

Progressive Credit Union planned marketing efforts for 2020:

- New Member Orientation Seminar
- New Membership Drive, Tobago
- Student Jeopardy Contest
- Mother's Day Appliance Sale
- Boat Cruise and Father's Day Appliance Sale
- Appliance Sale
- Beach Clean-up



## Discussion

Members posed the following questions:

- What plan does the credit union have for housing for members who are in need of that service?
- For long-term loans, the return on investment is greater.
- What happened to the Bye Laws that were approved at the Special General Meeting?
- Has the credit union made any acquisition of a financial nature?
- What are the credit union's plans for growing stronger?
- With reference to members who do not have a loan, why only 3% to their share accounts; why not consider adding the loan rebate percentage to their shares?

Members were apprised as follows:

- At this time the credit union is not venturing in the area of housing because that is a very costly area. A feasibility study has to be done because that business, you just don't jump into it because there is a lot of cash flow. At this time the credit union does not have any plans for housing but it is something that the Board would look at.
- The Bye Laws are still at the Office of the Commissioner for Cooperatives. The credit union cannot do anything until the Society gets back the Bye-Laws.
- The credit union could not have made any acquisition of a financial nature because it was having problems collecting money at that time. The Society has to have extra cash in hand.
- The pandemic has created a new environment for all persons and companies. Progressive Credit Union has noted the challenges it present and has made a wise decision to invest in a software, but, because of the pandemic, it is taking longer to come to Trinidad for the Society. By the middle of next year, that will be implemented and members will have the option to apply for loans on line. That software will change many things in the operations of the credit union.

- Loan rebate is calculated based on the interest paid during the period. If the person does not have a loan the Society cannot just take that rebate and put it to shares for someone. However, the Board took note of the question and will look into this matter in the future.

## Acceptance

The report was accepted by the meeting on a motion moved by Mr. Stephen Fraser and seconded by Mrs. Ginelle Small-Cummings, with fifty-four (54) members voting for, none against and four (4) abstentions.

## 11.0 COMMITTEES' REPORT

### Credit Committee

Mr. William Solomon, Chairman of the Credit Committee, drew members' attention to the report of the Credit Committee, as stated on pages 35 to 37 of the Annual Report/Brochure, and invited questions/comments.

A total of four thousand, one hundred and two loans valued thirty-four million, three hundred and seventy-five thousand, five hundred and thirty-three dollars (\$34,375,533) were disbursed during the period under review.

## Discussion

Members posed the following questions and made the following suggestions:

- When would the vehicle loan application be resumed?
- Are there any plans to lend for categories other than those listed on the website?
- Why do home loans take so long?
- What the credit union has in place for retirees; for example, benefits or incentives?
- Why Tobago loans take so long?

Members were apprised as follows:

- Resumption of the vehicle loan application has to be discussed between the Board and the Credit Committee.
- The Board is still reviewing the category of loan for vehicles. That was stopped when the credit union had the cash flow situation. Some categories are under consideration, especially the debt consolidation.

- When some application for loans reach the committee, sometimes they do not have enough information and the committee needs additional information so it has to do a site visit which takes a long time. Recently, to do site visits in Tobago, the credit union has to depend on the airline because of the Covid-19 situation and that has been a problem.
- The Board has started discussions to see what the Society can do to encourage members who are attaining the age of retirement and even those who have retired to continue to do business with their credit union.

### **Acceptance**

The report was accepted by the meeting on a motion moved by Mr. Stephen Fraser and seconded by Mrs. Gem Saunders Le Maitre, with fifty-four (54) members voting for, none against and three (3) abstentions.

## **12.0 SUPERVISORY COMMITTEE**

Ms. Adeleine Gittens, Chairperson of the Supervisory Committee, drew members' attention to their report and invited questions/comments.

The Supervisory Committee's aims and objectives were:

- 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.

### **Seminars and Workshops:**

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

### **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 committee reported that Management and staff operated within the credit union's Bye-Laws and the Cooperative Societies Act.

Credit Committee members were commended for being very vigilant in the granting of loans, paying close attention to the economic climate and the financial problems experienced by NMTS in order to effectively fulfil members' needs.

The Board, Management and Staff as well as co-opted members of all Board-appointed committees were commended for their outstanding and fruitful efforts, despite being severely challenged, to ensure the smooth running of the credit union, always keeping members' well-being at the forefront.

The committee also commended the members of Progressive Credit Union for their patience, understanding and continued support.

### **Discussion**

There were no matters arising out of the report for the meeting to discuss.

### **Acceptance**

The report was accepted by the meeting on a motion moved by Ms. Allyson White and seconded by Mr. Stephen Fraser, with fifty-three (53) members voting for, none against and three (3) abstentions.

## **13.0 EDUCATION COMMITTEE**

Ms. Georgiana Cudjoe, Chairperson of the Education Committee, drew members' attention to the report of the Education Committee, as stated on pages 40 to 42 of the Annual Report/Brochure, and invited questions/comments.

### **Education Programmes:**

On May 19th, 2019, a Wills and Testimonials seminar was held at the Creative Arts Centre, Trinidad. The topics discussed were:

- Financial Counselling
- Health

- Trinidad and Tobago Retired Persons
  - Small Business Opportunities
- The same seminar was held at the Scarborough Secondary School in Tobago on the same date – 19th May, 2019. Some of the topics discussed were:
- Breast Cancer affecting both men and women
  - Cervical and Prostrate Cancer
  - Methods of Prevention

### **Training**

Members of the Board, 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.

### **Children's Christmas Party**

Annual Christmas parties were held in Trinidad and in Tobago. The committee thanked members of staff who provided assistance at those events.

### **Discussion**

The following question was posed by one of the members?

Why are a little bit of tokens sent to Tobago?

The Chairman explained that whenever tokens are sent to Tobago, they are for members who attend the particular function, not for all members. Tokens are an appreciation and they are for a portion of the membership in Tobago because all members do not attend the functions that the credit union have in Tobago.

### **Acceptance**

The report was accepted by the meeting on a motion moved by Mr. David Brown and seconded by Mr. Oswald Theodore, with fifty-one (51) members voting for, none against and five (5) abstentions.

## **14.0 2ND CREDENTIALS COMMITTEE'S REPORT**

On behalf of the Credentials Committee, Ms. Candice Haynes reported that at 11:50 a.m. there were one hundred and sixty-four (164) members and five (5) guests in attendance at the meeting.

## **15. NOMINATING COMMITTEE'S REPORT**

The Chairman of the Nominating Committee, Mr. Michael Hernandez, presented the report of the

Nominating Committee. Persons were nominated to serve on the Board and Statutory Committees as follows:

### **Board of Directors**

Ms. Sabrina Peters  
Mr. Stephen Fraser  
Ms. Veronica Jacob  
Ms. Candice Haynes  
Mr. Samuel Peters  
Ms. Gemma Ottley  
Mr. David Brown

### **Supervisory Committee**

Mr. Wilfred Wallace  
Ms. Melina Preto  
Ms. Ginelle Small-Cummings  
Mr. Mervyn Webster  
Mr. Heeralal Sookhai

### **Credit Committee**

Mr. William Solomon  
Mr. Clarence Duke  
Ms. Racheal Austin  
Ms. Anne-Marie Campbell  
Ms. Anne Simmons  
Ms. Ursula Salina  
Mr. Juno Rawle Gray

### **Acceptance**

The report was accepted by the meeting on a motion moved by Mr. Stephen Fraser and seconded by Mr. David Brown, with fifty-eight (58) members voting for, none against and three (3) abstentions.

## **16.0 ELECTION OF OFFICERS**

Mrs. Marcia Goodridge Constantine acted as the Returning Officer. She informed the meeting that there were four (4) vacancies on the Board, three (3) on the Supervisory Committee and five (5) on the Credit Committee

*Video with voting instructions played  
Members voted accordingly*

The elections were supervised by Cooperative Officers Sabrina Badree and Deborah Ann Scott.

### **Elections Results**

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



## Board of Directors

| Officers                   | No. of Votes        |
|----------------------------|---------------------|
| Ms. Candice Haynes         | 80                  |
| Ms. Veronica Jacob         | 73                  |
| Ms. Gemma Ottley           | 60                  |
| Ms. Sabrina Peters Russell | 47                  |
| Mr. David Brown            | 38 (1st Substitute) |
| Mr. Samuel Peters          | 36 (2nd Substitute) |
| Mr. Stephen Fraser         | 34                  |

## Supervisory Committee

| Officers                    | No. of Votes        |
|-----------------------------|---------------------|
| Mrs. Ginelle Small-Cummings | 83                  |
| Ms. Melina Prieto           | 60                  |
| Mr. Wilfred Wallace         | 58                  |
| Mr. Heeralal Sookhai        | 51 (1st Substitute) |
| Mr. Mervyn Webster          | 47 (2nd Substitute) |

## Credit Committee

| Officers                | No. of Votes        |
|-------------------------|---------------------|
| Ms. Anne-Marie Campbell | 77                  |
| Mr. William Solomon     | 76                  |
| Mr. Clarence Duke       | 69                  |
| Ms. Racheal Austin      | 67                  |
| Ms. Anne Simmons        | 58                  |
| Mr. Juno Rawle Gray     | 50 (1st Substitute) |
| Ms. Ursula Salina       | 41 (2nd Substitute) |

## Destruction of Electronic Ballots

A motion for destruction of the electronic ballots was moved by Mrs. Gem Saunders Le Maitre, seconded by Mr. Stephen Fraser and accepted by the meeting, with fifty-four (54) members voting for, none against and two (2) abstentions.

## 17.0 INDEPENDENT AUDITOR'S REPORT

A representative of Ramdass & Co., Chartered Accountants presented the report of the Independent Auditor.

### Acceptance

The report was accepted by the meeting on a motion moved by Ms. Allyson White and seconded by Mr. Stephen Fraser, with forty-eight (48) members voting for, none against and three (3) abstentions.

## 18.0 FINANCIAL STATEMENTS

Mr. Holly Francois, Treasurer, led the meeting through the Financial Statements for the year ended December 31st, 2019. Some highlights were as follows:

- Total income: \$12.3 million

- Total expenditure: \$8.3 million
- Net Surplus for the year: \$4.7 million
- Total Assets: \$117,434,828
- Members' Shares: \$86,692,322
- Member' Deposits: \$7,900,400
- Loans to Members: \$84,317,084

The Treasurer clarified that the Unit Trust second scheme is a good investment for the credit union and a loss was not incurred.

### Acceptance

The Financial Statements were accepted by the meeting on a motion moved by Ms. Allyson White and seconded by Mr. Stephen Fraser, with fifty-nine (59) members voting for, one (1) against and three (3) abstentions.

## 19.0 BUDGET 2020

The projections for 2020 were as follows:

- Total income of \$12.3 million
- Total Expenditure of \$9.8 million
- Net Surplus of \$2.5 million

The budget for 2020 was approved by the meeting on a motion moved by Mrs. Gem Saunders Le Maitre and seconded by Mrs. Ginelle Small-Cummings, with fifty-one (51) members voting for, one (1) against and four (4) abstentions.

## 20.0 RESOLUTIONS

### 20.1. Appointment of Auditors

On behalf of the Board of Directors, the President moved the following resolution:

*Whereas* every Society is required to appoint an auditor in accordance with Section 51 (i) 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.

The resolution was seconded by Mr. Stephen Fraser and approved by the meeting, with fifty-nine (59) persons voting for, none against and three (3) abstentions,

## 20.2. Dividend and Honoraria

On behalf of the Board of Directors, the President moved the following resolution:

*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 Dollars (\$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 Account
3. Honoraria - \$120,000.00 to be distributed among the Board and Statutory Committees.

The resolution was seconded by Mr. Oswald Theodore and approved by the meeting, with fifty-six (55) members voting for, three (3) against and seven (6) abstentions.

## 20.3 Write-off of Non-performing Loans

On behalf of the Board of Directors, the President moved the following resolution:

*Whereas* Regulation 32 of the Cooperative Societies Act Chapter 81:03 requires the approval of the General Meeting to write-off bad debts from the books of the Society.

And *whereas* every effort is made to recover bad debts/delinquent loans in pursuance of the recoveries procedure of the society.

And *whereas* efforts to recover nine (9) bad debts in the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00) have proven futile.

And *whereas* the Board continues to pursue the recovery of bad debts/delinquent loans even after they have been written-off.

***Be It Resolved*** that nine (9) bad debts in the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00) be written-off.

The resolution was seconded by Mr. Stephen Fraser and approved by the meeting, with forty-three (43)

members voting for, nine (9) against and eight (8) abstentions.

## 20.4 Amendment of Bye Law 10 (D)

On behalf of the Board of Directors, the President moved the following resolution:

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 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.

The resolution was seconded by Ms. Anne Marie Campbell and accepted by the meeting, with fifty-nine (59) members voting for, two (2) against and five (5) abstentions.

## 21.0 GENERAL BUSINESS

The following questions were posed by members:

- Are statements given to members and was any given this year?
- When will online banking be done?

- Why members have problems accessing the credit union via phone?
- Is there a time frame for addressing the problems with the phone system because it has been going on for about eight years?

In response to the questions asked, the President provided the following responses:

- Members can request and receive statements at any time
- The software that the credit union purchased entails online banking and that will be introduced in 2021.
- The Society has been having challenges whereby members can access the credit union via phone. The Society is in the process of changing the providers.
- When online banking is introduced, less persons would come into the office and the Society will be compliant with the Covid-19 restrictions.

In response to Mr. Claude Dillon's observation that 90% of the members who moved and seconded motions were members of the Executive, the President indicated that information was erroneous.

## 22.0 VOTE OF THANKS

Mrs. Marilyn John Fahey thanked God, the Cooperative Officers, the Returning Officer, the IT providers, the auditors, all officers who served on committees, the hard-working staff, caterers and members who have stayed the course when the Society was experiencing financial problems.

## 23.0 CONCLUSION

There being no further business to discuss, the meeting concluded at 1.15 p.m.

Cooperatively yours,



**Candice Haynes**  
Secretary



# PREVENTION OF COVID-19

Following the novel coronavirus disease (COVID-19) pandemic, a number of measures have been put in place to fight the spread of the disease. Some safety measures to minimise the exposure to COVID-19 include:

1 Wear Mask



2 Clean Your Hands



3 Temperature Check



4 Keep a Safe Distance







# **WEALTH CREATION LOAN 2021**

**INVEST IN YOUR FUTURE**  
by Building your Share Wealth  
with a Wealth Creation Loan

**TTD Ten Thousand (TTD\$10,000.00)**

or

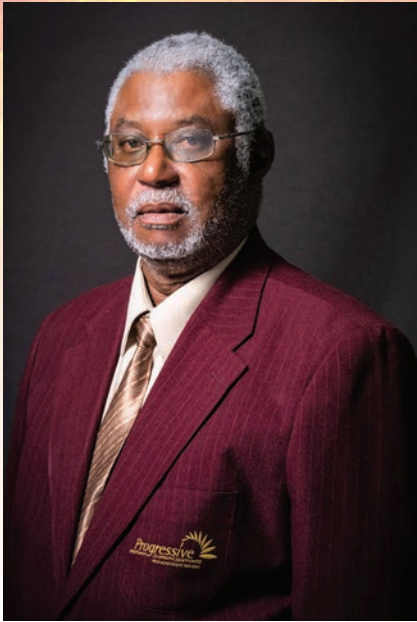
**TTD Fifteen Thousand (TTD\$15,000.00)**

*Promotion runs from  
1st February - 30th March 2021*

**All Normal Lending Criteria Apply**

*At Progressive Credit Union, Your Achievement, Our Goal...*





## PRESIDENT'S MESSAGE

### FELLOW MEMBERS

The last few months have been challenging in many respects because, like other organisations, Progressive CU continues to be affected by the ongoing uncertainties caused by the COVID-19 pandemic, the Corona virus. Training courses, workshops and seminars were cancelled, frequency of credit committee meetings was reduced, virtual board meetings were introduced. Our services were affected with the need to safeguard our staff and you, our members. For Progressive CU to be progressive we must meet and overcome the challenges that will be presented to us, we must make responsible business decisions through effective strategies of transformation and digitalisation of operations and systems.

*I quote: Dr. Martin Luther King Jr.*

*“Our very survival depends on our ability to stay awake, to adjust to new ideas, to remain vigilant and to face the challenge of change.”*

### **Our AGM Theme today is “MEETING THE CHALLENGE”**

To meet the challenge, we must be competitive and grow innovatively. New approaches will face innumerable barriers which seldom mesh smoothly with well-established systems, processes, and cultures. Nonetheless, success requires determination. Forming new businesses is the challenge of the day. Because of maturing technologies, a new priority is clear: we must create, develop, and sustain innovative new businesses. We must manage studying two programs at once, one focused on the old and the other on the new. Success requires a blend of old and new organizational qualities, a subtle mix of characteristics achieved through what

we call coordinating acts, to keep those opposing forces in equilibrium.

Our present organizational systems operate in a predictable environment and our executives' goals are stability and efficiency by seeking new strategies and improving new applications. We need an adaptive organizational environment to succeed. New businesses require innovation, innovation requires fresh ideas, and fresh ideas require eccentrics.

### OVERCOME CHALLENGES

Overcoming this first barrier and identifying our challenge is the first step on our road to success. The challenge is important to us and we must have the time to commit to the planning, preparation, and resources for the successful delivery of the challenge. Having established the challenge, we then let everyone know what we are aiming to achieve – a challenge shared is half accomplished!

### SET GOALS

Major challenges can often appear unachievable when viewed as a whole. The key to delivering success is to divide the challenge into a number of smaller steps which together lead to the delivery of our challenge. Each small step can be viewed as a short-term goal. Combining several short-term goals leads to the delivery of a medium-term goal, and combining medium-term goals leads to the completion and the delivery of our long-term goal (the challenge) and success.

Goal setting is relatively simple if we follow a few simple rules. A goal should be challenging but achievable - it is important that we establish our goals at the beginning. The goal must be measurable so we can monitor our progress on a regular basis. And most importantly: belief, commitment and motivation working together in harmony will keep us on the road to success.

The road to a successful challenge requires a plan that optimizes the range of performance variables simultaneously. We will strive in more detail to plan for any risk that may negatively impact on performance to better our chances of success! Success is not a chance event.

### THE RIGHT FIT

The challenge of the poor fit between new businesses and old systems can be dealt with through the need to develop executives whose operational skills can tie into the strategic, conceptual, and entrepreneurial skills that are required. We expect employees to be as committed with little internal resistance. We cannot lose our financial and operating discipline. The challenges come when it is necessary to integrate fledgling businesses with the conventional. There will be clash between the old and the new cultures, mistrust and touchy relationships are common.



A new approach is called for, one that blends those cultures while avoiding extreme behaviour and corporate business will succeed. We must have the ability to hold two opposing ideas at the same time and still function to manage our strategy, operations, and organization.

OUR businesses operate in highly equivocal environments. In this environment the full range of alternatives and outcomes is not known, leading to many possible directions and evolutionary paths. The implication is that corporate entrepreneurs will not get it right the first time. We would search for ways of confirming our presumptions, knowing that strategies will change over time. Overcoming these problems requires open-minded opportunism with disciplined planning. We need to narrow the range of potential choices and to judge whether a technology presents a desirable opportunity. Our goal is not to be definitive but to scope out certain areas of promise that may be worth pursuing. The deepest learning comes with interactions.

The best combination of the old and the new entails a blend of experience and invention; seasoned staff working with proven processes will improve the sustainable operations. Managers must think about individual staff's capabilities to identify the right person for the right job and to train employees to succeed at the jobs they are given. Diversity requires fresh thinking and innovative approaches to operations. Organizational structure should consist of creative combinations of broken and solid line reporting relationships that combine formal authority with informal administration. The true measure of any system is its results.

Your Board will put together an agenda to recognize what our organization can accomplish by removing disabilities and allow core capabilities to grow, and, to recognize different kinds of change and make appropriate organizational responses to the opportunities that arise from each. Managing disruptive innovation to sustain transformation.

Resources, processes, and values are the factors used to measure the effect of organization's capacity to change; high-quality resources increase an organization's chances of coping with change. Processes are the interaction, coordination, communication, and decision-making employees use to transform resources into products and services. Background processes that support decisions in investments, market research analysis is converted into financial projections. "Corporate Values", a key metric of good management, must be clear, consistent, known and understood through the entire organization.

As successful companies mature, employees gradually come to assume that the processes and priorities they have used so successfully so often, are the right way to do their work.

Once that happens and employees begin to follow processes and decide priorities by assumption rather than by conscious choice, those processes and values come to constitute the organization's culture. Culture is a powerful management tool in those situations, it enables employees to act separately.

Successful companies, no matter what the source of their capabilities, are pretty good at responding to evolutionary changes in their markets—that is sustaining innovation. Where they run into trouble is in handling or initiating revolutionary changes in their markets or dealing with disruptive innovation. Sustaining technologies are innovations that make a product or service perform better in ways that customers in the mainstream market already value.

Disruptive innovations create an entirely new market through the introduction of a new kind of product or service, one that is worse, initially, as judged by the performance metrics that mainstream customers' value. To cope with disruptive innovations we need to invest in sustaining technologies that fit our resources-processes-values framework for assessing customers' needs to achieve customer satisfaction.

Despite beliefs generated by popular change-management and re-engineering programs, processes are not nearly as flexible or adaptable as resources and values are. So, whether addressing sustaining or disruptive innovations, we need new processes and values—because it needs new capabilities—managers must create a new organizational space where those capabilities and new processes can be developed.

In everyday life, we will be faced with important decisions about new challenges—Taking on such challenges is an important part of growing and developing. New challenges are opportunities for us.

There are times and places when we might want to avoid a challenge for good, realistic reasons. The trouble comes, however, when we do not recognize that we are making excuses. Perhaps, deep down, we are frightened of what other people might say but we must never feel the fear of failure, but rather move forward despite our fear. We must be able to transform our fear into an enthusiasm to engage with the challenge and learn new things considering how fast the financial environment is changing. Success comes with perseverance, talent, sacrifice and effort.

Corporatively Yours,



Erskine Abel  
**President**



# BOARD OF DIRECTORS' REPORT 2020

## 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 2020.

## 2.0 ECONOMIC OVERVIEW

According to the Central Bank of Trinidad and Tobago, Monetary Policy Report (Monetary Policy Report) January 2021, Volume XXIII, Number 1 stated that some economies experienced contractions in real Gross Domestic Product (GDP) which resulted in lower inflation rates. Keeping this in mind the Central Bank was accompanied by a decrease in consumer spending which resulted in the International Monetary Fund (IMF) global economy suffered an unprecedented fall in real output over the first half of 2020 mainly due to the COVID-19 pandemic. This very contagious and fatal disease resulted in government introducing public health measures such as lockdowns, social distancing and closures of non-essential businesses which resulted in sharp and deep economic contractions during the first 6 months of 2020.

The preliminary estimates showed that the Central Bank's Quarterly Index of Real Economic Activity contracted by 8.7 % during the third quarter of 2020 which resulted from a decline in the energy output. Headline inflation increased from 0.4 per cent in July to 0.8 per cent in December, while the food inflation hastened from 2.3 per cent to 4.5 per cent as a result of the pandemic. According to the fiscal accounts, a deficit of \$1.0 billion was recorded for the first quarter of FY 2020/21 (October – December 2020) compared with a deficit of \$386.8 million in the corresponding period of the previous fiscal year. The Central Bank lowered the Repo rate to 3.50 per cent and the primary reserve requirement for commercial banks deposits were lowered to 14.0 per cent. This resulted in the increase of the liquidity levels which allow credit to be facilitated. The private sector credit declined to 0.6 per cent in September 2020 as compared to 1.1 per cent recorded in June 2020.

As of 31st December, 2020 the import bill for 8.5 months, the gross official reserves totalled US\$6,953.8 million. The previous figure was US\$24.8 million at the end of 2019 and this was a result of the drawdowns from the Heritage and Stabilization Fund (HSF) and the monies borrowed

externally from the Central Bank. The main purpose for these actions was to alleviate the negative impacts caused by the COVID-19 in an attempt to stimulate the domestic economy. The international reserves were US\$6,862.6 million as at January, 2021.

The International Monetary Fund (IMF) predicted that the global growth can be estimated to be 5.5 per cent in 2021. This economic growth is solely dependent on availability and the distribution of the vaccines and the measures that facilitate the efficacy of the policy. Caribbean countries who are heavily dependent on Tourism encountered severe challenges because of the travel restrictions will indirectly affect the hotel industry. This may pose to be a further challenge since debt servicing problems may arise because of the fiscal support deployed due to the pandemic.

The public sector in Trinidad and Tobago continue to face debt challenges in providing proper health care services, providing support to the citizens who would have lost income, received reduced income while simultaneously trying to maintain a certain level of investments. Several companies have taken an approach to streamline their services electronically to meet the needs of their clients and this decreased the demand for labour. The Ministry of Labour stated that Retrenchment notices have been filed during the period July to November 2020 showed that 1,728 were retrenched and job advertisements via media declined by 37.8 per cent (year on year) during the latter half of 2020.

The Society was negatively impacted by the COVID-19 pandemic especially during the months of March to June 2020 when there was a nationwide lockdown for three (03) months and only essential services as so prescribed by the Prime Minister of Trinidad and Tobago the Honourable Dr. Keith Rowley were allowed to work; unfortunately Credit Unions were not categorised as such. This resulted in a steep decline in the Society's loan portfolio which diminished our ability to facilitate our members' financial needs. On the second time around we were considered to be essential services but operated on adjusted working hours for approximately two months to accommodate the established health protocols and to facilitate our staff and our members.

### 3.0 GOVERNANCE STRUCTURE

The inaugural Meeting of the Board was held on Wednesday 25th November, 2020 at the Progressive Credit Union Cooperative, #80 Second Street Barataria. The elected Executive Committee for the 2019/2020 comprised of :-

|                      |                       |
|----------------------|-----------------------|
| Mr. Erskine Abel     | - President           |
| Ms. Georgiana Cudjoe | - Vice President      |
| Ms. Candice Haynes   | - Secretary           |
| Mr. Holly Francois   | - Treasurer           |
| Mr. Errol Thomas     | - Assistant Secretary |

#### 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 |
| Ms. Veronica Jacob         | - Director |

#### Substitute Directors

|                   |                  |
|-------------------|------------------|
| Mr. David Brown   | - 1st Substitute |
| Mr. Samuel Peters | - 2nd Substitute |

#### Education Committee

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

#### Human Resources 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 |
| Ms. Veronica Jacob    | - Member          |
| Mr. Stefan Small      | - Co-opted Member |

#### Delinquency Committee

|                       |                                     |
|-----------------------|-------------------------------------|
| Mr. Errol Thomas      | - Chairperson                       |
| Ms. Sabrina Peters    | - Secretary                         |
| Mr. William Solomon   | - Chairperson<br>(Credit Committee) |
| Mr. Michael Hernandez | - Member                            |
| Mr. Darren Deokumar   | - Senior Recoveries<br>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. Michael Hernandez      | - Chairperson              |
| Ms. Gianna Guevara         | - Marketing<br>Coordinator |
| Ms. Allyson White          | - Member                   |
| Ms. Racheal Austin         | - Member                   |
| Ms. Yolanda Harry Keshwar  | - Co-opted Member          |
| Ms. Gem Saunders Le Maitre | - Member                   |

#### Health and Safety Committee

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

#### Outgoing Board Members

There are four (04) outgoing Board members and three (03) are eligible for re-election and have indicated their willingness to continue to serve the Society. They are Mr. Michael Hernandez, Ms. Gem Saunders Le Maitre and Mrs. Marilyn John Fahey. Ms. Georgiana Cudjoe is statute barred from the Board of Directors.



#### 4.0 Meetings

| Name                              | Board | Joint | Excused | Total |
|-----------------------------------|-------|-------|---------|-------|
| <b>Mr. Erskine Abel</b>           | 19    | 1     | 1       | 21    |
| <b>Ms. Georgiana Cudjoe</b>       | 17    | 1     | 3       | 21    |
| <b>Ms. Candice Haynes</b>         | 18    | 1     | 2       | 21    |
| <b>Mr Errol Thomas</b>            | 17    | 1     | 3       | 21    |
| <b>Mr. Holly Francois</b>         | 19    | 1     | 1       | 21    |
| <b>Ms. Veronica Jacob</b>         | 19    | 1     | 1       | 21    |
| <b>Ms. Gem Saunders-Le Maitre</b> | 20    | 1     | -       | 21    |
| <b>Mr. Michael Hernandez</b>      | 17    | 1     | 3       | 21    |
| <b>Ms. Marilyn John-Fahey</b>     | 18    | 1     | 2       | 21    |
| <b>Ms. Gemma Ottley</b>           | 17    | 1     | 3       | 21    |
| <b>Ms. Sabrina Peters</b>         | 18    | 1     | 2       | 21    |
| <b>Ms. Allyson White</b>          | 15    | 1     | 5       | 21    |

#### 5.0 Membership

The Society continued in its pursuit to attract new members during the year, resulting in an acceptance of 132 new members. Our total membership at the end of the year was 7,700 active members.



## 6.0 Financial Performance Highlights: -

It goes without saying that the year 2020 was a very challenging one as the majority of the world was hit by a global pandemic. The Coronavirus has created substantial uncertainties, unfortunate circumstances and economic challenges worldwide. The Board is pleased to report that the Progressive Credit Union has managed reasonably well under these unprecedented circumstances and the key details of our financial performance for the period are provided below.

| Year | Shares     | Deposits  | Loans      | Surplus   | Assets      |
|------|------------|-----------|------------|-----------|-------------|
| 2020 | 87,952,530 | 7,620,754 | 89,200,638 | 5,355,727 | 120,787,161 |
| 2019 | 86,692,322 | 7,900,400 | 84,317,084 | 4,716,367 | 117,434,828 |
| 2018 | 84,312,767 | 7,832,451 | 85,459,761 | 4,892,494 | 112,116,957 |
| 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 |

Table 1: Financial Highlights

### Income and Expenditure

Total income for 2020 increased by 1.94% or .239m, this occurring in spite of the many challenges experienced during the year. The total expenditure decreased by \$1.42m or 17% moving to \$6.92m in 2020 from \$8.3m in 2019. This decrease can be attributed to a combination of a reduction in the calculated expected credit losses, the more prudent management of expenses and reductions resulting from the inability to conduct certain initiatives for health and safety concerns. The overall surplus increased by \$0.640m or 13.6% moving from \$4.7m in 2019 to \$5.36m in 2020.

### Total Assets

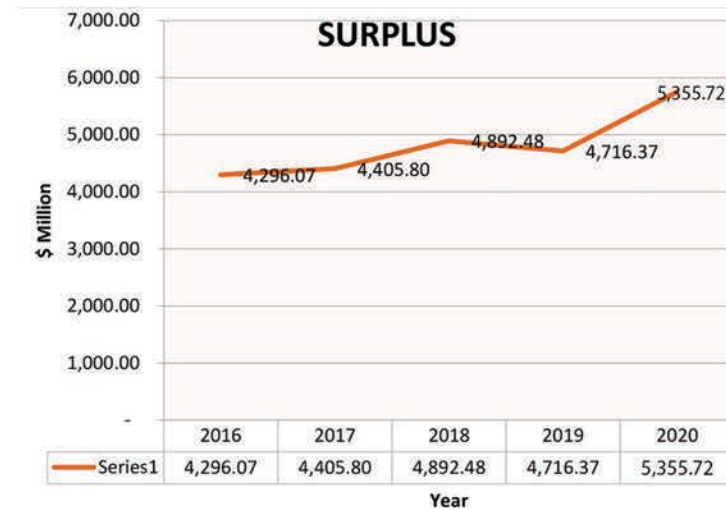
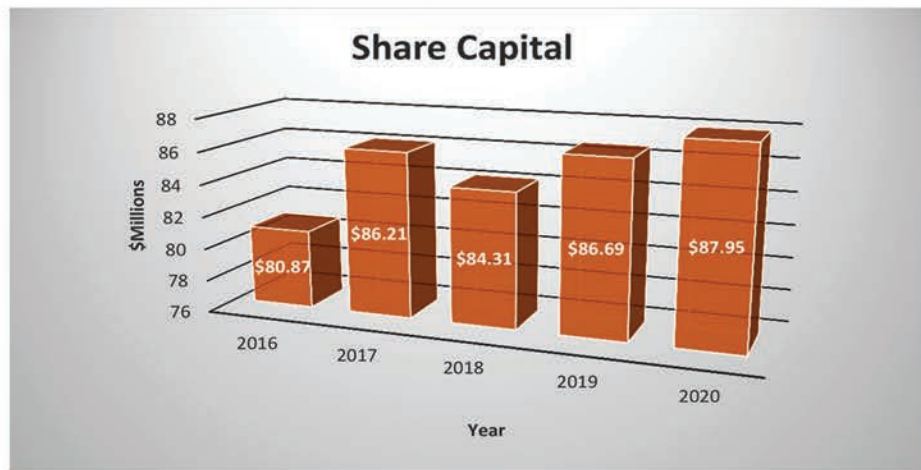
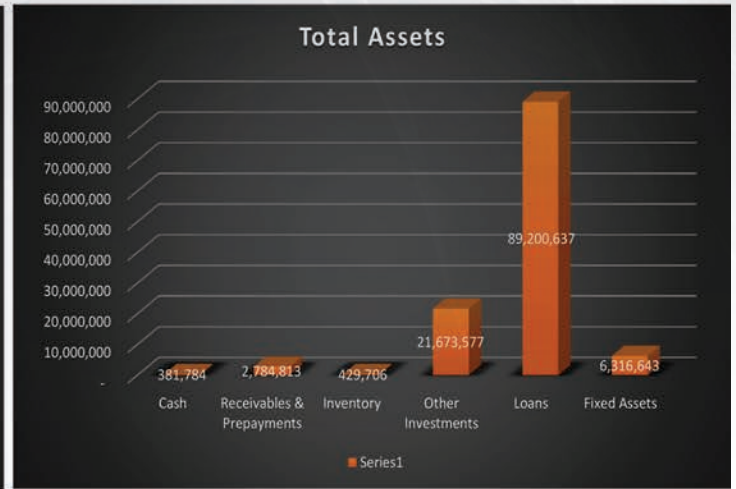
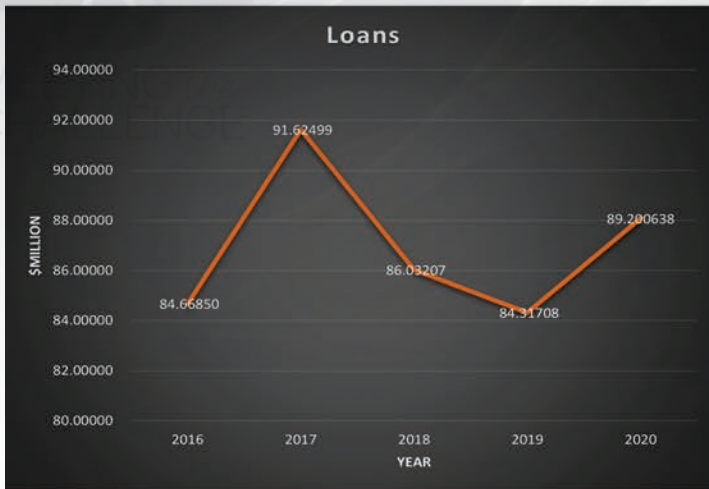
Total assets as at December 2020 amounted to \$120.8 million, an increase of 2.85% when compared to December 2019. Even though our Education Loans portfolio experienced COVID-19 related setbacks, total loans grew by 5.8% while Investments grew by 9.9%.

### Loans

The loans to members portfolio accounted for 74% of the total assets of the Society in 2020 declining from 76% in 2019. It is commendable that the total loan portfolio also increased by \$4.8m or 5.8% to \$89.2m in 2020 from \$84.3m in 2019. This increase is even more noteworthy given that during the period 2017 to 2019 the value of the loan portfolio trended downwards. In 2020, while certain categories of loan slowed during the period, they were balanced by growth in others.

### Shares

Members continue to demonstrate their faith in our Society by contributing to an increase in the overall Shareholding which increased to \$87.95m in 2020 from \$86.7 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 2020 as compared with 2019:

|          | RATIO                              | PEARLS STANDARD           | 2020         | 2019         |
|----------|------------------------------------|---------------------------|--------------|--------------|
| <b>P</b> | Prov. Allowances > 1yr             | 100%                      | 110%         | <b>122%</b>  |
|          | Prov. Allowances 1-12mths          | 35%                       | 251%         | <b>115%</b>  |
| <b>E</b> | Net Loans to Total Assets          | 70-80%                    | 73.8%        | <b>71.8%</b> |
|          | Institutional Capital/Total Assets | >10%                      | 18.1%        | <b>15.4%</b> |
| <b>A</b> | Total Delinquency                  | <=5%                      | 9.25%        | <b>12.9%</b> |
| <b>R</b> | Net Loan Income/Loan Portfolio     | Entreup. Rate             | 12.3%        | <b>14.2%</b> |
|          | Total Operating Exp/Total Assets   | <5%                       | 6.0%         | <b>7.0%</b>  |
| <b>L</b> | Cash Resources/Total Assets        | >20%                      | 15.5%        | <b>14.2%</b> |
| <b>S</b> | Growth in Loans                    |                           | 5.8%         | <b>-2.0%</b> |
|          | <b>Growth in Total Assets</b>      | <b>&gt;Inflation Rate</b> | <b>2.85%</b> | <b>4.2%</b>  |

Table2: Pearls Ratios

### 7.0 Delinquency

In 2020, the Society continued with its efforts in this department, however there was some challenges due to various limitations on movement and other restrictions imposed by the Government and Ministry of Health for an extended period.

The Society is very mindful of the impact this pandemic has had on some members of the workforce across different sectors of the economy. The delinquency unit has worked with our members to provide guidance and support where needed to manage and mitigate these impacts.

The Board is heartened by the improvement in the delinquency ratio which has reduced from the previous level of 12.9%


The non-performing loans exposure as a percentage of total loans was 9.25%. This ratio was based on the calculation performed in determining the expected loss as per IFRS9.

We have maintained the prudent approach which dictates that a loan loss provision must be instituted. The total loan provision as at December 31st, 2020 was \$6,693,402.

In 2021 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 2020 is as follows:





| Loan                     | Total                | Shares / Collateral   | Exposure            |
|--------------------------|----------------------|-----------------------|---------------------|
| <b>Total Delinquency</b> | <b>18,511,515.15</b> | <b>(9,644,369.01)</b> | <b>8,867,146.05</b> |
| <b>Total Loans O/S</b>   |                      |                       | 95,894,040.00       |
| <b>Delinquency Ratio</b> |                      |                       | 9.25%               |

Table 3 – Delinquency Portfolio

## 8.0 Projections – 2021

| Projections 2020                         | Status                        | Projections 2021                       |
|--|-------------------------------|--|
| <b>New member growth target of 300</b>   | 132 New members admitted      | New member growth target of 300        |
| <b>Net share growth of \$5.0M.</b>       | \$1.3M share increase         | Net share growth of \$3M               |
| <b>Loan disbursement of \$42.0M</b>      | Loan disbursement of \$37.1M. | Loan disbursement of \$41.1M           |
| <b>Increase in investments to \$25M.</b> | Total Investments to \$21.7M  | Maintain a minimum investment of \$20M |
| <b>Surplus \$2.5M.</b>                   | Surplus - \$5.36M             | Surplus \$2.5M                         |
| <b>Dividend payment 3%.</b>              | Board recommends 3.5%         | Dividend payment 3.0%                  |
| <b>Delinquency 5%</b>                    | <b>Delinquency 9.25%</b>      | <b>Delinquency 5%</b>                  |

## 9.0 Human Resources

The last year 2020 will be a year etched in all of our memories for a number of reasons namely the global COVID- 19 pandemic, the increase in the use of technology which has been established as the new normal and the introduction of virtual school. This pandemic has forced the Society to examine its present business model and its level of efficiency and effectiveness in the attainment of our strategic goals and objectives.

The Society has complied and ensured that all the required health protocols have been established and strictly adhered to by all staff and members to ensure a safe environment to facilitate business. During the first six months of 2020 the working hours for all our offices were curtailed in an attempt to assist our staff members to manage the COVID- 19 and to maintain a healthy work life balance in the midst of all the challenges.

The Society purchased and implemented a Micropay software to alleviate the payroll processes. In addition, the Society purchased software from Sharetec to improve our business processes to provide a higher level of customer service to you our valued members and to increase our competitiveness. The management of the Society extends tremendous gratitude to all our staff members who endured with us during such a challenging time while making the necessary adjustments to satisfy our members.

The Society is still in the process of negotiations for the periods 2016-2019 and 2019-2022 and is very optimistic to conclude same. The Society has to revisit its strategic goals and objective to ensure relevancy, competitiveness and its viability during this global pandemic.

## **10.0 Marketing**

The year 2020 marked the beginning of unprecedented times. Due to the COVID-19 pandemic, 2020 was not a typical year for Progressive's Marketing Department. We began the year carrying out face to face activities to boost our Youth Arm membership however, by March the world of marketing was profoundly affected by the global virus pandemic. Face to face communication was halted and now member communications had to be carried out virtually through our social media sites such as Facebook, Instagram and Twitter.

The following report seeks to highlight the various undertakings of the Marketing Department throughout 2020 in a sequential order.

### **10.1. Building the Kiddie and Youth Arms**

An ongoing initiative within Progressive Credit Union, we continued our quest to grow our Youth and Kiddie Arms by building partnerships with schools and other youth outreach programmes at the beginning of 2020. The Marketing Department made several visits to schools and addressed their PTAs as well as provided sponsorship for their events. The schools are as follows:

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

An invitation came from the Police Youth Club, Enterprise, Chaguanas for Saturday 15th February and Saturday 7th March 2020 in order to capture any possible absentees. The students were addressed on the importance of saving especially doing so at Pro-

gressive Credit Union and its benefits.

On Friday 28th February, 2020 the Marketing Department attended St. Stephen's College Annual Sports Day. There they were presented with two (2) Challenge trophies and ten (10) cases of water. The team spoke to both the Principal and Vice Principal informing them of our aim in having the students not only to join the credit union but also encouraging them to save and the benefits of joining the Society.

### **10.2. Addition of Items for Sale to Catalogue**

Unfortunately for Mother's Day 2020, Trinidad and Tobago was in lock-down and as such, we could not do anything special for this celebration. However, by Father's Day we were able to expand our inventory catalogue to include a tool kit and a sports and exercise running armband pouch holder case for a cell phone for Dad. For a time later on, we also included computers, laptops and tablets for sale to meet the new demands of virtual home schooling in our catalogue of items for sale.

### **10.3. Progressive's 36th Anniversary**

Progressive's 36th Anniversary was on Tuesday 7th July 2020. The Society decided to give back to our Members on that day by decorating each branch with balloons and signs announcing our Anniversary and distributing seedlings for the following plants:

- a) Pimento
- b) Sweet peppers
- c) Peppers
- d) Melongene
- e) Bodi
- f) Tomato

### **10.4. Show Off Your Mask Competition**

The celebration continued when we also held a "Show Yuh Mask Off" Competition for our members. For staff participation we held an internal trivia game regarding the History of Progressive Credit Union. The winners were Cindy Ajodha for "Show yuh Mask off" with fifty (50) likes and Asha Thomas, our Accounting Clerk for "Credit Union History" trivia game. Both winners received \$275.00 in Massy Vouchers. The Facebook competition brought in fifteen (15) new persons liking our page and two (2) persons messaged inquiring about the requirements to join the Credit Union.

### 10.5. Ah Love Meh Credit Union Appliance Sale

In October, in celebration of Credit Union Month, Progressive hosted an “Ah Love Meh Credit Union” appliance promotion with a discount on appliances. Credit Union Week 2020 ran from Monday 12th October to Friday 16th October 2020. Five (5) members participated in the sale and won prizes.

### 10.6. Farming Loan/ Agricultural Loan

During the month of November, eligible members were invited to diversify by taking advantage of our Farming/Agricultural Loan. The loan value ranged from Ten Thousand (\$10,000.00) to Fifty Thousand (\$50,000.00) to be paid in tranches where it was applicable. This Loan was tailored for persons needing finances for agricultural purposes such as equipment, fertilizer, insecticides, fungicides, seeds and plants. Its purpose was to provide aid to persons who wished to generate supplemental income due to the COVID-19 pandemic.

### 10.7 Christmas Wish Loan

In November 2020, we also introduced the Christmas Wish Loan at Progressive Credit Union. Members were eligible to borrow up to Thirty Thousand Dollars (\$30,000.00) or 3 times their shares. The loan could be applied for to do either one or a combination of the following:

- a) Purchase Appliances
- b) Christmas Shopping

This loan has become a part of Progressive’s annual loan portfolio.

In summary, the department will continue to work hard and utilize the virtual media to market the Society as well as inform the current membership about new activities and products. It is our hope to maintain and even surpass our momentum in 2021.

### 10.8 UPCOMING EVENTS:

The following is a preview of Progressive’s planned marketing efforts in this regard for the year 2021:

|              |   |
|--------------|---|
| 1. February  | Virtual Series                            |
| 2. April     | Mortgage Loan                             |
| 3. May       | Mother’s Day Appliance Sale               |
| 4. May       | What to Expect when You’re Expecting Loan |
| 5. June      | Father’s Day Appliance Sale               |
| 6. August    | Career Day                                |
| 7. September | Give The Gift of Wealth w/Gift Card       |
| 8. November  | Christmas Wish Loan                       |

### 11.0 Cooperative Involvement

The Society has established very good relations with several of our stakeholders including our main partner MTS, the Cooperative Credit Union League of Trinidad and Tobago and the South East Regional Chapter, the Office of the Commissioner of Cooperatives, Central Finance Facility, the Financial Intelligence Unit of the Ministry of Finance, CUNA Caribbean Insurance, Legal Advisor Martha St. Hillaire and Associates, the Royal Bank of Canada, IT provider Bradford Scott Corporation/Sharetec Software, and the various media.

### 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

It is with great humility we give thanks to the Almighty God who has brought us through a most difficult year. We particularly want to thank all our Members for their continued support in driving our performance in 2020, during the current pandemic that we are facing. In addition, we wish to acknowledge the devotion and commitment of our Committees, Management and Staff. We also wish to express our gratitude to our strategic partners in the Business Community. We will continue to seek wisdom and guidance from our LORD and Saviour JESUS CHRIST for divine direction during this uncertain time.

Cooperatively yours,



**Candice Haynes**  
Secretary





# **FARMING/ AGRICULTURAL LOAN**

**UP TO FIFTY THOUSAND  
(\$50,000)**

**Call to speak with any  
of our Loan Officers Today!**

**Financing!**  
**To start**  
**To expand**  
**To maintain**

**To Purchase!**  
**Livestock**  
**Seed**  
**Equipment**  
**Cover Operating**  
**Costs**

**All Normal Lending Criteria Apply**

*At Progressive Credit Union, Your Achievement, Our Goal...*



# BOARD MEMBERS



Mr. Michael Hernandez  
*Director*



Ms. Allyson White  
*Director*



Ms. Gem  
Saunders-Le Maitre  
*Director*



Ms. Gemma Ottley  
*Director*



Ms. Marilyn John Fahey  
*Director*



Ms. Sabrina Peters  
*Director*



Ms. Veronica Jacob  
*Director*



**Back Row: L to R:** Mr. Holly Francois - *Treasurer*, Mr. Erskine Abel - *President*,  
Mr. Errol Thomas - *Assistant Secretary*  
**Front Row: L to R:** Mrs. Camille Joseph-Dipnarine - *General Manager*,  
Ms. Georgiana Cudjoe - *Vice President*, Ms. Candice Haynes - *Secretary*



# MEMBERS OF STAFF

## NORTH



**R - L:** Ms. Amelia Ganness, Ms. Joanne Meade, Ms. LaShawn Forde, Mrs. Seeta Seepersad, Ms. Linda Joseph  
**Seated -** Ms. Victoria Jeetam and Mrs. Ayanna Abel-Lewis

## TOBAGO



**L to R:** Ms. Rholda John, Ms. Sasha-Gaye Thompson

## SOUTH



**Back Row: L to R:** Ms. Gianna Vanessa Guevara, Ms. Asha Thomas, Ms. Tshiann Hamid, Mr. Anthony Perry, Mr. Keston Crichlow  
**Middle Row: L to R:** Mr. Darren Deokumar, Ms. Jody David, Ms. Keiva Brown, Mrs. Annette Hinkson-Patrovanie  
**Front Row: L to R:** Ms. Alana Ramsingh, Mrs. Turon Nicholas, Mr. Shorn Bhola, Mrs. Amy Kunjal-Karim  
**Missing:** Ms. Giselle Manwaring, Ms. Esther Simmons, Ms. Kahidja John





# COMMITTEE REPORTS



L to R: Mr. Clarence Duke, Mr. William Solomon, Ms. Racheal Austin and Ms. Anne Marie Campbell | *Missing - Ms. Anne Simmons*

## CREDIT COMMITTEE’S REPORT

### 1. Introduction

The committee is pleased to present to the membership the following report for review. The committee continued to service the members in spite of the Covid-19 Pandemic.

### 2. Credit Committee Members

The names mentioned below were elected to serve:

|    |                     |             |
|----|---------------------|-------------|
| 1. | William Solomon     | Chairperson |
| 2. | Anne Marie Campbell | Secretary   |
| 3. | Racheal Austin      | Member      |
| 4. | Anne Simmons        | Member      |
| 5. | Clarence Duke       | Member      |

Mr. William Solomon and Ms. Anne Marie Campbell were elected as Chairperson and Secretary respectively at the Inaugural Meeting held at the Barataria Office, #80 Second Street, on November 25th 2020.

### 3. Meetings

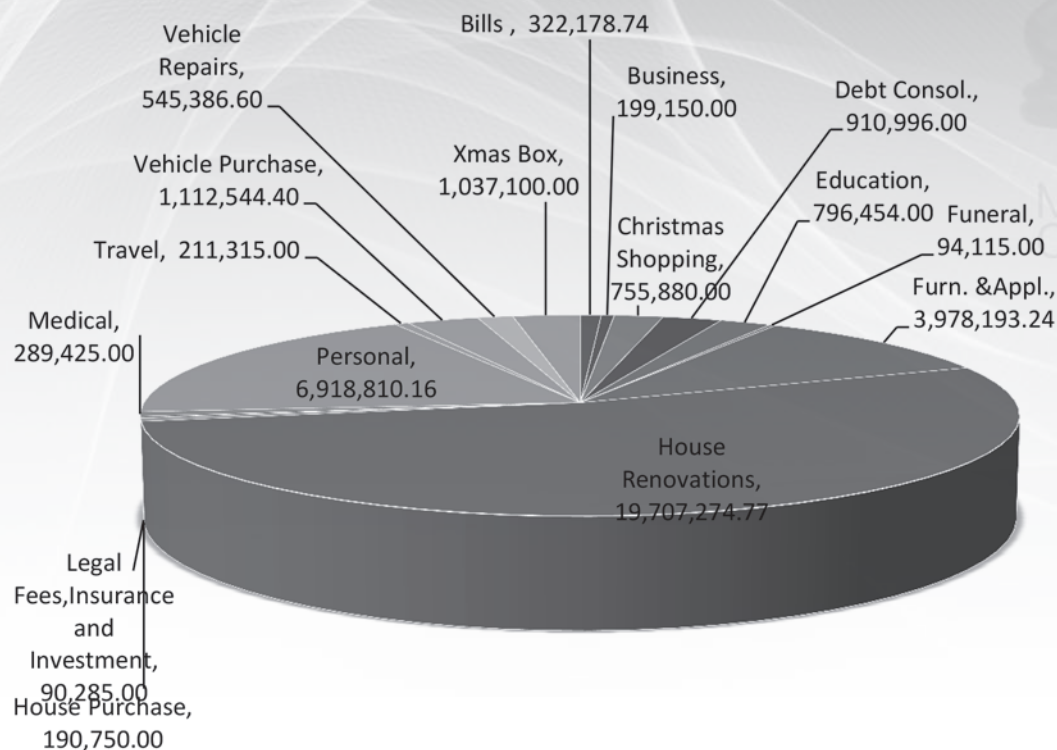
The committee held forty-one (41) meetings from January 2020 to December 2020. These meetings were held for the consideration and approval of loan applications.

#### 4. Loans Analysis

The total loan applications approved for 2020 was Thirty-Seven Million, One Hundred and -Fifty-Nine Thousand, Eight Hundred and Fifty-Eight Dollars (\$37,159,858). This sum reflects an increase of Two Million Seven Hundred and Eighty-Four Thousand, Three Hundred and Twenty-Five Dollars (\$2,784,325).

| <b>LOANS APPROVED</b>                       | <b># OF<br/>LOANS<br/>-2020</b> | <b>2,020</b>      | <b>2,019</b>      |
|---|---------------------------------|-------------------|-------------------|
| <b>Bills</b>                                | <b>19</b>                       | 322,178.74        | 330,862.00        |
| <b>Business</b>                             | <b>4</b>                        | 199,150.00        | 41,545.00         |
| <b>Christmas Shopping</b>                   | <b>90</b>                       | 755,880.00        | 754,092.00        |
| <b>Debt Consol.</b>                         | <b>45</b>                       | 910,996.00        | 789,686.00        |
| <b>Education</b>                            | <b>92</b>                       | 796,454.00        | 3,179,912.00      |
| <b>Funeral</b>                              | <b>10</b>                       | 94,115.00         | 68,540.00         |
| <b>Furn. &amp;Appl.</b>                     | <b>270</b>                      | 3,978,193.24      | 3,665,089.40      |
| <b>House Renovations</b>                    | <b>750</b>                      | 19,707,274.77     | 13,907,467.15     |
| <b>House Purchase</b>                       | <b>5</b>                        | 190,750.00        | 87,963.74         |
| <b>Legal Fees, Insurance and Investment</b> | <b>8</b>                        | 90,285.00         | 441,715.00        |
| <b>Medical</b>                              | <b>21</b>                       | 289,425.00        | 258,795.00        |
| <b>Personal</b>                             | <b>2,011</b>                    | 6,918,810.16      | 7,043,414.00      |
| <b>Travel</b>                               | <b>12</b>                       | 211,315.00        | 812,867.00        |
| <b>Vehicle Purchase</b>                     | <b>23</b>                       | 1,112,544.40      | 1,268,111.26      |
| <b>Vehicle Repairs</b>                      | <b>34</b>                       | 545,386.60        | 371,273.00        |
| <b>Xmas Box</b>                             | <b>283</b>                      | 1,037,100.00      | 1,354,200.00      |
| <b>TOTAL</b>                                | <b>3677</b>                     | <b>37,159,858</b> | <b>34,375,533</b> |





## 5. Site Visits

These were conducted to assist members who applied for house renovations loans. The visits provided first-hand information which allowed the committee to assess the member's needs.

## 6. Interviews

Interviews were held with members, some were requested by members and others by the committee and in both instances it served the purpose of getting further information to either provide clarification or confirmation of matters before the committee and also the opportunity to give financial counselling.

## 7. Delinquency

The Credit Committee continued to work in close collaboration with the Delinquency Committee, Board of Directors, the General Manager and the Loans Officers – Recoveries with respect to Delinquency.

## 8. Conclusion

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

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

The Committee would like to sincerely thank those mentioned above for their support, commitment and co-operation more so in the pandemic time.

We would also like to thank the membership for their continued trust and confidence placed in us.

The Committee believes that once the membership, committees, Board of Directors, Management and Staff remain committed and faithful to the mission statement, the Credit Union would grow from strength to strength.

We implore all to stay safe and adhere to the health protocols and trust in the Higher Being.

Blessings to all

**William Solomon**  
**Chairperson**

**Anne Marie Campbell**  
**Secretary**



L to R - Mrs. Ginelle Small Cummings, Mr. Wilfred Wallace and Ms. Melina Preito

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is pleased to bring greetings to all members, prospective members, guests and all well-wishers viewing our 34th Virtual Annual General Meeting of the Progressive Credit Union Cooperative Society Limited.

During the Covid -19 period of the 2019 – 2020 term, the following members continued to serve on the Supervisory Committee until the elections held during the virtual AGM held in November 2020:

- Ms. Adeleine Gitten *Chairperson*
- Mr. David Quamina *Secretary*
- Mrs. Ginelle Small-Cummings *Member*

The following members were elected at the Progressive Credit Union 33rd Annual General Meeting held on the November, 2020, at our North Branch #80 2nd Street Barataria. Due to effects of the Covid 19 pandemic on the country and the imposition of the various restrictions and protocols, and with the 33rd Virtual AGM being held in November 2020, the Supervisory Committee served for the period of four (4) months only in the following positions.

- Mrs. Ginelle Small-Cummings *Chairperson*
- Ms. Melina Preito *Secretary*
- Mr. Wilfred Wallace *Member*
- Mr. Heeralal Sookhai *First Substitute*

### 1. Introduction:

The Supervisory Committee is deemed the Internal Auditors of the Society, and we were entrusted with the responsibility of ensuring that proper internal control measures were in place to ensure the smooth running of the Society, and to protect the assets of the Credit Union. The Committee ensured that it was fully informed as to the financial conditions and stability of the Credit Union.

### 2. Aim and Objectives:

The Supervisory Committee had accomplished the following aims and objectives during the period of 2020-2021.

- Examined all Banks Reconciliations to ensure all transaction and returned cheques were accounted for.
- Reviewed and monitored the delinquency portfolio paying attention to the economic and industrial climate.
- Visited all Branches and conducted cash checks.
- Examined the Fixed Assets Register and Conducted Physical Checks.
- Identify any weakness in the Organization and make recommendations for improvement.
- To maintain and ensure that all the necessary protocols were enforced and followed due to the Covid 19 Pandemic, for the safety of the staff as well as its members.

### **3. Attendance Meeting**

All meetings were done virtually and physical checks were made to Tobago, North and South Office. We conducted all our checks into the operations of the Credit Union and found all to be correct and in order.

### **4. Findings**

The Committee was able to conduct numerous visits to all of the Society's Branches and achieved the main objectives that were stipulated for this term, which were achieved without any obstacles presented.

The Committee had a presence at all the Board and Credit Committee meetings, submitted monthly and quarterly reports on the findings and made the necessary recommendations for improvements and commendations where needed.

The Supervisory Committee wished to commend the Management and staff of the Society for all their support in making the transition very smooth and by adhering to the Society's Bye-Laws and the Cooperative Societies Act.

### **5. Seminars and Workshops**

Seminars and workshops were ongoing for the Supervisory Committee

### **6. Visits**

Both Virtual and physical visit were done even during the time of the pandemic to monitor all cash transactions and meetings were held with the Management. Members and staff were interviewed and discussions were held with regards to the operations of the Society.

### **7. Commendations**

It was noted and commended that even in challenging times the Credit Committee members were able to grant loans, paying close attention to the current situation and financial problems experienced by MTS, in order to meet the member's needs.

The Board of Directors, Management, Staff and Co-opted member of all board appointed committees were commended for their outstanding and fruitful efforts to function despite the Covid-19 Pandemic, to ensure the smooth running of the credit union as the members wellbeing is first and foremost.

The Supervisory Committee also commends the members of the Progressive Credit Union for your continued support, understanding and patience even though the Society had to adapt to the new normal.

### **Conclusion**

The Committee wishes to take this opportunity to thank God Almighty for giving them the Health and Strength to render its services to all members of this Society.

Whilst we look forward to a bright and affluent term 2021-2022, we extend heartfelt gratitude to the members for believing in us and giving us the opportunity to serve.

Cooperatively Yours,



**Mrs. Ginelle Small-Cummings**  
**Chairperson**



# EDUCATION COMMITTEE'S REPORT

The Education Committee for the year 2020 to 2021 consists of the following members:

|                        |                        |
|------------------------|------------------------|
| Ms. Georgiana Cudjoe   | - Chairperson          |
| Ms. Allyson White      | - Secretary            |
| Ms. Marilyn John-Fahey | - Member               |
| Ms. Thecla Quamina     | - Co-opted Member      |
| Mr. Anthony Perry      | - Staff Representative |

## INTRODUCTION

Education is the process of acquiring knowledge and understanding. Our country would not have been developed without educating our people. Our Education Committee has dedicated its energies to promoting structured activities that would produce well rounded members.

During the term the Education Committee could not have achieved its goal due to the COVID-19 Pandemic which took over the world at large.

## EDUCATION PROGRAMMES

Our Credit Union along with the assistance of the Commissioner's Office, held a training programme with the Board of Directors – Credit and Supervisory Committees – where they were all informed of their Roles and Responsibilities. This was well attended and everyone was prepared for the important task they were about to engage. The CCCU Convention Seminar and Leadership Seminar were not held during the year 2020.

## ACTIVITIES

Our Easter Bonnett Parade carded for Saturday 5th April, 2020 had to be cancelled due to the COVID-19 Pandemic. A Virtual Seminar scheduled for retirees had to be postponed since most of our retirees did not have email addresses, however, this is still on the drawing board as the new technology era are in place. We are in the process of doing a "Know your Laptop Seminar" to assist getting our members into the technology age, which is the new normal – we have to adapt at this time.

Our Credit Union intends to continue educating our members virtually as well as abide by all restrictions laid out by the Government.

## CREDIT UNION MONTH

Our Credit Union could not celebrate as we usually do with our fellow cooperatives, due to the COVID-19 pandemic. However, we purchased facemasks, which were distributed

to members visiting our three (3) offices on Credit Union Day.

Greetings were posted on our Social Media pages to our Members and all Credit Unions worldwide.

## TRAINING

Training Seminars were held with staff in small groups to keep up with the regulations.

## PETER MC DAVID EXCELLENCE AWARDS

Our Annual Awards Ceremony was held on Friday 30th October, 2020 at the North Office, Barataria. It was an Award Ceremony with a difference or as we now say 'a new normal'. We adhered to all regulations – washing of hands, sanitizing, wearing of face masks and social distancing.

The Committee made a decision to purchase gifts of Laptops and Tablets to distribute among eligible CSEC, SEA and Tertiary students for the above mentioned awards. We made that decision due to the urgent need for students to use these items for the online learning platform, since all schools were closed and the online method instituted by the Ministry of Education.

Secondary Entrance Assessment – Five (5)

Caribbean Secondary Education Certificate – One (1)

Tertiary Education – Two (2)

All recipients are members of the Credit Union, and were also given monetary gifts and tokens.

The parents and students were encouraged to adhere to the new normal and take responsibility in having their children obey all regulations in order to stay healthy. This was a memorable moment for all of them with the new normal.

## CHILDREN'S CHRISTMAS PARTY

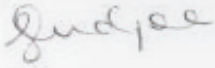
Our Annual Christmas Party was cancelled for 2020, however, our Credit Union made a decision to give Gifts and Snack Party Bags to our children. They were registered and 386 Snack Party Bags and Gifts were collected by parents as follows:

|                        |                     |     |
|------------------------|---------------------|-----|
| Tobago Office          | – 17 December, 2020 | 180 |
| North Barataria Office | – 20 December, 2020 | 224 |
| South Office           | – 21 December, 2020 | 054 |

## CONCLUSION

Our Committee wishes to express our heartfelt thanks to all our members who understood our position during this COVID-19 Pandemic year and continuing. We express special gratitude to you the membership for your continued support. Special Thanks to the Board of Directors, General Manager, Staff and Statutory Committee for their unwavering support. May God continue to grant his blessings upon us.

Cooperatively yours,



---

***Georgiana Cudjoe***  
***Chairperson***



# NOMINATING COMMITTEE'S REPORT

A Nominating Committee is appointed each year by the Board, and is given the duty to select suitable members who are willing to be considered for election to the Board, Credit and Supervisory Committees. (Bye Law 24)

## NOMINATING COMMITTEE

The Nominating Committee comprised of the following members

1. Ms. Allyson White - Chairperson (Director)
2. Mr. Errol Thomas - Director
3. Mr. Claude Dillon - Member
4. Ms. Yolanda Keshwar - Member
5. Ms. Beverly Sobers – Member

The committee was duly constituted in accordance with (Bye Law 24), as none of the above mentioned members showed any interest in offering themselves for a position on any of the committees.

## NOTICE OF NOMINATIONS

The following channels were used to inform members of nominations for the upcoming Annual General Meeting (AGM).

- Advertisements on newspapers - Trinidad Express and Newsday during the period December 2020 to January 2021.
- Flyers placed at all three (3) offices – Barataria, San Fernando and Tobago
- All Credit Union Social Media Platforms

Nomination forms were available from all three (3) offices and also the Credit Union Website and Facebook page, where it could have been downloaded.

Applicants had the options of forwarding completed forms to the office convenient to them or to an email address or whatsapp number made available to members.

## INTERVIEWING PROCESS

The interviews were held over a period of three (3) days at the following venues:

February 18, 19, at the North Office and;

February 24, 2021 at the South Office

Three of the interviews were conducted virtually.

One of the applicants who applied to serve on the Credit Committee did not attend the interview.

All applicants were evaluated using the following five (5)

criteria

- a. Academic Qualification
- b. Work Experience
- c. Communication
- d. Personality/Deportment
- e. Knowledge/Stability

## NOMINEES

Twenty-four (24) application forms with resumes were received, and they were perused thoroughly.

Twenty-two (22) applicants moved forward to be interviewed. The following is a breakdown.

Board of Directors - Six (6)

Supervisory Committee - Seven (7)

Credit Committee - Nine (9)

**TOTAL APPLICANTS = 22**

The committee after careful deliberation, hereby recommend the nineteen (19) applicants listed below (in no order of merit) to face the membership in vying for the respective positions.

| Board of Directors        | Supervisory Committee     | Credit Committee    |
|---------------------------|---------------------------|---------------------|
| 1. Clinton Hendrickson    | 1. Wilfred Wallace        | 1. Georgiana Cudjoe |
| 2. Stephen Fraser         | 2. Melina Preto           | 2. William Solomon  |
| 3. Michael Hernandez      | 3. Anne Marie Campbell    | 3. Racheal Austin   |
| 4. Marilyn John-Fahey     | 4. Gerald Antoine         | 4. Julia Bruce      |
| 5. Peter Ian De Boulet    | 5. Clinton Warren         | 5. Clarence Duke    |
| 6. Gem Saunders-Le Maitre | 6. Ginelle Small-Cummings | 6. Adeleine Gittens |
|                           |                           | 7. Heeralal Sookhai |

With the Covid-19 pandemic still ever present it continues to be difficult for everyone, and so we must give a special thank you to all the nominees for investing their time and offering themselves to serve in this trying time. We would like to encourage other members to come forward and do the same.

Thank you to the Marketing team, the General Manager and members of staff who assisted in making our task much easier. The Board allowed us this opportunity to be a part of this important task and we say thank you.

Respectfully submitted,



**Allyson White**  
**Chairperson**





# PROFILES

# PROFILES 2021 BOARD OF DIRECTORS



## STEPHEN FRASER

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

**Occupation:** Immigration Officer

**Credit Union Membership:** 37 years

**Credit Union Experience:**

**Past:**

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

**Education and Training:**

- Basic Security Supervision – University of the West Indies
- Criminology – University of the West Indies
- IBM Certified Analyst



## MICHAEL HERNANDEZ

**Place of Employment:** Retired

**Credit Union Membership:** 36 years

**Credit Union Experience:**

**Present:**

- Member of the Board of Directors
- Chairperson of the Marketing & Communications Committee

**Past:**

- President of the Board of Directors
- Member of Supervisory Committee
- Chairperson of the Properties Committee

**Education & Training:**

- Master of Business Administration – General Management
- Diploma in Management
- IFRS 9 Accounting Standards Workshop
- Strategic Marketing Workshop
- Certificate for Managing Financial Resources
- Media and Mass Communications
- Certificate for Business for Non-Financial Managers

**Other Affiliations:**

- Credit Union League
- South East Regional Chapter
- CCCU



## CLINTON HENDRICKSON

**Place of Employment:** NMTS

**Occupation:** Deputy Chief Security Officer

**Credit Union Membership:** 5 years

**Education and Training:**

- MSc - Criminology and Criminal Justice
- BSc - Security Administration & Management
- Associate Degree in Security Administration & Emergency Management
- Diploma – Occupational Safety & Health
- Diploma – Human Resource Management
- Diploma- Security Administration and Management
- Certificate in Firearm Retention Safety
- Certificate in Basic Computer Awareness
- Certificate in Train the Trainer
- Certificate in Forensic Approach to Criminal Investigation
- Certificate in Creating a Customer Centred Organization

**Other Skills:**

- Security Trainer



## GEM SAUNDERS LE-MAITRE

**Place of Employment:** Business Equipment & Interior

**Occupation:** Account Executive

**Credit Union Membership:** 33 years

**Credit Union Experience:**

**Present:**

- Member of the Board of Directors
- Member of the Marketing and Communications Committee

**Past:**

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

**Education and Training:**

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



## PETER IAN DE BOULET

**Place of Employment:** Security Consultant

**Credit Union Membership:** 36 years

**Education and Training:**

- Diploma -Security Administration and Management
- Inspector Development level 1 and 11
- High Impact Supervision I and II – Penn State University
- Certificate in Court Prosecution
- Commander re: International Security – S.O.E. & C.H.O.G.M.
- Court Prosecutor
- Private Investigator
- Security Special Advisor
- Crisis Management
- Prosecutor Course



## MARILYN JOHN-FAHEY

**Place of Employment:** Retired

**Credit Union Membership:** 24 years

**Credit Union Experience:**

**Present:**

- Member of the Board of Directors
- Member of the Education Committee
- Member of the Building Committee

**Past:**

- Member of the Supervisory Committee
- Member of the Credit Committee
- Member of the Social Events Committee
- Member of the Finance Committee
- Member of the Delinquency Committee

**Education and Training:**

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

**Other Skills:**

- Counselling and Leadership

**Other Affiliations:**

- SERC



# PROFILES 2021 SUPERVISORY COMMITTEE



## ANNE MARIE CAMPBELL

**Place of Employment:** Retired

**Credit Union Membership:** 37 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



## GINELLE SMALL CUMMINGS

**Place of Employment:** NMTS

**Occupation:** Maintenance Technician I

**Credit Union Membership:** 13 years

**Credit Union Experience:**

**Present:**

- Chairperson of the Supervisory Committee

**Past:**

- 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:**

- Tutor – Regional/National Carnival Committee
- President – Jim Wyse Cultural Committee
- President Chaguanas Police Station Community Council
- President Enterprise Police Youth Club



## WILFRED WALLACE

**Place of Employment:** NMTS

**Occupation:** Accountant

**Credit Union Membership:** 17 years

**Present:**

- Member of the Supervisory Committee

**Past:**

- Member of the Finance Committee

**Education and Training:**

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



## GERALD ANTOINE

**Place of Employment:** NMTS

**Last Position Held:** Human Resource Officer II

**Credit Union Membership:** 31 years

**Credit Union Experience:**

**Present:**

- Member of the HR Committee

**Past:**

- Member of the Education Committee
- Member of the Building Committee

**Education and Training:**

- Associate Degree in Human Resource Management
- Diploma in Human Resource Management
- Certificate in Security Administration and Management
- Certificate in Introduction to Corporate Management

**Other Skills**

- Industrial Relations Consultant
- Counselling
- Private Investigator



## MELINA PREITO

**Place of Employment:** NMTS

**Last Position Held:** Acting Storekeeper

**Credit Union Membership:** 13 years

**Credit Union Experience:**

**Present:**

- Secretary of the Supervisory Committee

**Education and Training:**

- Computer Literacy
- Receptionist Course
- Ticketing & Reservation
- Conversational Spanish
- LCCI Executive Secretarial
- Purchasing & Warehouse Management
- Building Maintenance



## CLINTON WARREN

**Place of Employment:** NMTS

**Last Position Held:** Clerk 1

**Credit Union Membership:** 5 years

**Education and Training:**

- Queens Royal College

**Other Skills**

- Customer Service
- Motivational Training
- Team Building

# PROFILES 2021 CREDIT COMMITTEE



## GEORGIANA CUDJOE

**Place of Employment:** Retired

**Credit Union Membership:** 37 years

**Credit Union Experience:**

**Present:**

- Vice President of the Board of Directors
- Member of the Building Committee
- Chairperson of the Education Committee

**Past:**

- Chairperson of the Supervisory Committee
- Secretary of the Human Resource Committee
- Secretary of the Credit Committee
- Secretary of the Board of Directors
- Chairperson of the Health & Safety Committee

**Education and Training:**

- Certificate in Human Resource Management
- Training in Credit Union Administration
- Introduction to Environmental Health & Safety
- Certificate in Small Business Development Programme
- Introduction to Industrial Relations
- Credit Union Directors Professional Development Course
- Anti-Money Laundering & Counter Terrorist Financing Training Seminar
- Certificate in Delinquency Management
- Certificate in Report and Minutes Writing Skills



## CLARENCE DUKE

**Place of Employment:** NMTS

**Occupation:** Building Supervisor

**Credit Union Membership:** 36 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
- Construction Management





## RACHEAL AUSTIN

**Place of Employment:** NMTS

**Occupation:** Human Resource Assistant

**Credit Union Membership:** 12 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
- Introduction to Security Administration & Management



## WILLIAM SOLOMON

**Occupation:** Retired

**Credit Union Membership:** 37 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



## HEERALAL SOOKHAI

**Place of Employment:** NMTS

**Occupation:** Building Supervisor

**Credit Union Membership:** 25 years

**Present:**

- First Alternate of the Supervisory Committee

**Education and Training:**

- Building Construction Technology
- Cabinet Making
- Computer Literacy
- Supervisory Development
- Small Engine Repairs
- Agricultural Spray Can Repairs
- Tile Laying
- Masonry
- Plumbing
- Carpentry
- Coaching for Results



**JULIA BRUCE**

**Place of Employment:** NMTS

**Occupation:** Secretary III

**Credit Union Membership:** 20 years

**Credit Union Experience:**

**Past:**

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

**Education and Training:**

- Credit Union Co-operative Training
- Micro Enterprises Management Technique
- Delinquency Control in Financial Institutions
- Credit Evaluation Techniques
- Interpretation of Key Areas of the Co-operative Societies Act
- Anti-Money Laundering Training
- Compliance/Legal Training
- Financial Obligation Regulation
- Counter Finance Terrorism



**ADELEINE GITTENS**

**Place of Employment:** Retired

**Credit Union Membership:** 19 years

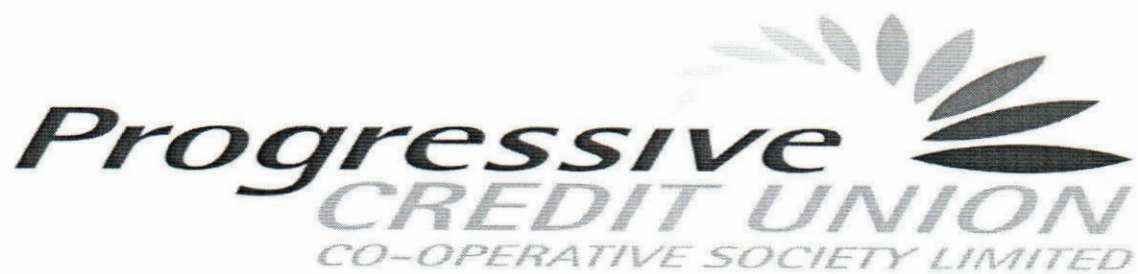
**Credit Union Experience:**

**Past:**

- Former Senior Loan Officer at Progressive Credit Union
- Secretary of the Credit Committee
- Chairperson of the Credit Committee

**Education and Training:**

- Financial Management for Credit Unions
- Loan Administration for Credit Unions
- Credit Evaluation Techniques
- Anti-Money Laundering Seminar
- Financial Counselling Seminar
- Roles and Responsibilities of the Supervisory Committee



## FINANCIAL STATEMENTS

for the year ended

December 31, 2020





## Financial Statements

for the year ended December 31, 2020

| Contents   | Pages   |
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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, 2020, 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 utilised 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

March 18, 2021

ERSKINE ABEL  
PRESIDENT

March 18, 2021

GINELLE SMALL-CUMMINGS  
CHAIRPERSON  
SUPERVISORY COMMITTEE

March 18, 2021





# *R. Ramdass & Co.*

CHARTERED ACCOUNTANTS

"ICATT REGISTERED FIRM"

## 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 December 31, 2020, 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 December 31, 2020, 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 2020 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The 2020 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.

*Ramnarine Ramdass F.C.C.A., C.A. / Vidya Ramdass F.C.C.A., C.A., C.I.A.*

17 Gaston Street, Lange Park, Chaguanas 500703 Trinidad, West Indies

Tel/Fax: 1-(868) 671-3280 / 665-0583 Email: rramdass.co@gmail.com





## *R. Ramdass & Co.*

CHARTERED ACCOUNTANTS

"ICATT REGISTERED FIRM"

### **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.

*Ramnarine Ramdass F.C.C.A., C.A. / Vidya Ramdass F.C.C.A., C.A., C.I.A.*

17 Gaston Street, Lange Park, Chaguanas 500703 Trinidad, West Indies

Tel/Fax: 1-(868) 671-3280 / 665-0583 Email: ramdass.co@gmail.com



*R. Ramdass & Co.*

CHARTERED ACCOUNTANTS

"ICATT REGISTERED FIRM"

**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)**

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

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

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

March 19, 2021

*Ramnarine Ramdass F.C.C.A., C.A. / Vidya Ramdass F.C.C.A., C.A., C.I.A.*

*17 Gaston Street, Lange Park, Chaguanas 500703 Trinidad, West Indies*

*Tel/Fax: 1-(868) 671-3280 / 665-0583 Email: rramdass.co@gmail.com*





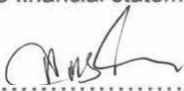
## Statement of Financial Position

as at December 31, 2020

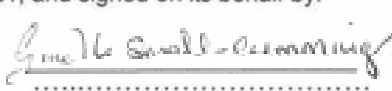
|  | NOTES  | 2020<br>\$         | 2019<br>\$         |
|--|--------|--------------------|--------------------|
| <b>ASSETS</b>                                |        |                    |                    |
| <b>Non-current assets</b>                    |        |                    |                    |
| Investment securities                        | 7a     | 3,374,430          | 3,376,075          |
| Loans to members                             | 8a & b | 89,200,638         | 84,317,084         |
| Property, plant and equipment                | 3      | 6,272,432          | 6,287,677          |
| Right-of-use asset                           | 4      | 44,211             | 103,159            |
| Total non-current assets                     |        | 98,891,711         | 94,083,995         |
| <b>Current assets</b>                        |        |                    |                    |
| Inventories                                  |        | 429,706            | 218,872            |
| Cash and short term funds                    | 5      | 381,784            | 319,696            |
| Receivables and prepayments                  | 6      | 2,784,813          | 6,469,442          |
| Investment securities                        | 7b     | 18,299,147         | 16,342,823         |
| Total current assets                         |        | 21,895,450         | 23,350,833         |
| <b>Total Assets</b>                          |        | <b>120,787,161</b> | <b>117,434,828</b> |
| <b>LIABILITIES AND MEMBERS' EQUITY</b>       |        |                    |                    |
| <b>Liabilities</b>                           |        |                    |                    |
| Bank advance                                 | 9      | 832,349            | 1,267,639          |
| Payables and accruals                        | 10     | 3,782,856          | 3,181,743          |
| Lease liability                              | 11     | 47,921             | 107,492            |
| Members' deposits                            | 12     | 7,620,754          | 7,900,400          |
| Members' shares                              | 13     | 87,952,530         | 86,692,322         |
| Total liabilities                            |        | 100,236,410        | 99,149,596         |
| <b>Members' equity</b>                       |        |                    |                    |
| Reserve fund                                 |        | 7,025,064          | 6,487,791          |
| Education fund                               |        | 749,599            | 409,017            |
| Investment re-measurement reserve            |        | 190,216            | 190,216            |
| Undivided surplus                            |        | 12,585,872         | 11,198,208         |
| Total members' equity                        |        | 20,550,751         | 18,285,232         |
| <b>Total Liabilities and Members' Equity</b> |        | <b>120,787,161</b> | <b>117,434,828</b> |

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

These financial statements were approved by the Board of Directors on March 18, 2021, and signed on its behalf by:

  
 HOLLY FRANCOIS  
 TREASURER

  
 ERSKINE ABEL  
 PRESIDENT

  
 GINELLE SMALL-CUMMINGS  
 CHAIRPERSON  
 SUPERVISORY COMMITTEE



## Statement of Comprehensive Income

for the year ended December 31, 2020

|   | NOTES | 2020<br>\$        | 2019<br>\$        |
|---|-------|-------------------|-------------------|
| <b>Income</b>   |       |                   |                   |
| Interest and dividends  | 14    | 11,684,783        | 11,460,654        |
| Fees and other income   |       | 827,954           | 812,895           |
| Rental  |       | 61,900            | 62,100            |
| <b>Total income</b>   |       | <b>12,574,637</b> | <b>12,335,649</b> |
| <b>Expenditure</b>  |       |                   |                   |
| Advertising and promotions  |       | 55,525            | 210,152           |
| Bank charges and interest   |       | 107,518           | 140,444           |
| Credit Union League dues  |       | 23,549            | 76,951            |
| Depreciation  | 3     | 216,748           | 217,677           |
| Donations   |       | 8,022             | 35,140            |
| Education and seminars  |       | 18,025            | 121,057           |
| Establishment   | 15    | 415,460           | 417,921           |
| Expected credit losses  | 8b    | (221,876)         | 1,188,306         |
| Green fund levy   |       | 36,163            | 180,942           |
| Insurances  |       | 769,287           | 375,902           |
| Interest on members' deposits   |       | 43,711            | 63,067            |
| Legal and professional  |       | 193,802           | 210,653           |
| Meetings  | 16    | 607,755           | 722,450           |
| Miscellaneous   | 17    | 145,712           | 100,103           |
| Office and stationery   |       | 149,002           | 202,731           |
| Security  |       | 468,201           | 439,920           |
| Staff salaries and benefits   | 18    | 3,636,522         | 3,391,039         |
| Tobago  | 19    | 250,064           | 247,981           |
| <b>Total expenditure</b>  |       | <b>6,923,190</b>  | <b>8,342,436</b>  |
| <b>Surplus before changes in fair value of equity investment securities measured at FVTPL</b> |       | <b>5,651,447</b>  | <b>3,993,213</b>  |
| Net change in FV of equity investment securities  |       | (295,720)         | 723,154           |
| <b>Net surplus for the year</b>   |       | <b>5,355,727</b>  | <b>4,716,367</b>  |



**Statement of Changes in Members' Equity and Reserves**  
for the year ended December 31, 2020

|                                     | Reserve<br>Fund<br>\$ | Education<br>Fund<br>\$ | Investment Re-<br>measurement<br>Reserve<br>\$ | Undivided<br>Surplus<br>\$ | Total<br>Members'<br>Equity<br>\$ |
|-------------------------------------|-----------------------|-------------------------|--|----------------------------|-----------------------------------|
| <b>Year ended December 31, 2020</b> |                       |                         |  |                            |                                   |
| Balance at January 1, 2020          | 6,487,791             | 409,017                 | 190,216  | 11,198,207                 | 18,285,231                        |
| Honorarium paid                     | -                     | -                       | -  | (120,000)                  | (120,000)                         |
| Dividends paid                      | -                     | -                       | -  | (2,912,489)                | (2,912,489)                       |
| Entrance fees                       | 1,700                 | -                       | -  | -                          | 1,700                             |
| Net surplus for the year            | -                     | -                       | -  | 5,355,727                  | 5,355,727                         |
| Transfers                           | 535,573               | 400,000                 | -  | (935,573)                  | -                                 |
| Fund expenditure/adjustments        | -                     | (59,418)                | -  | -                          | (59,418)                          |
| <b>December 31, 2020</b>            | <b>7,025,064</b>      | <b>749,599</b>          | <b>190,216</b>                                 | <b>12,585,872</b>          | <b>20,550,751</b>                 |
| <b>Year ended December 31, 2019</b> |                       |                         |  |                            |                                   |
| 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>                 |

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





## Statement of Cash Flows

for the year ended December 31, 2020

|   | <u>NOTES</u> | <u>2020</u><br>\$ | <u>2019</u><br>\$ |
|---|--------------|-------------------|-------------------|
| <b>Cash flows from operating activities</b>                                 |              |                   |                   |
| Net surplus for the year  |              | 5,651,447         | 3,993,213         |
| Adjustments to reconcile net surplus to net cash from operating activities: |              |                   |                   |
| Depreciation  | 3            | 216,748           | 217,677           |
| Depreciation of right-of-use asset  |              | 58,948            | 58,948            |
| Increase in inventories   |              | (210,834)         | (121,138)         |
| Expected credit losses  |              | (221,876)         | 1,188,306         |
| Loss on disposal of property, plant and equipment                           |              | 7,099             | -                 |
| Decrease in receivables and prepayments                                     |              | 3,684,629         | 1,243,584         |
| Increase in payables and accruals   |              | 601,113           | 957,445           |
| Net cash from operating activities  |              | 9,787,274         | 7,538,035         |
| <b>Cash flows used in investing activities</b>                              |              |                   |                   |
| Net change in loans to members  |              | (4,661,678)       | 526,683           |
| Net change in investment securities   |              | (2,250,399)       | (6,929,569)       |
| Net change in members' deposits   |              | (279,647)         | 57,110            |
| Additions to property, plant and equipment                                  |              | (208,602)         | (122,358)         |
| Net cash used in investing activities                                       |              | (7,400,326)       | (6,468,134)       |
| <b>Cash flows used in financing activities</b>                              |              |                   |                   |
| Principal repayments on lease liability                                     |              | (59,571)          | (55,673)          |
| Dividends paid  |              | (2,912,489)       | (2,895,561)       |
| Net change in members' shares   |              | 1,260,208         | 2,379,555         |
| Net change in education fund  |              | (59,418)          | (400,000)         |
| Honorarium paid   |              | (120,000)         | (116,000)         |
| Entrance fees   |              | 1,700             | 1,920             |
| Net cash used in financing activities                                       |              | (1,889,570)       | (1,085,759)       |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                 |              | <b>497,378</b>    | <b>(15,858)</b>   |
| <b>Cash and cash equivalents at beginning of year</b>                       |              | <b>(947,943)</b>  | <b>(932,085)</b>  |
| <b>Cash and cash equivalents at end of year</b>                             |              | <b>(450,565)</b>  | <b>(947,943)</b>  |
| <b>Represented by:</b>  |              |                   |                   |
| Cash and short term funds   | 5            | 381,784           | 319,696           |
| Bank advance  | 9            | (832,349)         | (1,267,639)       |
| <b>Total cash and cash equivalents</b>                                      |              | <b>(450,565)</b>  | <b>(947,943)</b>  |

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





## Notes to the Financial Statements

for the year ended December 31, 2020

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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, 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, 2020

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

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

##### I) 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, 2020

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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.

##### i) *Standards, amendments and interpretations to existing standards applicable in the current year which were adopted by the Society.*

- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after January 1, 2020). These amendments clarify the definition of materiality and the meaning of primary users of general purpose financial statements by defining them as existing and potential investors, lenders and other creditors. The Society has applied the guidance on materiality when preparing its financial statements.



## Notes to the Financial Statements

for the year ended December 31, 2020

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

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

##### *Standards, amendments and interpretations to existing standards applicable in the current year which were adopted by the Society.(cont'd)*

- Revised Conceptual Framework for Financial Reporting (effective for annual periods beginning on or after January 1, 2020). The revised Conceptual Framework will be used in standard-setting decisions with immediate effect, however no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies will need to consider whether their accounting policies are still appropriate under the revised Framework. There was no impact from the adoption of this amendment.
- ii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Society.*

#### **Covid-19 related Rent Concessions – Amendments to IFRS 16**

As a result of Covid-19 pandemic, rent concessions have been granted to lessees. Such Concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions. An entity applies the amendments for annual reporting periods beginning on or after June 30, 2020, with earlier application permitted. These amendments are not expected to have any material impact on the financial statements of the Society and no specific disclosures are required.

#### **Classification of Liabilities as Current or Non-current - Amendments to IAS 1**

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.



## Notes to the Financial Statements

for the year ended December 31, 2020

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

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

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

#### Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (cont'd)

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an exposure draft proposing to defer the effective date of the amendments from January 1, 2022 to January 1, 2023.

The above amendments are not expected to have a significant impact on the Society's financial statements.

#### 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.

#### 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.





## Notes to the Financial Statements

for the year ended December 31, 2020

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

#### 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.

#### 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.



## Notes to the Financial Statements

for the year ended December 31, 2020

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

#### Financial instruments (cont'd)

##### 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.

#### (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.

## Notes to the Financial Statements

for the year ended December 31, 2020

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

#### Financial instruments (cont'd)

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

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.

'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, 2020

### 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 or 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, 2020

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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 twelve (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 twelve (12) months after the reporting date.

## Notes to the Financial Statements

for the year ended December 31, 2020

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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, 2020

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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 twelve (12) months after the reporting date. The Society calculates the 12mECL allowance based on the expectation of a default occurring in the twelve (12) months following the reporting date. These expected twelve (12) months 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, 2020

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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, 2020

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### 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 statement of financial position.

##### 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, 2020

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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 and adjusted if appropriate at each statement of financial position date. 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. Inventories

Inventories are valued at the lower of cost and net realisable value and represents goods held for resale. Cost is determined using the first in, first out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business less direct selling expenses. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less cost to sell, and the impairment loss is recognised immediately in profit or loss.

#### k. 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.

#### l. 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.

#### m. Payables and accruals

Payables and accruals are carried at cost which is the fair value of the consideration to be paid in the future for services rendered.

#### n. 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.



## Notes to the Financial Statements

for the year ended December 31, 2020

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

#### o. 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.

#### p. 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 twelve (12) months or less.

#### q. 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.

#### r. 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, 2020

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

#### s. 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.

#### t. Interest on members' deposits

These are computed on the accruals basis.

#### u. 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 (3) months or less from the date of acquisition. Bank advance is disclosed as a current liability.

#### v. 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, 2020

**3. PROPERTY, PLANT AND EQUIPMENT**

|                                 | Freehold<br>Property | Buildings        | Furniture,<br>Fixtures and<br>Fittings | Equipment        | Motor<br>Vehicle | Total            |
|---------------------------------|----------------------|------------------|--|------------------|------------------|------------------|
|                                 | \$                   | \$               | \$                                     | \$               | \$               | \$               |
| <b>Year ended Dec 31, 2020</b>  |                      |                  |  |                  |                  |                  |
| <b>Cost/Valuation</b>           |                      |                  |  |                  |                  |                  |
| January 1, 2020                 | 1,516,427            | 4,721,516        | 677,863                                | 1,427,586        | 178,850          | 8,522,242        |
| Additions                       | -                    | 9,102            | 1,350                                  | 198,150          | -                | 208,602          |
| Disposals                       | -                    | -                | -                                      | (59,765)         | -                | (59,765)         |
| <b>December 31 2020</b>         | <b>1,516,427</b>     | <b>4,730,618</b> | <b>679,213</b>                         | <b>1,565,971</b> | <b>178,850</b>   | <b>8,671,079</b> |
| <b>Accumulated Depreciation</b> |                      |                  |  |                  |                  |                  |
| January 1, 2019                 | -                    | 1,037,671        | 257,028                                | 801,607          | 138,259          | 2,234,565        |
| Charge for the year             | -                    | 93,916           | 21,108                                 | 93,606           | 8,118            | 216,748          |
| Disposals                       | -                    | -                | -                                      | (52,666)         | -                | (52,666)         |
| <b>December 31, 2020</b>        | <b>-</b>             | <b>1,131,587</b> | <b>278,136</b>                         | <b>842,547</b>   | <b>146,377</b>   | <b>2,398,647</b> |
| <b>Net Book Value</b>           |                      |                  |  |                  |                  |                  |
| Balance as at                   |                      |                  |  |                  |                  |                  |
| <b>December 31, 2020</b>        | <b>1,516,427</b>     | <b>3,599,031</b> | <b>401,077</b>                         | <b>723,424</b>   | <b>32,473</b>    | <b>6,272,432</b> |
| <b>Year ended Dec 31, 2019</b>  |                      |                  |  |                  |                  |                  |
| <b>Cost/Valuation</b>           |                      |                  |  |                  |                  |                  |
| 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> |
| <b>Accumulated Depreciation</b> |                      |                  |  |                  |                  |                  |
| 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> |
| <b>Net Book Value</b>           |                      |                  |  |                  |                  |                  |
| 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> |

## Notes to the Financial Statements

for the year ended December 31, 2020

|  | <u>2020</u>      | <u>2019</u>      |
|--|------------------|------------------|
| <b>4. RIGHT-OF-USE ASSET</b>   | <b>\$</b>        | <b>\$</b>        |
| <b>i) Property</b>   |                  |                  |
| Balance as at January 1  | 103,159          | 162,107          |
| Depreciation charge for the year   | (58,948)         | (58,948)         |
| Balance as at December 31  | <u>44,211</u>    | <u>103,159</u>   |
| <b>ii) Amount recognised in statement of comprehensive income</b>        |                  |                  |
| Interest on lease liability  | 59,571           | 11,422           |
| Depreciation   | 58,948           | 58,948           |
| <b>5. CASH AND SHORT TERM FUNDS</b>                                      |                  |                  |
| Cash in hand   | 381,784          | 319,696          |
|  | <u>381,784</u>   | <u>319,696</u>   |
| <b>6. RECEIVABLES AND PREPAYMENTS</b>                                    |                  |                  |
| Interest receivable  | 45,024           | 45,024           |
| Loan interest receivable   | 577,556          | 353,522          |
| NMTS payroll   | 1,928,182        | 5,891,892        |
|  | 2,550,762        | 6,290,438        |
| Sundry receivables   | 234,051          | 179,004          |
|  | <u>2,784,813</u> | <u>6,469,442</u> |
| <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   | 1,020,430        | 1,022,075        |
| National Investment Fund - 2023  | 337,000          | 337,000          |
|  | <u>3,374,430</u> | <u>3,376,075</u> |



## Notes to the Financial Statements

for the year ended December 31, 2020

|  | <u>2020</u>       | <u>2019</u>       |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>INVESTMENT SECURITIES (cont'd)</b>                    |                   |                   |
| <b>b. Equity investment securities measured at FVPL:</b> |                   |                   |
| Jamaica Money Market Brokers - 120,000 shares            | 230,400           | 308,400           |
| Royal Bank of Canada - 265 shares                        | 147,027           | 141,879           |
| Guardian Holdings Limited - 3,000 shares                 | 62,700            | 64,950            |
| Republic Bank Limited -2,000 shares                      | 269,980           | 262,440           |
| Grace Kennedy and Company Limited - 18,000 shares        | 69,300            | 71,100            |
| Sagcor Financial Company Ltd -2,303 shares               | 80,249            | 118,426           |
| First Citizens Bank Limited -51,433 shares               | 2,213,162         | 2,288,769         |
| Trinidad and Tobago NGL Limited - 10,948 shares          | 186,116           | 262,314           |
| <b>Units</b>   |                   |                   |
| Trinidad and Tobago Unit Trust Corporation;              |                   |                   |
| - 1st Scheme   | 21,314            | 21,289            |
| - 2nd Scheme   | 14,709,727        | 12,459,801        |
| - US\$ Income Fund                                       | 30,163            | 29,794            |
| - Calypso Macro Index Fund                               | 279,009           | 313,661           |
|  | <b>18,299,147</b> | <b>16,342,823</b> |

## 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.

### Impact of COVID-19 Pandemic

In March of 2020, the World Health Organisation (WHO) declared the novel Coronavirus (COVID-19) outbreak a global pandemic and the Government of the Republic of Trinidad and Tobago declared the closure of the Country's Borders and all nonessential workers to stay at home from March 27, 2020. This pandemic and the measures to control its human impact have resulted in disruptions to economic activity and business operations.

As a result of the impact of the COVID-19 pandemic and the potential negative impact on the Society's loan portfolio arising from the decline in economic activity, a heightened application of judgement was exercised in the determination of whether a significant increase in credit risk (SICR) has occurred prior to granting new loans to members.

However, it should be noted that the impact of COVID-19 on its loan delinquency during this time was negligible as there were few moratoriums during the period and fewer rescheduling of loans.

## Notes to the Financial Statements

for the year ended December 31, 2020

### LOANS TO MEMBERS (cont'd)

#### a) Credit concentration

|   | 2020              | 2019              |
|---|-------------------|-------------------|
|   | \$                | \$                |
| Special                                   | 7,119             | 57,705            |
| Business                                  | 985,467           | 1,061,147         |
| Consumer                                  | 200,399           | 61,647            |
| Xmas                                      | 985,681           | 1,277,403         |
| Ordinary                                  | 92,319,285        | 87,320,305        |
| Mortgage loan                             | 505,326           | -                 |
| Education                                 | 66,853            | 64,079            |
| Vehicle                                   | 823,910           | 1,638,568         |
| Gross loans                               | 95,894,040        | 91,480,854        |
| Less: Expected credit losses              | (6,693,402)       | (7,163,770)       |
| Total loans net of expected credit losses | <b>89,200,638</b> | <b>84,317,084</b> |

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

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Balance at beginning of the year | 7,163,770        | 6,225,228        |
| Expected credit losses           | (221,876)        | 1,188,306        |
| Loans written off                | (248,492)        | (249,764)        |
| Balance at end of year           | <b>6,693,402</b> | <b>7,163,770</b> |

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

#### December 31, 2020

|                        | Stage 1<br>0-30 days in<br>arrears | Stage 2<br>31-90 days in<br>arrears | Stage 3<br>> 90 days in<br>arrears | Sum total         |
|------------------------|------------------------------------|-------------------------------------|------------------------------------|-------------------|
| Principal              | 77,815,369                         | 5,921,725                           | 12,156,946                         | 95,894,040        |
| Expected credit losses | (162,282)                          | (142,362)                           | (6,388,758)                        | (6,693,402)       |
|                        | <b>77,653,087</b>                  | <b>5,779,363</b>                    | <b>5,768,188</b>                   | <b>89,200,638</b> |

#### December 31, 2019

|                        | Stage 1<br>0-30 days in<br>arrears | Stage 2<br>31-90 days in<br>arrears | Stage 3<br>> 90 days in<br>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)       |
|                        | <b>68,485,767</b>                  | <b>9,495,589</b>                    | <b>6,335,728</b>                   | <b>84,317,084</b> |





## Notes to the Financial Statements

for the year ended December 31, 2020

|   | <u>2020</u>       | <u>2019</u>       |
|---|-------------------|-------------------|
| <b>9. BANK ADVANCE</b>  | <b>\$</b>         | <b>\$</b>         |
| RBC Royal Bank (T&T) Limited  | 832,349           | 1,267,639         |
| <p>The Society has an approved overdraft facility with RBC Royal Bank (T&amp;T) Limited. The approved limit on this facility attracts interest at the rate of 9% per annum. The facility is secured by a registered demand first mortgage over commercial property at Chacon Street, San Fernando, stamped to secure \$2.625M together with assignment of fire insurance policy over the property for \$3.2M.</p> |                   |                   |
| <b>10. PAYABLES AND ACCRUALS</b>  | <b>\$</b>         | <b>\$</b>         |
| Interest payable  | 28,724            | 35,922            |
| Sundry payables and accruals  | 3,754,132         | 3,145,821         |
|   | <b>3,782,856</b>  | <b>3,181,743</b>  |
| <b>11. LEASE LIABILITY</b>  |                   |                   |
| Balance as at January 1   | 107,492           | 163,165           |
| Payment of lease liability  | (59,571)          | (55,673)          |
| Balance as at December 31   | <b>47,921</b>     | <b>107,492</b>    |
| <b>12. MEMBERS' DEPOSITS</b>  |                   |                   |
| Demand deposits   | 5,149,032         | 4,249,819         |
| Fixed deposits  | 1,638,028         | 1,891,940         |
| Protector plan  | 798,905           | 1,714,013         |
| Other   | 34,789            | 44,628            |
|   | <b>7,620,754</b>  | <b>7,900,400</b>  |
| <b>13. MEMBERS' SHARES</b>  |                   |                   |
| An unlimited number of shares of \$5.00 each  | 87,952,530        | 86,692,322        |
| <p>The Capital of the Society consist of an unlimited number of shares of \$5.00 each. In accordance with International Financial Reporting Interpretation Committee IFRIC-2, these are redeemable shares and have been treated as liabilities.</p>   |                   |                   |
| <b>14. INTEREST AND DIVIDENDS</b>   | <b>\$</b>         | <b>\$</b>         |
| Investment  | 740,297           | 433,770           |
| Members' loans  | 10,944,486        | 11,026,884        |
|   | <b>11,684,783</b> | <b>11,460,654</b> |

**Notes to the Financial Statements**  
for the year ended December 31, 2020

|   | <u>2020</u>      | <u>2019</u>      |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>15. ESTABLISHMENT</b>                    |                  |                  |
| Rent, rates and taxes                       | 3,449            | 18,902           |
| Repairs and maintenance                     | 99,433           | 111,080          |
| Telephone, electricity and cable            | 312,578          | 287,939          |
|   | <b>415,460</b>   | <b>417,921</b>   |
| <b>16. MEETINGS</b>                         |                  |                  |
| Annual General                              | 91,603           | 200,009          |
| Board of Directors                          | 356,931          | 345,281          |
| Other committees                            | 121,356          | 140,309          |
| Subsistence                                 | 37,865           | 36,851           |
|   | <b>607,755</b>   | <b>722,450</b>   |
| <b>17. MISCELLANEOUS</b>                    |                  |                  |
| Cleaning                                    | 40,153           | 34,774           |
| General                                     | 48,736           | 37,247           |
| Loss on disp. of property, plant and equip. | 7,099            | -                |
| Motor vehicle                               | 49,724           | 28,082           |
|   | <b>145,712</b>   | <b>100,103</b>   |
| <b>18. STAFF SALARIES AND BENEFITS</b>      |                  |                  |
| Back pay                                    | 742,877          | 37,848           |
| Ex-gratia and trade disputes                | 10,800           | -                |
| NIS and medical plan                        | 192,802          | 185,505          |
| Pensions                                    | 46,019           | 530,024          |
| Provision for vacation                      | (719)            | 72,801           |
| Salaries                                    | 2,547,342        | 2,432,316        |
| Staff welfare and travelling                | 70,426           | 78,304           |
| Training                                    | 6,674            | 20,512           |
| Uniforms                                    | 20,301           | 33,729           |
|   | <b>3,636,522</b> | <b>3,391,039</b> |
| <b>19. TOBAGO</b>                           |                  |                  |
| Depreciation                                | 58,948           | 58,947           |
| Lease interest                              | 7,524            | 11,421           |
| Office                                      | 26,435           | 35,063           |
| Repairs and maintenance                     | 4,538            | 2,242            |
| Security                                    | 103,995          | 95,150           |
| Travel, subsistence and accomodation        | 21,610           | 20,585           |
| Utilities                                   | 27,014           | 24,573           |
|   | <b>250,064</b>   | <b>247,981</b>   |



## Notes to the Financial Statements

for the year ended December 31, 2020

### 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: -

|                              | 2020                  |                   |
|------------------------------|-----------------------|-------------------|
|                              | <u>Carrying Value</u> | <u>Fair Value</u> |
| <b>Financial Assets</b>      |                       |                   |
| Cash and short term funds    | 381,784               | 381,784           |
| Investment securities        | 21,673,577            | 21,673,577        |
| Loan interest receivable     | 577,556               | 577,556           |
| Loans to members             | 89,200,638            | 89,200,638        |
| <b>Financial Liabilities</b> |                       |                   |
| Bank advance                 | 832,349               | 832,349           |
| Members' deposits            | 7,620,754             | 7,620,754         |
| Interest payable             | 28,724                | 28,724            |
| Members' shares              | 87,952,530            | 87,952,530        |
|                              | 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        |

## Notes to the Financial Statements

for the year ended December 31, 2020

### 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 its carrying amounts categorised according to its maturity dates:

| 2020                         |                       |                     |                     |                     |                             |              |
|------------------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------------|--------------|
|                              | <u>Effective Rate</u> | <u>Up to 1 year</u> | <u>2 to 5 years</u> | <u>Over 5 years</u> | <u>Non Interest Bearing</u> | <u>Total</u> |
| <b>Financial Assets</b>      |                       |                     |                     |                     |                             |              |
| Cash and short term funds    | 0.05%                 | -                   | -                   | -                   | 381,784                     | 381,784      |
| Investment securities        | 6.50%                 | 18,299,147          | -                   | 3,349,430           | 25,000                      | 21,673,577   |
| Loans to members             | 12.00%                | 1,494,953           | 69,822,803          | 17,882,882          | -                           | 89,200,638   |
| <b>Financial Liabilities</b> |                       |                     |                     |                     |                             |              |
| Bank advance                 | 10.50%                | 832,349             | -                   | -                   | -                           | 832,349      |
| Members' deposits            | 2.00%                 | 5,982,726           | 1,638,028           | -                   | -                           | 7,620,754    |
| Members' shares              | 3.00%                 | 87,952,530          | -                   | -                   | -                           | 87,952,530   |
| 2019                         |                       |                     |                     |                     |                             |              |
|                              | <u>Effective Rate</u> | <u>Up to 1 year</u> | <u>2 to 5 years</u> | <u>Over 5 years</u> | <u>Non Interest Bearing</u> | <u>Total</u> |
| <b>Financial Assets</b>      |                       |                     |                     |                     |                             |              |
| Cash and short term funds    | 0.05%                 | -                   | -                   | -                   | 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   |



**Notes to the Financial Statements**  
for the year ended December 31, 2020

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**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 minimising 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, 2020

**FINANCIAL RISK MANAGEMENT (cont'd)**

**Liquidity risk (cont'd)**

|                                | 2020                |                     |                     |                   |
|--------------------------------|---------------------|---------------------|---------------------|-------------------|
|                                | <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      | 381,784             | -                   | -                   | 381,784           |
| Investment securities          | 18,299,147          | -                   | 3,374,430           | 21,673,577        |
| Loan interest receivable       | 577,556             | -                   | -                   | 577,556           |
| Investment interest receivable | 45,024              | -                   | -                   | 45,024            |
| Loans to members               | 1,494,953           | 69,822,803          | 17,882,882          | 89,200,638        |
|                                | 20,798,464          | 69,822,803          | 21,257,312          | 111,878,579       |
| <b>Financial Liabilities</b>   |                     |                     |                     |                   |
| Bank advance                   | 832,349             | -                   | -                   | 832,349           |
| Members' deposits              | 5,982,726           | 1,638,028           | -                   | 7,620,754         |
| Interest payable               | 28,724              | -                   | -                   | 28,724            |
| Members' shares                | 87,952,530          | -                   | -                   | 87,952,530        |
|                                | 94,796,329          | 1,638,028           | -                   | 96,434,357        |
| <b>Net liquidity gap</b>       | <b>(73,997,865)</b> | <b>68,184,775</b>   | <b>21,257,312</b>   | <b>15,444,222</b> |
|                                |                     |                     |                     |                   |
|                                | 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        |
|                                | 19,000,303          | 71,603,398          | 14,150,523          | 104,754,224       |
| <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        |
|                                | 94,759,884          | 1,136,399           | -                   | 95,896,283        |
| <b>Net liquidity gap</b>       | <b>(75,759,581)</b> | <b>70,466,999</b>   | <b>14,150,523</b>   | <b>8,857,941</b>  |



## Notes to the Financial Statements

for the year ended December 31, 2020

### FINANCIAL RISK MANAGEMENT (cont'd)

#### (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.

#### (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>2020</u> | <u>2019</u> |
|---|-------------|-------------|
|   | \$          | \$          |
| <b>Assets</b>   |             |             |
| Loan balances of Directors and Key Management Personnel | 2,425,003   | 1,002,168   |
| <b>Deposits and other liabilities</b>                   |             |             |
| Deposits held by Directors and Key Management Personnel | 31,191      | 47,466      |
| Shares held by Directors and Key Management Personnel   | 905,554     | 917,880     |
| <b>Remuneration</b>                                     |             |             |
| Directors   | 399,350     | 428,000     |
| <b>Key management compensation</b>                      |             |             |
| Short-term benefits                                     | 723,669     | 634,943     |

## Notes to the Financial Statements

for the year ended December 31, 2020

### FINANCIAL RISK MANAGEMENT (cont'd)

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| Short-term benefits                                     | 723,669     | 634,943     |





## Notes to the Financial Statements

for the year ended December 31, 2020

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### FAIR VALUES (cont'd)

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, 2020.

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

### Dividend:

Whereas Progressive Credit Union Cooperative Society Limited has realized a Net Surplus as at 2020 December 31st in the sum of Five Million Three Hundred and Fifty Five Thousand, Seven Hundred and Twenty-Seven Dollars (\$5,355,727.00) 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 2020, be divided, in accordance with the Bye-Law 15, as follows:

1. Dividend of 3.5% -  
\$3M Credited to Members' Share Accounts.
2. Interest Rebate of 3.5% -  
\$0.379M Credited to Members' Deposit Accounts.

## RESOLUTION NO. 2

### Honoraria:

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 2020, be distributed, in accordance with the Bye-Law 15, as follows:

Honoraria - \$130,000.00 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 to Write-off Bad Debts

"Whereas, Regulation 32 of the Co-operative Societies Act, Chapter 81:03 requires the approval of the general meeting to write-off bad debts from the books of the society.

And *Whereas*, it requires every effort is made to recover bad debts or delinquent loans in pursuance of the recoveries procedure of the society.

And *Whereas*, efforts to recover forty-four (44) bad debts in the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00) have proven futile.

And *Whereas*, the Board continues to pursue the recovery of bad debts or delinquent loans even after they have been written off.

**BE IT RESOLVED** that the forty-four (44) bad debts in the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00) be written off.



# AMENDMENT TO BYE -LAWS

## 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.

# BUDGET SUMMARY

## STATEMENT OF BUDGETED INCOME & EXPENDITURE FOR THE YEAR 2021

|  | BUDGET<br>2021       | AUDITED<br>2020      | BUDGET 2021 vs<br>AUDITED 2020 |               |
|--|----------------------|----------------------|--------------------------------|---------------|
|  |                      |                      |                                | PERCENT       |
| ITEM                                       | \$                   | \$                   | \$                             | %             |
| <b>Income:</b>                             |                      |                      |                                |               |
| Interest on members' loans                 | 11,527,058.07        | 11,684,782.86        | (157,724.79)                   | (0.01)        |
| Fees and Other Income                      | 864,143.56           | 827,953.35           | 36,190.21                      | 0.04          |
| Rental income                              | 66,000.00            | 61,900.00            | 4,100.00                       | 0.07          |
|  |                      |                      |                                |               |
| <b>TOTAL INCOME</b>                        | <b>12,457,201.63</b> | <b>12,574,636.21</b> | <b>(117,434.58)</b>            | <b>(0.01)</b> |
|  |                      |                      |                                |               |
| <b>General and Administrative Expenses</b> |                      |                      |                                |               |
| Advertising and promotion                  | 338,200.00           | 55,525.00            | 282,675.00                     | 5.09          |
| Bank charges and interest                  | 81,600.00            | 107,518.00           | (25,918.00)                    | (0.24)        |
| Credit Union League Dues                   | 82,032.00            | 23,549.00            | 58,483.00                      | 2.48          |
| Depreciation                               | 302,000.00           | 216,748.00           | 85,252.00                      | 0.39          |
| Donations                                  | 39,000.00            | 8,022.00             | 30,978.00                      | 3.86          |
| Education & Seminars Expenses              | 475,000.00           | 18,025.00            | 456,975.00                     | 25.35         |
| Establishment                              | 458,200.00           | 415,460.00           | 42,740.00                      | 0.10          |
| Green Fund levy                            | 37,371.60            | 36,163.00            | 1,208.60                       | 0.03          |
| Insurances                                 | 738,000.00           | 769,287.00           | (31,287.00)                    | (0.04)        |
| Legal and professional fees                | 318,574.00           | 193,802.00           | 124,772.00                     | 0.64          |
| Meetings                                   | 596,150.00           | 607,755.00           | (11,605.00)                    | (0.02)        |
| Members' Fixed Deposit Interest            | 80,000.00            | 43,711.00            | 36,289.00                      | 0.83          |
| Miscellaneous                              | 117,600.00           | 145,712.00           | (28,112.00)                    | (0.19)        |
| Provision for Loan Losses                  | 900,000.00           | (221,876.00)         | 1,121,876.00                   | (5.06)        |
| Salaries and Benefits                      | 4,527,075.52         | 3,636,522.00         | 890,553.52                     | 0.24          |
| Security                                   | 510,000.00           | 468,201.00           | 41,799.00                      | 0.09          |
| Stationery and postage                     | 99,000.00            | 149,002.00           | (50,002.00)                    | (0.34)        |
| Tobago Expenses                            | 254,481.00           | 250,064.00           | 4,417.00                       | 0.02          |
|  |                      |                      |                                |               |
|  |                      |                      |                                |               |
| <b>TOTAL EXPENDITURE</b>                   | <b>9,954,284.12</b>  | <b>6,923,190.00</b>  | <b>3,031,094.12</b>            | <b>0.44</b>   |
|  |                      |                      |                                |               |
| <b>NET SURPLUS FOR THE YEAR</b>            | <b>2,502,917.51</b>  | <b>5,651,446.21</b>  | <b>(3,148,528.70)</b>          | <b>(0.56)</b> |





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