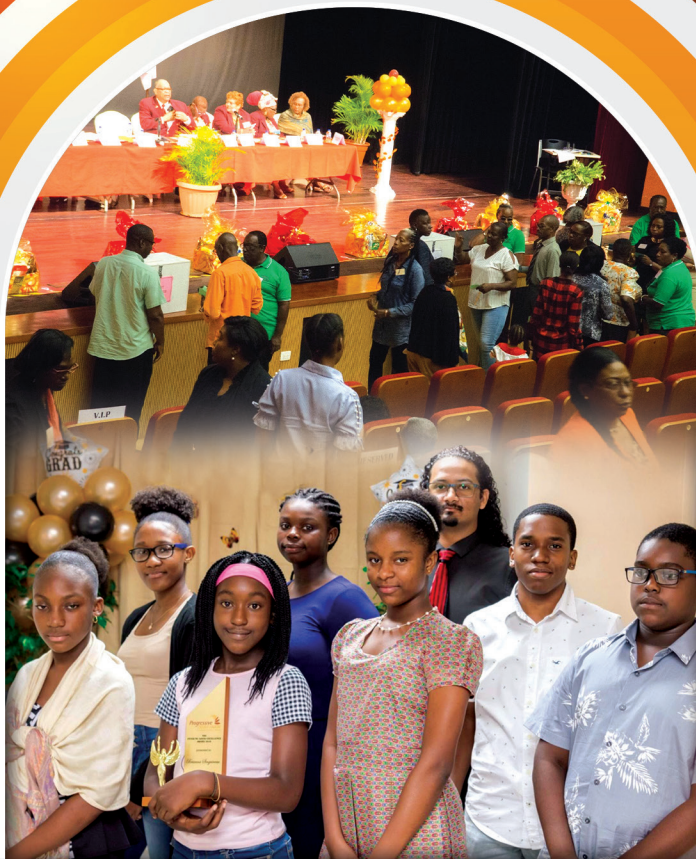


**2021**  
ANNUAL REPORT

**2022**  
35TH ANNUAL  
GENERAL MEETING

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



*Preserving the*  
**MEMBER  
CONNECTION**

[progressivecutt.com](http://progressivecutt.com)

## **VISION STATEMENT**

To empower our members to improve their lives.

## **MISSION STATEMENT**

To provide financial services, co-operative principles in an environment of integrity, passion, and commitment.

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# NATIONAL ANTHEM

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

# 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.

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# NOTICE OF THE 35TH ANNUAL GENERAL MEETING

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

**Date: Saturday 30th April, 2022**

**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 35th Annual General Meeting
4. First Credentials Committee Report
5. Adoption of Standing Orders
6. Confirmation of Minutes of the 34th Annual General Meeting
7. Matters arising out of the Minutes of the 34th Annual General Meeting
8. Confirmation of Minutes of the Special General Meeting
9. Matters arising out of the Minutes of the Special General Meeting
10. President's Address
11. **Presentation of Reports – 2021**
  - *Board of Directors*
  - *Credit Committee*
  - *Supervisory Committee*
  - *Education Committee*
12. Nominating Committee's Report
13. Second Credentials Committee Report
14. Election of Officers
15. Financials
  - *Auditor's Report*
  - *Financial statement*
  - *Budget for the Year Ending 2022 December 31*
16. Resolutions
17. General Business
18. 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



**Allyson White**  
**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 microphone 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-FOURTH ANNUAL GENERAL MEETING OF PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD VIRTUALLY ON SATURDAY, MARCH 27TH, 2021

## 1.00 CALL TO ORDER

The meeting was called to order at 10.11 a.m. by Director Michael Hernandez who welcomed all present to the 34th Annual General Meeting.

## 2.00 NATIONAL ANTHEM/INVOCATION/CREDIT UNION PRAYER/ MINUTE OF SILENCE

The National Anthem was played. The Invocation was led by Director Michael Hernandez, followed by the recitation of the Credit Union Prayer.

One minute silence was observed for departed members.

## 3.00 NOTICE OF MEETING

The Notice of the 34th Annual General Meeting of Progressive Credit Union Co-operative Society Limited was read by Ms. Candice Haynes, Secretary to the Board.

## 4.00 1st CREDENTIAL COMMITTEE'S REPORT

On behalf of the Credentials Committee, Ms. Candice Haynes, Secretary, reported that at 10.11 a.m. there were 155 members and 2 guests logged on to the meeting and declared that in accordance with Bye Law 14(c)(l) the meeting was duly constituted. Video on how to participate in the meeting and vote was played.

## 5.00 PRESIDENT'S ADDRESS

5.01 The President, Mr. Erskine Abel, spoke on the theme of the Annual General Meeting, Meeting the Challenge, and stated that the last few months had been a challenge for the Credit Union brought on by ongoing uncertainties as a consequence of the Covid-19 pandemic which contributed to the cancellation of various forms of training, infrequent meetings and the introduction of virtual board meetings. He also noted that arising out of the need to safeguard staff and members, the services provided by the Credit Union were also affected but reminded that for the organization to overcome the challenges, responsible business decisions through effective strategies of transformation and digitalization of operations and systems, had to be made.

5.02 As the President referenced Dr. Martin Luther King Jr, he pointed out that to meet the challenge, the Credit Union had to be competitive and develop

innovatively while bearing in mind that new approaches will face innumerable barriers to hinder well established systems, processes and culture. Nonetheless, the President continued by stating that forming new business was the challenge of the day for the organization and because of maturing technologies a new priority to create develop and sustain innovation must be clear. He also stated that success required a subtle mix of old and new organization qualities to keep those opposing forces in equilibrium.

5.03 The President then pointed out that the current organizational systems operated in a predictable environment wherein the goals of the Executive were stability and efficiency through new strategies and improvement on new applications and innovation.

5.04 Mr. Abel stressed to members that the first step on the road to success was to identify challenges, commit to the development and preparation of a plan to deal with the challenges and then ensure that all involved are fully aware of the goals. He reminded that each small step of overcoming a challenge can be viewed as a short-term goal; a combination of several short-term goals brought about medium-term goals and a combination of medium-term goals resulted in the completion and delivery of long-term goals with the ultimate result being success.

5.05 The President then pointed out that to set a goal was simple and should be established at the beginning. The goals, he noted, should be achievable and measurable so that its progress could be measured. He also stated that a plan that optimized the range of performance variables simultaneously lead to successful management of the challenge which mitigated any risk that may have a negative impact on the organization's chance of success. He went on to note that the deepest learning came out of interactions and that the goals of the organization was not to be definitive but be derived from certain areas of promise that would be worth pursuing and that diversity required fresh thinking and innovative approaches to operations.

5.06 President Abel went on to inform members that the Board would create an agenda for the organization



which would remove disabilities, allow core capabilities to grow and make appropriate organizational responses to opportunities that may arise taking heed of the factors used to measure the effect of the organization's chances of coping with change. He then stated that the corporate values of the organization were a key metric of good management which should be known and understood by all. He continued by pointing out that successful organizations responded well to evolutionary changes that sustained innovation but ran into difficulty when having to deal with initiating revolutionary changes or disruptive innovation. To cope with disruptive innovation, he stressed, the organization must invest in sustaining technologies compatible with the resources, process and values to achieve customer satisfaction.

5.07 The President stressed that each day brought new challenges which meant new opportunities for the organization and noted that fear must be transformed into enthusiasm to face challenges and learn new things relative to the fast changing financial environment noting that success was a result of perseverance, talent, sacrifice and effort.

5.08 In closing, the President likened the image on the cover of the Brochure to three minds in attack formation to face challenges: The first mind, he stated, represented the members who indicated what was required and demanded what was right as far as the direction of the Credit Union's business was concerned. The second mind, he continued, represented elected officers and the third mind represented the staff.

Finally, President Abel reminded members that the Board would continue to fight to ensure that success was achieved and reminded all that together the Credit Union shall overcome the challenges.

## **6.00 ADOPTION OF STANDING ORDERS**

President Erskine Abel read the Standing Orders for Virtual Meetings, as stated on page 7 of the Brochure.

### **6.01 Adoption**

The Standing Orders were adopted by the meeting, on a motion moved by Mr. Michael Hernandez and seconded by Mr. Stephen Fraser, with forty-two (42) members voting in the affirmative, one against and four abstentions. The motion was carried.

## **7.00 BROCHURE**

The Brochure was taken as read on a motion moved by Mr. Michael Hernandez, seconded by Mr. Stephen Fraser and accepted by the meeting with fifty-three (53) members voting in favour, two against and three abstentions. The motion was carried.

## **8.00 MINUTES OF 33RD ANNUAL GENERAL MEETING**

The Chairman drew members' attention to the Minutes of 33rd Annual General Meeting as stated on pages 8 to 16 of the Brochure and invited questions/comments.

### **8.01 Corrections/Omissions**

There were no corrections or omissions identified in the Minutes.

### **8.02 Confirmation**

The Minutes of the 33rd Annual General Meeting was confirmed, on a motion moved by Ms. Gem Saunders La Maitre, seconded by Ms. Rhonda Williams and accepted by the meeting, with seventy-eight (78) members voting in favour, three against and no abstention. The motion was carried.

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

There were no matters arising out of the Minutes of the 33rd Annual General Meeting.

## **9.00 PRESENTATION OF REPORTS**

A motion for the entertainment of all Reports on the Agenda was moved by Ms. Gem Saunders La Maitre, seconded by Mr. Stephen Fraser and accepted by the meeting, with seventy-four (74) members voting in favour, three against and four abstentions. The motion was carried.

### **9.01 Board of Directors' Report**

The Chairman drew members' attention to the Board of Directors' Report on pages 20 to 28 of the Brochure and highlighted the following achievements during the period under review:

- Active membership grew by one hundred and thirty-two (132) to a total of 7,700.
- 2.85% increase in total assets to \$120.8 million
- Increase in shares from \$86.7 million in 2019 to \$87.95 million in 2020
- 5.8% increase in the loan portfolio from \$84.3 million to \$89.2 million
- Overall surplus increased from \$4.7 million to \$5.3 million.
- 12.9% Delinquency ratio



## UPCOMING EVENTS

- APRIL** Mortgage Loan
- MAY** Mother's Day Appliance Sale
- JUNE** Father's Day Appliance Sale
- AUGUST** Career Day
- SEPT** Give the Gift of Wealth with Gift Card
- NOV** Christmas Gift Loan

## Discussion

The President addressed concerns raised by members as follows:

- The Board had various verbal and written communication with MTS regarding the non-remittance of employees' salary deductions to the Credit Union and would continue to use verbal suasion to have the funds remitted to the organization. He also urged members to knock on Managers' doors and encourage them to do so.
- The Marketing Department was on a drive to recruit new members from schools and a Youth Arm is being developed.
- Former employees maintained membership with the Credit Union although they now held jobs outside of MTS;
- Members were encouraged to invite friends and family to join the organization since the bond was opened to persons outside of MTS, and to participate in the information sharing facility, via the Marketing Department, in April 2021 where information on Mortgage Loans can be accessed.
- Members were reminded of the three-month notice to the Credit Union for share withdrawal and were invited to have discussion with the Credit Union if it became necessary on a regular basis.
- Members were informed of upcoming online services;
- Members were appraised of the process regarding the preparation of cheques and informed that efforts continued to be made to have it done as quickly as possible.
- Application for membership forms were processed usually within one to two months, and that due diligence had to be applied before forms were placed before the Board. Efforts were being made to shorten the timeframe.
- New members are required to wait six months before being considered for a loan, however, a marketing drive was under consideration to grant new members loan upon their acceptance as a member of the Credit Union with the condition that part of the funds be placed on their shares.
- The Credit Union had no control over Standing Orders at banks. Members can complete an ACH form at the credit union to have their accounts debited by

the specified sum of money.

- Indemnity Plan was under the control of CUNA which indicated that it covered a child up to the age of twenty-six (26) years. From age twenty-six (26) years the individual may take a plan of their own and probably add the parent on it.
- Members were advised to borrow wisely and avoid extending beyond ones means. The Education Committee and Marketing Department have programmes in place to assist members and slide shows would soon be available to enlighten members on savings, planning, budgeting and analysing debt service ratio.

### Acceptance

The report of the Board of Directors was accepted by the meeting on a motion moved by Mr. Wendell Williams, seconded by Mr. Stephen Fraser and accepted by the meeting, with eighty-two(82) members voting in favour, one against and one abstention. The motion was carried.

### 9.02 Credit Committee Report

- Mr. William Solomon, Chairman of the Credit Committee, presented its report as stated on pages 33 to 35 of the Brochure. He stated that the total value of loans disbursed for the period under review was \$37,159,858.

### Discussion

- In response to a member's query on whether a small loan can be accessed, Mr. Williams informed that any member can acquire a loan as long as the member met the necessary requirements.
- With respect to retirees, Mr. Williams stressed that all members were required to present particular documents when applying for a loan which allowed the Credit Committee to determine the member's ability to repay the loan. He informed that retirees were required to verify that they received a monthly allowance from NIS .
- A member enquired if one can have his/her loan payment reduced in the event of a family emergency. Mr. Williams informed that a member can make that request through the Loans Officer and if the request was justified, the member may be facilitated.
- Mr. Williams informed that a loan had a time span within which it was to be paid off and stated that when a member refinanced a loan it causes a variation of the time span which may result in an

increased repayment figure. He also informed that the Board had approved an extension in the time of repayment from sixty (60) to seventy-two (72) months.

- A member enquired whether the Credit Committee could meet in Tobago at times and was informed by Mr. Williams that the Credit Committee is scheduled to meet in Tobago once in every quarter of the year and also when required to do a site visit. He indicated that they had not gone to Tobago recently due to the pandemic.

### Acceptance

The report of the Credit Committee was accepted by the meeting on a motion moved by Mr. Stephen Fraser and seconded by Ms. Neisha Cudjoe, seventy-six (76) members voting in favour, none against and five abstentions. The motion was carried.

### 9.03 Supervisory Committee

Mrs. Ginelle Small-Cummings, Chairman of the Supervisory Committee, presented its report as stated on pages 36 to 37 of the Brochure and outlined its Aim and Objectives as stated on page 36.

Regarding the Committee's Findings, listed on page 37, the Chairman highlighted the following:

- The Committee visited all branches of the Society 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 MTS in order to effectively fulfill 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 while keeping members' well-being at the forefront.
- Both virtual and physical visits were done during 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. There were no matters arising out of the report for the meeting to discuss.

### **Acceptance**

The report of the Supervisory Committee was accepted by the meeting on a motion moved by Ms. Rachael Austin and seconded by Ms. Marilyn John-Fahey, with seventy-three (73) members voting in favour, one against and seven abstentions. The motion was carried.

#### **9.04 Education Committee Report**

Ms. Georgiana Cudjoe, Chairman, presented the report of the Education Committee, as stated on pages 38 to 39 of the Brochure and highlighted what was achieved under the Peter Mc David Excellence Award whereby gifts of laptops and tablets were distributed among eligible CSEC, SEA and tertiary students. She also informed the membership that parents collected gifts and party bags for their children at the Annual Christmas event, held in Trinidad and in Tobago.

Ms Cudjoe informed members that planned activities for young members were severely hampered by the Covid-19 pandemic, during the period under review. She stated that the Committee would continue to plan education programmes and activities which it hoped would be executed next year, and encouraged members who were parents of youths to encourage them to visit the social media platforms of the Credit Union, where they can acquaint themselves with what is available to them.

### **Acceptance**

The report of the Education Committee was accepted by the meeting on a motion moved by Ms. Gem Saunders La Maitre and seconded by Ms. Neisha Cudjoe, with ninety-one (91) members voting in favour, one against and four abstentions. The motion was carried.

#### **9.05 Nominating Committee's Report**

The Chairman of the Nominating Committee, Ms. Allyson White, presented its report as stated on page 40 of the Brochure. She reported that persons were nominated to serve on the Board and Statutory Committees as follows:

##### **Board of Directors**

Mr. Clinton Hendrickson  
Mr. Stephen Fraser  
Mr. Michael Hernandez  
Ms. Marilyn John-Fahey  
Mr. Peter Ian De Boulet  
Ms. Gem Saunders La Maitre

### **Supervisory Committee**

Mr. Wilfred Wallace  
Ms. Melina Preto  
Ms. Anne Marie Campbell  
Mr. Gerald Antoine  
Mr. Clinton Warren  
Mrs. Ginelle Small-Cummings

### **Credit Committee**

Ms. Georgiana Cudjoe  
Mr. William Solomon  
Ms. Rachael Austin  
Ms. Julia Bruce  
Mr. Clarence Duke  
Ms. Adeleine Gittens  
Ms. Heeralal Sookhai

### **Discussion**

The meeting was apprised as follows:

- The Nominations process was responsible for selecting suitable persons and the membership was responsible for electing officers based on selection of the Committee.
- Experience was not among the criteria used for the selection of suitable nominees but academic qualifications, work experience, knowledge, stability, communication and personality department are characteristics that were used.
- Members over 18 years of age and in good standing could submit an application for selection.

### **Acceptance**

The report of the Nominating Committee was accepted by the meeting on a motion moved by Ms. Ann Marie Campbell and seconded by Mr. Michael Hernandez, with eighty-eight (88) members voting in favour, five against and one abstention. The motion was carried.

#### **10.00 2nd CREDENTIALS COMMITTEE'S REPORT**

On behalf of the Credentials Committee, Ms. Candice Haynes reported that at 11.45 a.m. there were two hundred and forty-one (241) members and three guests in attendance at the meeting.

#### **11.00 ELECTION OF OFFICERS**

Mrs. Marcia Goodridge-Constantine acted as the Returning Officer. She informed the meeting that there were four vacancies on the Board, three on the Supervisory Committee and five on the Credit Committee and reminded that members under 18 years of age were not entitled to vote, as stated in the Bye-Laws.

A video with voting instructions was played. Members voted accordingly.

### 11.01 Elections Results

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

#### Board of Directors

##### Officers

	No. of Votes
Mrs. Marilyn John-Fahey	108
Mr. Michael Hernandez	085
Mrs. Gem Saunders La Maitre	075
Mr. Clinton Hendrickson	063
Mr. Stephen Fraser	061 (1st Substitute)
Mr. Peter Ian De Boulet	056 (2nd Substitute)

#### Supervisory Committee

##### Officers

	No. of Votes
Ms. Anne Marie Campbell	105
Mrs. Ginelle Small Cummings	084
Ms. Melina Prieto	060
Mr. Gerald Antoine	052 (1st Substitute)
Mr. Wilfred Wallace	044 (2nd Substitute)

#### Credit Committee

##### Officers

	No. of Votes
Mr. William Solomon	110
Mr. Clarence Duke	107
Ms. Racheal Austin	098
Ms. Adeleine Gittens	086
Ms. Georgiana Cudjoe	077
Mr. Heerelal Sookai	057 (1st Substitute)
Ms. Julia Bruce	036 (2nd Substitute)

### 11.02 Destruction of Electronic Ballots

A motion for destruction of the electronic ballots was moved by Ms. Neisha Cudjoe, seconded by Mrs. Sharon George-St.Rose and accepted by the meeting, with seventy (70) members voting in favour, two against and two abstentions. The motion was carried.

The Chairman congratulated all elected Board and Committee Officers and expressed appreciation to all members who participated in the nominating process.

### 12.00 INDEPENDENT AUDITOR'S REPORT

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

### 13.00 FINANCIAL STATEMENTS

Mr. Holly Francois, Treasurer and Mrs. Camille Dipnarine, General Manager presented the Financial Statements for the year ended December 31, 2020 to the meeting. Some highlights were as follows:

- Total income \$12.5 million, .1% increase over 2019
- Total expenditure \$86.9 million
- Net Surplus for the year \$5.3 million
- Total Assets \$120,787,161
- Members' Shares \$87,952,530
- Members' Deposits \$7,620,754

In responding to concerns raised, Mr. Francois indicated that:

- A Sagicor representative visited the office occasionally and members were advised to visit one of the Credit Union office where further details can be had relative to the pension plan.
- The Board does not think it appropriate to make any large investments at this time given the current climate and bearing in mind it is a capital expenditure which would impact the cash flow.

#### Acceptance

The Auditors' Report/Financial Statements for the year ended December 31, 2020 were accepted by the meeting on a motion moved by Mrs. Ginelle Small-Cummings, and seconded by Ms. Sabrina Peters, with fifty-nine (59) members voting in favour, one against and two abstentions. The motion was carried.

### 14.00 BUDGET SUMMARY

Mr. Holly Francois, Treasurer drew members' attention to the Budget Summary for 2021 as stated on page 91 of the Brochure and highlighted the following:

- Total income \$12.4 million
- Total Expenditure \$9.9 million
- Net Surplus of \$2.5 million

The Budget Summary for 2021 was approved on a motion moved by Ms. Neisha Cudjoe seconded by Mrs. Marilyn John -Fahey, and accepted by the meeting, with sixty-two (62) members voting in favour, one against and no abstention. The motion was carried.

### 15.00 3RD CREDENTIALS COMMITTEE'S REPORT

On behalf of the Credentials Committee, the Secretary, Ms. Candice Haynes reported that at 1.00 p.m. there were seventy-seven (77) members and three guests in attendance at the meeting.

### 16.00 RESOLUTIONS

#### 16.01 Dividend

On behalf of the Board of Directors, the President moved the following resolution, which was seconded by Ms. Anne Marie Campbell:

Whereas Progressive Credit Union Cooperative Society Limited has realized a Net Surplus as at December 31, 2020 in the sum of \$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 December 31, 2020, be divided, in accordance with Bye-Law 15, as follows:

1. Dividend of 3.5% - \$3 million be credited to members' shares.
2. Interest rebate of 3.5% - \$0.379 million be credited to members' deposit accounts

#### **Acceptance**

The resolution was unanimously accepted by the meeting, with seventy-seven ( 77) members voting in favour, none against and no abstention. The motion was carried.

#### **16.02 Honoraria**

On behalf of the Board of Directors, the President moved the following resolution, which was seconded by Ms. Racheal Austin:

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

*Be It Resolved that*, after statutory deductions, the remaining Net Surplus for the year ended December 31, 2020, be distributed, in accordance with Bye-Law 15, as follows:

Honorarium of One hundred and thirty thousand dollars (\$130,000.00) be distributed among the Board and Statutory Committees.

#### **Acceptance**

The resolution was unanimously approved and accepted by the meeting, with sixty-nine (69) members voting in favour, four against and two abstentions. The motion was carried.

#### **16.03 Write-off of Non-performing Loans**

On behalf of the Board of Directors, the President moved the following resolution which was seconded by Mrs. Ginelle Small-Cummings:

#### *Preamble*

It is considered normal business practice to write-off bad debts, where in the opinion of the organiza-

tion, 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 those 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 Co-operative 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 considers and approve the under-stated Resolution.

*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* forty-four (44) bad debts in the sum of Two hundred and fifty thousand dollars (\$250,000.00) be written-off.

#### **Acceptance**

The resolution was approved and accepted by the meeting, with sixty (61) members voting in favour, four against and four abstentions. The motion was carried.

#### **16.04 Amendment of Bye Law 10 (d)**

On behalf of the Board of Directors, the President moved the following resolution, which was seconded by Ms. Anne Marie Campbell:

The Co-operative 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 (\$5,000) 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 Co-operative 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 December 10, 2019 and assented to on December 17 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 01 , 2020 in accordance with the Laws of the Republic of Trinidad and Tobago.

#### **Acceptance**

The resolution was approved and accepted by the meeting, with seventy-one (71) members voting in favour, none against and two abstentions. The motion was carried.

#### **17.00 GENERAL BUSINESS**

Discussions brought about the following results:

- When the software is installed, members shall have access to their balances online since, for various reasons, the Credit Union ceased mailing statements to members.

Members can immediately access a hard copy of their statement upon request at the Credit Union offices.

- Dividends would be placed on members' accounts within fourteen (14) days of the meeting.
- A new provider may have to be sourced regarding the telephone system because the new system would need a platform that can support its activities.

- Staff salaries and benefits are determined by a collective bargaining unit.
- A Skills Bank was in existence and was utilized when upgrading the San Fernando office. It had since lapsed but efforts would now be put in place to have it rejuvenated so members can benefit when work on properties of the Credit Union are to be done.

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

- The software purchased by the Credit Union to be introduced in 2021 entailed online banking.
- When retirees present an NIB confirmation letter with a loan application and it is placed on the member's file, another such letter would not be required for any loan application thereafter.
- Late payment deductions shall not affect members dividends not cause an increase of interest, however, it affects the Credit Union's cash flow.
- When a suitable building in Tobago is available and the Credit Union has the capacity, that investment shall be made.

As long as a members' shares are in excess of their loan, a request for share withdrawal can be accessed through the established process.

#### **18.00 VOTE OF THANKS**

Ms. Veronica Jacobs thanked Almighty God for the safe gathering of those present at the location and for the members who logged on to the meeting online. She thanked the Co operative Division for their continued guidance and the Returning Officer for her assistance.

She expressed thanks to Staff for their continued dedication and professionalism and expressed her hope that it will continue in the future.

In closing she prayed God's guidance and protection upon everyone.

#### **19.00 CONCLUSION**

There being no further business the meeting concluded at 1.45 p.m.



**Allyson White**  
**Secretary**

**MINUTES OF THE SPECIAL GENERAL MEETING  
(SGM) OF THE PROGRESSIVE CREDIT UNION  
COOPERATIVE SOCIETY LIMITED HELD  
VIRTUALLY ON OCTOBER 14, 2021**

**1.0 CALL TO ORDER/NATIONAL ANTHEM**

The meeting was called to order at 5:03 p.m. by the Secretary, Ms Allyson White.

**2.0 1st CREDENTIAL**

At 5:04 p.m. the Secretary reported that there were twenty-six (26) members logged on. In accordance with Bye-law 14 (C) (1), the meeting was constituted.

**3.0 INVOCATION/CREDIT UNION PRAYER/  
MOMENT OF SILENCE**

The Secretary led the Invocation, followed by the Credit Union Prayer.

A moment of Silence was observed for departed members.

**4.0 NOTICE OF MEETING**

The Notice of the Special General Meeting of the Progressive Credit Union Cooperative Society Limited was read by the Secretary, Ms Allyson White.

**5.0 WELCOME**

The President, Mr Erskine Abel welcomed special guests Ms Elizabeth Spence and Ms Sabrina Badree- Cooperative officers, Commissioner of Cooperative Division, Ms Martha St Hilaire-Noel - Credit Union's attorney, Mr Marlon Pierre - Vice President of the Credit Union League of Trinidad and Tobago, Ms Marcia Goodridge-Constantine - Board member, Credit Union League of Trinidad and Tobago, Board members, General Manager and staff and credit union members.

**6.0 ADOPTION OF THE STANDING ORDERS/  
ZOOM GUIDELINES - VIRTUAL SGM**

The President, read the Standing Orders for Virtual Broadcast Special General Meeting.

1. No member should address the meeting except through the Chairman.
2. A Special General Meeting moderator will col-

late and transmit questions to the Chairman to be addressed during relevant segments of the meeting.

3. A voice contribution should not exceed one minute and should be clear and relevant to the subject before the meeting.
4. A member shall not contribute twice on the same subject except as a mover of a motion who has right of reply, or he or she indicates a desire to object or explain with permission of the Chair.
5. No contribution will be entertained after a subject has been put or carried or rejected.
6. A member wishing to contribute on a 'Point of Order' shall state the point clearly and precisely.
6. A member shall not call another member to order but may draw the attention of the Chair to the breach of order.
7. No member should make reference to the Chairman, and/or any attendee that is personally abusive.
8. Only one attendant shall be before the meeting at any given time.
9. The Chairman shall have a right to a casting vote, if there is an equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
10. Attendants' credentials will be determined based on the number of members who have logged on to the Special General Meeting portal.
11. Note that only one instance of a member logging in is allowed at time.
12. Due to the live streaming delivery of the Special General Meeting members can expect ten to fifteen seconds delay during the interactive segments of the meeting. If anyone experiences an issue with their live stream they are advised to refresh their browser, if the issue persist members are advised to contact the help desk with the numbers provided.
13. Any failure of technology, or any failure or inability of a member to attempt or remain in this virtual meeting as a result of events beyond the control of Progressive Credit Union Cooperative Society Limited as its service provider, shall not constitute a defect in the calling or continuation of the meeting, and shall not invalidate any resolutions passed or proceedings taking place at this meeting provided that a quorum is



present at all times.

14. No form of recording of the proceedings shall be allowed without the permission of the Chairman.

### 6.1 Adoption

A motion for the adoption of the Standing Order was moved by Ms Ayanna Abel-Lewis and seconded by Renard Ramnath. Eleven members voted in favour, zero abstention, zero against.

The President stated that there must be a majority vote in order for the Standing Order to be adopted. He said there needed to be a minimum of thirteen (13) in favour, and encouraged members to vote to ensure a majority and to account for the twenty-six members that were present. He then placed the question on the floor again asking for the acceptance of the Standing Order.

Nineteen members voted in favour, zero against, zero abstention.

### 7.0 2nd CREDENTIAL

At 5:35p.m. the Secretary reported that there were thirty-four (34) members logged on.

### 8.0 RESOLUTION

The President began by outlining the purpose of an external Auditor, he further stated that the Credit Union was about to transition into a new Credit union management software system in January 2022, which he said “will improve the service to the members”. It was therefore, he said “important and prudent” that there were “fresh eyes” to ensure that we did not breach data and remained on the right path.

On behalf of the Board, the President moved the following resolution.

### 8.1 Appointment of Auditors

*Whereas* every Society is required to appoint an auditor in accordance with Section 51 (1) of the Cooperative Society Act and Regulations Chapter 81:03.

*Whereas* Bye-Law 15(b) (iv) of the Society’s Bye-Laws requires the Annual General Meeting or a Special General Meeting to appoint an au-

ditor for the ensuing term ending December 31, 2021.

**BE IT RESOLVED** that the firm Maharaj Mohammed and Company be appointed Auditors for the Progressive Credit Union Cooperative Society Limited for the year ending December 31, 2021.

The resolution was seconded by Mr Oswald Theodore, twenty-one (21) members voted in favour, one against, zero abstention, a majority decision.

### 9.0 VOTE OF THANKS


The Secretary thanked God for His continued goodness and a successful meeting. She went on to thank the specially invited guests for their attendance. Also thanking all those involved, from the driver to the person making the cheque, for their assistance in making the meeting a success.

She thanked the members for their commitment and continued support and interest in their credit union.

### 10.0 CLOSURE

There being no further business to discuss, the meeting was brought to a close at 5:45 p.m.

Co-operatively Yours



Allyson White  
Secretary



## Preserving the Member Connection

Fellow Cooperators,

Member experience is the relationship members have with the credit union from the moment of their first encounter to every subsequent interaction. An excellent member experience, would mean that at every touchpoint, you the member, should be walking away feeling that the encounter was smooth and that your problem was solved and you were totally satisfied. Serving the needs of our members not only helps fulfill our Core mission, but also helps to create “happy and delighted members’ who may then be motivated to encourage other family members and friends to join us. As you are aware, we are in the process of upgrading our operational software, and you may have already experienced some challenges, some of which we would have told you of and have already been solved. This upgrade was essential for us as a credit union if we are serious about ‘preserving the member connection.

May I quote Berne Brown, PHD, LMSW, an American research professor, lecturer, author, on people connection.

***“Connection is the energy that is created between people when they feel seen, heard, and valued- when they can give and receive without judgement.”***

Effective communication, the giving and receiving of information, is the most vital thing that must take place in all businesses. Having a clear communications plan within our business is utmost to ensure the smooth running of our operations, and happy members. Our marketing team will be following a calculated communications plan that clearly outlines both the value and logistical aspects of the change during and after the conversion. It is important to us that our members experience as minimal a disruption as possible while engaging with the new digital C U Systems platform.

There are many objectives which we view as important: building trust, increasing awareness, and educating our members. Our preferred method of communication using the right tools and resources to deliver will not be limited to telephone, e-mails, our website and social media, but will include going that extra mile, whatever it takes, anything else that is possible. Our goal is clear - make the transition smooth for members while providing financial advantages.

Preserving the human / member connection in a digital world is uniquely challenging. As our CU digital future continues to take shape, other financial institutions are building strategies with less uncertainty and more resolve to succeed in a world of digitalization – as the driver of operational efficiency. On the contrary, making it easy to forget the human element. The biggest challenge is “preserving the member connection” in the face of digital acceleration. Digital acceleration means personalizing the digital experience in a way that differentiates us from the competition.

We may not really know what your experience is like in these digital networks and risk losing our brand reputation, and perhaps you as well, and will do all in our power for this not to happen, but without your feedback, we lack insight into what we need to prioritize and change to meet your expectations.

How do we improve our Member Experience and preserve the member communication / connection? Feedback is the means to achieve this. Feedback gave us the information we needed to find ‘touch points’ necessary for improvement. Through reviews from social media sites like Instagram and Facebook we can identify some issues; members complain of difficulty in getting through via telephone to the office for some of the following services: making loan appointments, tracking loans, accounts information, and the length of time it takes to complete transactions at the office.

Simply put: What do you want? Tell us! Member’s surveys are incredibly useful for our entire organization. A well-designed survey can help us better understand how you view us and assist us to develop dependable tactics to increase your engagement and satisfaction.

Asking you to answer some quick questions via a survey is a great way to understand the problems that you may be having with the credit union. These responses from you, will help us to determine the issues that we need to address or we risk losing you to competition. We would boost our members’ engagement through a detailed email listing, utilizing this opportunity to further strengthen our connection.

Some suggested ideas that when implemented will assist us to maintain and preserve our membership connection are:

- To connect with you through programs covering a range of day-to-day financial issues to educate you, our members, on things like investments, savings and how to get the proper loan or what impacts a credit score - in a clear and unbiased way, by doing this we'll be building trust and relationships.
- To introduce online financial tools for useful benefit to you; simple calculators and interactive elements like portfolio analyzers to make it much easier to understand the real impact of things like changing interest rates, loan lengths, and savings plans.
- All too often, we invest heavily in developing digital software package offerings but withhold on conducting consistent user experience testing. That's a huge mistake. Let us not make that mistake. Please take the time out to participate and send us feedback on your experiences.
- We will Share our Members' Successes on social media to better build a connection. The more we can spark emotion - inspiration, gratitude, empathy - the stronger the bonds will be and ultimately empower you to be our brand advocates.

You, our members, need to know there are people behind those networks, who can give you reliable answers in a genuinely friendly voice when you need help. There's no substitute for the human connection - if we're just replacing the human with the digital or no-touch experience, we're just moving toward commoditization. Anyone with sufficient resources can supply a digital network. What makes ours unique? That is the question that must be answered. If we've presented your experience as a defining strength of our brand, how is that coming through in your digital-led experiences? Let us know.

There are steps to keeping that human connection in the digital experience:

Know our members' expectations: They are changing (and increasing) all the time. And member's tolerance for frustration is fluctuating. Where we might previously have received the benefit of the doubt, when it came to poor service, members were increasingly unwilling to accept 'the pandemic' as an excuse. How are we adapting to meet these dynamics and ever-changing member expectations?

Recognize our members every step of the way: Personalization at every level of a digital-led experience creates a stronger connection with members even without face-to-face interaction. We must be available for you to engage us when you need us - providing the same care and attention all the time; this is the opportunity to deepen the relationship and build loyalty.

Upskilling of the frontline teams for digital connection to promote operational efficiencies in digital processes without sacrificing the best-in-class service members expect. Employees need to display "soft skills" like initiative, creativity, curiosity, and - perhaps above all - empathy to preserve that human touch, that's the member connection.

While we set out to keep people connected in a virtual environment, we can create videos capturing our history and legacy, reminding us of our roots and preserving stories before they are lost. We can share them on social media, where they can attract younger generations, who use social media frequently to stay connected and learn about their credit union. There is no resource that is more vital to the continued existence and integrity of our credit union than our members and preserving this connection is imperative.



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Erskine Abel  
President

# THE BOARD OF DIRECTORS' REPORT 2021



## 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 2021.

## 2.0 Economic Review

The following is according to an Economic Bulletin, from the Central Bank published February 2022.

- The global economy recovery economic recovery continued during the second half of 2021, albeit at a slower pace than anticipated, as countries re-imposed containment measures amidst rising covid-19 infections and the emergence of the Omicron variant.

- Domestically, although reduced output in both the energy and non-energy sectors persisted, the rate of decline in economic activity slowed year-on-year in the third quarter of 2021.

- Headline inflation increased over the June to November 2021 period due in part to supply-side factors such as the surge in international food prices, higher shipping costs and other supply-side constraints.

- Despite an increase in overall expenditure, higher revenues during the first two months of FY 2021/2022 (October to November 2021) contributed to a smaller deficit in the Central Government accounts when compared to the same period one year earlier

- The Repo rate remained unchanged at 3.50 per cent during 2021 in support of the domestic economic recovery.

- Excess reserves declined to a daily average of \$6.6 Billion in December 2021 compared with \$12.7 Billion in December 2020.

- Gross official reserves stood at US\$6,879.6 Million at

the end of December 2021.

Following the prolonged lockdown period in 2021, Trinidad and Tobago is expected to grow in 2022. Growth is expected to be fairly broad-based. On the energy front, higher natural gas production is expected, as several projects being undertaken by major players are anticipated to come on stream in the first half of 2022. Non-energy sector activity will improve once there are no major reversals of the ease in pandemic-related restrictions to mobility. The widely expected rise in interest rates in the US and other areas will also feature into the calibration of domestic monetary policy and affect the public sector debt dynamics.

The following domestic developments should also be noted.

- **Energy Sector** - Preliminary estimates from the Central Bank's Quarterly Index of Real Economic Activity (QIEA) suggest that activity in the energy sector declined by 1.9 per cent year-on-year in Q3 2021.

- **Non-energy Sector** - Preliminary estimates from the QIEA suggest that activity in the non-energy sector contracted by 3.5 per cent year-on-year in Q3 of 2021, due in large part to declines in the construction (13.0 per cent) and wholesale and retail trade (10.9 per cent) sector activities.

- **Labour Market** - Job Advertisements - The number of job advertisements published in the print media declined in 2021 by 16.0 per cent year-on-year.

- **Inflation** - Headline inflation increased to 3.6 per cent year-on-year in November 2021, from 1.8 per cent in June 2021. Food inflation also accelerated during the period to 6.1 per cent year-on-year in November 2021 from 5.1 per cent in June 2021.

The Progressive Credit Union Board and management will continue to monitor the progress and development of the economic situation.

### 3.0 Governance Structure

The Inaugural meeting of the Board was held on April 08, 2021 at the Progressive Credit Union's San Fernando Office. The elected Executive Committee for the 2021/2022 term comprised of:-

Mr. Erskine Abel	- President
Ms. Marilyn John-Fahey	- Vice President
Mr. Holly Francois	- Treasurer
Ms. Allyson White	- Secretary
Ms. Gemma Ottley	- Asst. Secretary
Mr. Clinton Hendrickson	- Director
Mr. Errol Thomas	- Director
Ms. Sabrina Peters	- Director
Ms. Candice Haynes	- Director
Ms. Gem Saunders Le Maite	- Director
Mr. Michael Hernandez	- Director
Ms. Veronica Jacob	- Director

#### Substitute Directors:-

Mr. Stephen Fraser	- 1st Substitute
Mr. Peter DeBoulet	- 2nd Substitute

The Board of Directors also appointed the following Management Committees.

#### Education Committee:-

Ms. Marilyn John Fahey	- Chairperson
Mr. Errol Thomas	- Member
Ms. Thecla Quamina	- Secretary/Co-opted member
Ms. Neisha Cudjoe	- Co-opted Member
Mr. Anthony Perry	- Staff Representative

#### Human Resource Committee:-

Ms. Gemma Ottley	- Chairperson
Ms. Veronica Jacob	- Member
Ms. Candace Haynes	- Secretary
Mr. Clinton Hendrickson	- Member
Mr Gerald Antoine	- Co-opted Member

#### Finance Committee:-

Mr. Holly Francois	- Chairperson
Ms. Veronica Jacob	- Member
Mr. Stephen Fraser	- Co-opted Member
Mr. Malcolm Alexander	- Co-opted Member
Mr Wilfred Wallace	- Co-opted Member

#### Properties Committee:-

Mr. Holly Francois	- Chairperson
Ms. Gem Saunders Le Maitre	- Secretary
Mr. Michael Hernandez	- Member
Mr. Errol Thomas	- Member

### Delinquency Committee:-

Ms. Marilyn John-Fahey	- Chairperson
Ms. Sabrina Peters	- Secretary
Mr. Errol Thomas	- Member
Mr. Herralal Sookai	- Co-opted Member
Mr. Peter De Boulet	- Co-opted Member
Mr. Darren Deokumar	- Senior Recoveries Officer
Mr. William Solomon	- Chairperson (Credit Committee)

### Health and Safety Committee:-

Ms. Gemma Ottley	- Chairperson
Ms. Sabrina Peters	- Secretary
Ms. Debra Mitchell	- Co-opted Member
Mr. Clinton Hendrickson	- Member

### Marketing and Communications Committee: -

Ms. Allyson White	- Chairperson
Ms. Gem Saunders Le Maitre	- Secretary
Ms. Yolanda Harry-Keshwar	- Co-opted Member
Mr. Clinton Warren	- Co-opted Member

### Out Going Board Members

There are four outgoing Board members. They are Mr. Erskine Abel, Mr. Holly Francois, Mr. Errol Thomas and Ms. Allyson White. Mr. Erskine Abel and Ms. Allyson White are eligible for re-election, however Ms. Allyson White decided to not offer herself for re-election.

#### 4.0 Meetings

Name	Board	Joint	Special	Excused	Total
1) Mr. Erskine Abel	14	02	02	01	19
2) Mr. Clinton Hendrickson	14	02	02	01	19
3) Ms. Candice Haynes	12	02	02	03	19
4) Mr. Errol Thomas	14	02	02	01	19
5) Mr. Holly Francois	14	02	02	01	19
6) Ms. Veronica Jacob	15	02	02	-	19
7) Ms. Gem Saunders-Le Maitre	14	02	02	01	19
8) Mr. Michael Hernandez	14	02	02	01	19
9) Ms. Marilyn John-Fahey	14	02	02	01	19
10) Ms. Gemma Ottley	14	02	02	01	19
11) Ms. Sabrina Peters	13	02	02	02	19
12) Ms. Allyson White	15	02	02	-	19

## 5.0 Membership

The Society continued in its pursuit to attract new members during the year, resulting in an acceptance of 274 new members. Our total membership at the end of the year was 7,924 active members.

## 6.0 Financial Performance Highlights: -

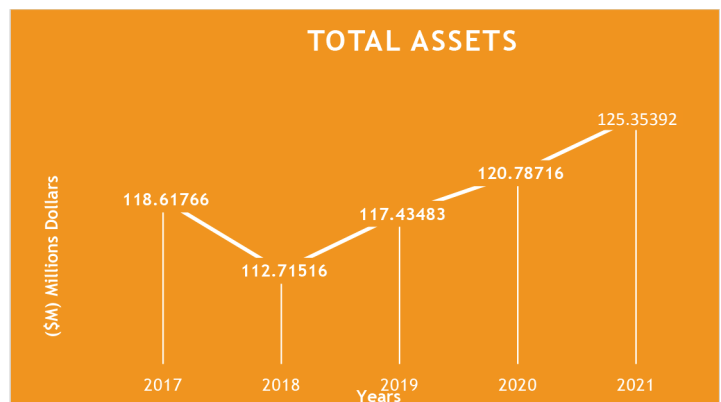
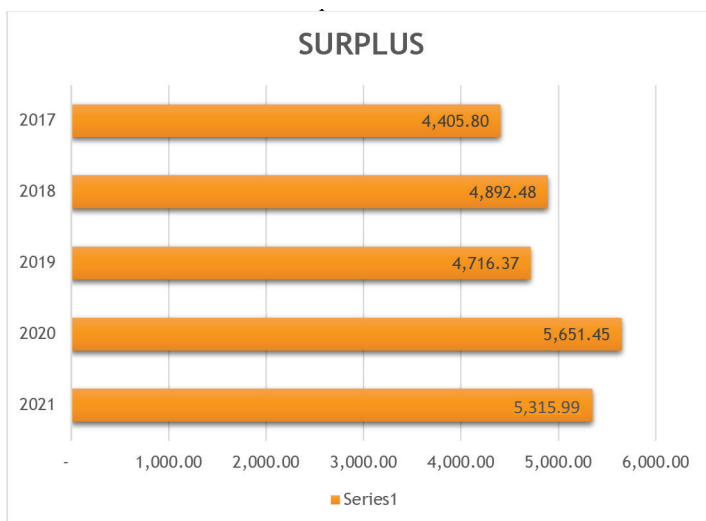
The financial year of 2021 was in many ways an extension of the year 2020 as a number of things remained unchanged. One of the areas that remained a constant from 2021 was the ongoing battle with a global pandemic which commenced in 2020. Since the pandemic was raging for a while, at the onset of 2021, there were still substantial uncertainties, unfortunate circumstances and economic challenges worldwide. The Board is pleased to report that the Progressive Credit has managed reasonably well under these ongoing unprecedented circumstances and the key details of our financial performance for the period are provided below.

Year	Shares	Deposits	Loans	Surplus	Assets
2021	91,231,983	8,188,207	93,409,695	5,315,993	125,353,926
2020	87,952,530	7,620,754	89,200,638	5,651,446	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

Table 1: Financial Highlights

### Income and Expenditure

Total income for 2021 increased by 7.7% or \$.98m, this occurring in spite of the many challenges experienced during the year. The total expenditure increased by \$1.31m or 18.9% moving from \$6.9m in 2020 to \$8.2m in 2021. While this increase was substantial, it was still under our pre Covid expenditure level of \$8.3m. The increase can be attributed to a variety of areas, principal of which is the provision of loan losses in the calculation of expected credit losses, office expenses and meeting fees. The overall surplus increased by \$1.2m or 23% moving from \$5.36m in 2020 to \$6.6m in 2021. This increase was due to the other comprehensive income.

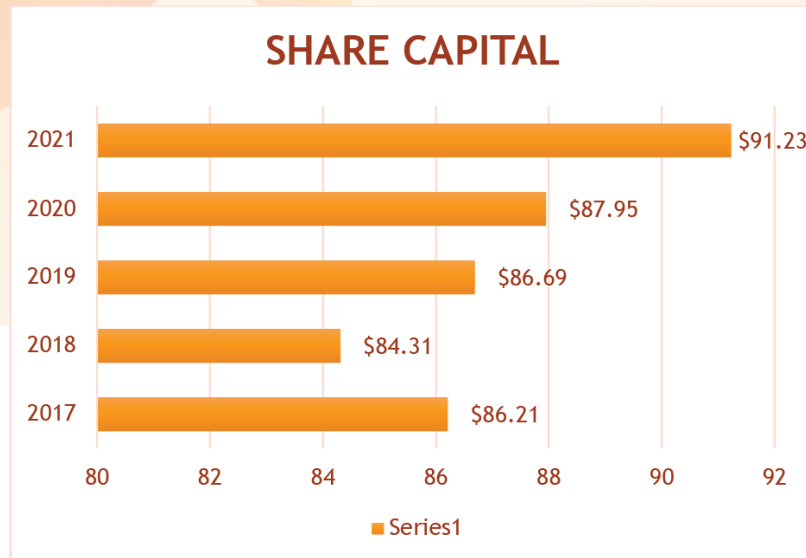


Total assets as at December 2021 amounted to \$125.4 million, an increase of \$4.6m or 3.8% when compared to December 2020. Total assets grew as a result of increases in the receivables and the loan portfolio.

### Loans

The loans to members portfolio accounted for 74.5% of the total assets of the Society in 2021 declining from 76% in 2020. The total loan portfolio increased by \$4.2m or 4.7% moving from \$89.2m in 2020 to \$93.4m in 2021. This reflects a positive development as it follows on from the growth experienced in 2020 and therefore demonstrates a reversal of the downward trend experienced in previous years.

### Shares



Members continue to demonstrate their faith in our Society by contributing to an increase in the overall Shareholding which increased from \$87.9m in 2020 to \$91.2m in 2021.

### 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 2021:

	RATIO	PEARLS STANDARD	2020	2021
<b>P</b>	Prov. Allowances > 1yr	100%	110%	<b>115%</b>
	Prov. Allowances 1-12mths	35%	251%	<b>117%</b>
<b>E</b>	Net Loans to Total Assets	70-80%	73.8%	<b>74.5%</b>
	Institutional Capital/Total Assets	>10%	18.1%	<b>18.6%</b>
<b>A</b>	Total Delinquency	<=5%	9.25%	<b>9.92%</b>
<b>R</b>	Net Loan Income/Loan Portfolio	Entreup. Rate	12.6%	<b>13.2%</b>
	Total Operating Exp/Total Assets	<5%	6.0%	<b>6.6%</b>
<b>L</b>	Cash Resources/Total Assets	>20%	15.6	<b>8.6%</b>
<b>S</b>	Growth in Loans		5.8%	<b>4.7%</b>
	<b>Growth in Total Assets</b>	<b>&gt;Inflation Rate</b>	<b>2.85%</b>	<b>3.8%</b>



## 7.0 Delinquency

In 2021, 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 has had on some members of the workforce across different sectors of the economy.

The non-performing loans exposure as a percentage of total loans was 9.92%. 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, 2021 was \$7,383,201.

The delinquency portfolio as at December 31st 2021 is as follows:

Loan	Total	Shares / Collateral	Exposure
<b>Total Delinquency</b>	<b>20,254,462.84</b>	<b>(10,256,986.01)</b>	<b>(9,997,476.83)</b>
<b>Total Loans O/S</b>			<b>100,792,889.30</b>
<b>Delinquency Ratio</b>			<b>9.92%</b>

Table 3 – Delinquency Portfolio

## 8.0 Projections - 2022

<i>PROJECTIONS 2021</i>	<i>STATUS</i>	<i>PROJECTIONS 2022</i>
<b>New member growth target of 300</b>	<i>New members admitted - 274</i>	<b>New member growth target of 300</b>
<b>Net share growth of \$5.0M.</b>	<i>\$3.3M share increase</i>	<b>Net share growth of \$4.0m</b>
<b>Loan disbursement of \$41.2M</b>	<i>Loan disbursement of \$36.9M</i>	<b>Loan disbursement of \$41.2m</b>
<b>Increase in investments to \$21.7M.</b>	<i>Total Investments to \$14.05M.</i>	<b>Increase in investments to \$20.0m</b>
<b>Surplus \$2.5M.</b>	<i>Surplus - \$5.3M.</i>	<b>Surplus \$3.2m</b>
<b>Dividend payment 3%.</b>	<i>Board recommends 4%</i>	<b>Dividend payment 3%</b>
<b>Delinquency 5%</b>	<i>Delinquency 9.92%</i>	<b>Delinquency 5%</b>

Table 4: Projections and Status

## 9.0 Human Resources

The Human Resources Committee would like to thank the Staff and Manager for their hard work in the transition to the new Software Sharetec all in the absence of a true Project team with the staff doing double duty. The Chair of the Committee extends thanks to the Board and the Committee Members for their support during this time.

The Society is trying to cope with the Pandemic as well as the late remittances by the majority employer NMTS and to meet the needs of the members and also trying to improve the competencies of staff members

There were two resignation during the period Ms. Jody David the Manager Accounting and Ms. Rholda John an MSR of the Tobago Office.. There were upward mobility as result of the resignations viz

- Mr. Keston Crichlow was temporarily appointed to the post of Manager Accounting
- Mr. Shorn Bhola was made permanent as an Accounts Clerk
- Ms. Lashawn Forde was promoted to Accounts Clerk
- Ms. Tshiann Hamid was promoted to a MSR at the North Office
- Ms. T'ne Bain was hired as an MSR at the Tobago Office

The Board of Directors approved the organization chart where three new positions were included. These were:

- IT Administrator
- Risk/Compliance Officer
- Assistant Accountant

The IT Administrator, Mr. Pierre Dominic Sookdar, was engaged during the period and commenced duties on Monday 14th February 2022.

During the period there was resolution of two collective bargaining periods 2016-2019, 2019-2022. The HR Committee is working towards a variation in the Collective Bargaining Unit with BIGWU.

The Janitorial staff were offered six months contracts at all offices to ensure that all COVID guidelines are adhered to and to do what is reasonably practical to minimise the spread of COVID.

## 10.0 MARKETING REPORT FOR AGM 2022

The year 2021 was very different from 2020. There was somewhat of a return to normal life in the first two (2) months, however from March, there was a sharp increase in the number of cases and deaths due to the COVID-19 virus. This forced the Marketing Department to adapt and instead of a hybrid approach, we relied solely on the virtual realm for all our marketing initiatives. Face to face activities were halted once again and from that point on member communications and promotions 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 2021.

### 1) 37th Anniversary Promotions

For our 37th Anniversary, we ran many promotions. One that took place during the month of February for Valentine's Day was the "Love Letter Promotion - Why you Love being a member of Progressive Credit Union". The promotion ran from 1st February to 12th February, 2021. The love letters were judged in three (3) categories – Staff, Board and Committees and General Membership. The winners from our three categories were as follows: Ms. Turon Nicholas - Staff Winner, Ms. Melina Preito – Committee Winner and Ms. Jerusha Oji – Member Winner.

Another competition for 2021 was our Father's Day Contest that took place in June 2021. The winner of this contest was Ms. Melina Mendoza. The competition ran from Friday 4th June until Sunday 20th June 2021. Members were invited to comment on what their father means to them. The comment with the most likes won and Ms. Mendoza's post received 32 likes.

We also held an Anniversary Video Competition. Members were asked to submit a 2 minute video presentation highlighting what Progressive has done for them. The prizes were first place a Music System, second place a Wine Chiller and third place an Air fryer.

We received submissions from eight (8) persons for this contest and the winners were Ms. Judy Placide, Ms. Sher-

min Sylvester and Mr. Renard Ramnath. Renard joined the Credit Union as part of our Youth Arm outreach with St. Stephen's College in Princes Town. He has also worked with Progressive as an intern in previous years.

**2) Virtual Financial Series**

In 2021 we developed some innovative marketing campaigns designed to engage our members and keep the lines of communication open during this pandemic. We published four (4) informative videos as part of a Virtual Financial Series. Each session was pre-recorded and dealt with the following topics:

- 1) Retirement Planning
- 2) Business Development and Marketing
- 3) Total Debt Service Ratio
- 4) Importance of Budgeting

Presenters gave information on their topic for approximately 30-45mins. All the videos are still available for viewing on our Facebook page and Instagram pages.

**3) History of Trinidad and Tobago Youth Arm Contest**

This contest began on Monday 20th September and ended on Thursday 23rd September, 2021. The target audience for this competition was our Kiddie Arm members in the age bracket of 9 – 12 years. Every day a question was posted to our Social Media pages and the first correct answer we received each day won prizes. The winners were Mr. Emmanuel Preudhomme, Ms. Amira Baptiste and Ms. Jasmine Niles.

**4) Member Service Rating Card**

Your Feedback is very important to us, so when you visited any of our three (3) branches to transact your financial business, member service and loan staff would invite you to take a moment and complete either our Member Service Rating card about your service experience that day. You would simply have to tick the number of stars that you felt best described your encounter. This is ongoing, so the next time you visit your home branch, request a service rating card for completion before you leave.

**2022 UPCOMING EVENTS:**

The following is a preview of Progressive's planned marketing efforts in this regard for the year 2022:

- 1. March      Progressive Online App**
- 2. April      Event Saver Account**
- 3. April      Front Line Worker Loan**
- 4. May      Brand Ambassador Programme**
- 5. June      Father's Day Appliance Sale**
- 6. July      Progressive's Anniversary Promotions**
- 7. August      Independence Appliance Sale**
- 8. September      Republic Day Appliance Sale**

Look out for our in-app messaging to keep you up-to-date with the latest information coming out of the Credit Union.

### **11.0 Cooperative Involvement**

It should be noted that Progressive Credit Union continues to display its commitment to cooperative involvement in the entire credit union sector. Members on the Board of Directors are serving in various capacities in the South East Regional Chapter (SERC), and the Cooperative Credit Union Credit Union League of Trinidad and Tobago.

### **12.0 Obituaries**

We extend sincere condolences to all fellow co-operators and members who lost a loved one, may God grant you all the peace and strength needed at this time. We remember also, one of our past President, Mr. Michael Hunte, who passed away in 2021. May their Souls have Perpetual Rest.

### **13.0 Conclusion**

It is with great humility that we give thanks to the almighty God who has once again brought us through a most difficult year. The Board sincerely thanks the members for their patience and understanding in these trying times. It is you our valued members of the Credit Union who have placed your trust in the team to manage your hard-earned funds, which we are most indebted to. Members are advised to be astute with their finances by making wise financial decisions.

Profound thanks to the General Manager and Staff, Statutory Committees and our Co-opted members ably guided by the Board of Directors who ensured that your finances were properly invested to secure viable returns.

We also wish to express our gratitude to our strategic partners in the business community.

We will continue to seek the wisdom and strategic direction from our Lord and Saviour to guide us in the coming year.

We wish you all prosperity now and in the future.

Cooperatively yours



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**Allyson White**  
**Secretary**

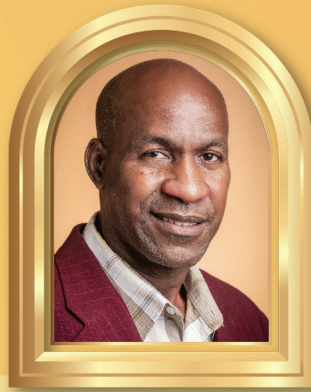
# BOARD MEMBERS



ERSKINE ABEL  
PRESIDENT



MARILYN JOHN FAHEY  
VICE PRESIDENT



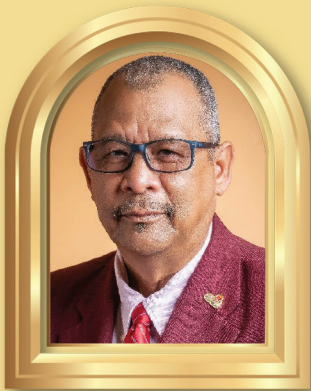
HOLLY FRANCOIS  
TREASURER



ALLYSON WHITE  
SECRETARY



GEMMA OTTLEY  
ASSISTANT SECRETARY



MICHAEL HERNANDEZ  
MEMBER



GEM  
SAUNDERS-LE MAITRE  
MEMBER



ERROL THOMAS  
MEMBER



VERONICA JACOB  
MEMBER



CANDICE HAYNES  
MEMBER



CLINTON  
HENDRICKSON  
MEMBER



SABRINA  
PETERS-RUSSEL  
MEMBER

# Staff Members



## HEAD OFFICE

*From left back row*

Keston Crichlow, Alexander Simon, Gianna Guevara, Asha Thomas, Annette Hinkson-Patrovanie, Anthony Perry, Keiva Brown

*Front row from left*

Kahidja John, Kiechelle Gilliard, Daniella Lewis, Shorn Bhola, Pierre Sookdar, Turon Nicholas, Coleen Emery

*Missing*

Amrita Kunjal-Karim, Giselle Manwaring, Darren Deokumar, Esther Simmons, Lashawn Forde



## BARATARIA OFFICE

*From left*

Linda Joseph, Ameila Gannes, Ayanna Abel-Lewis, Saraswati Seepersad, Joanne Meade

*Missing*

Victoria Jeetam, Tshiann Hamid

# Staff Members



## TOBAGO OFFICE

T'ne Bain and Sasha Gaye Thompson



## GENERAL MANAGER

Camille Joseph-Dipnarine

# THE CREDIT COMMITTEE'S REPORT



**Back Row: L to R**  
Racheal Austin, William Solomon, Adeleine Gittens, Georgiana Cudjoe  
**Seated: Clarence Duke**

## 1. Introduction

The Credit Committee of the Progressive Credit Union Society is pleased to report to our shareholders on our performance of the society for the year ending 2021.

At the inaugural virtual Annual General Meeting which was held on April 07, 2021 at the Barataria Office, the following members were elected to serve. As the Covid-19 pandemic continues. Mr. William Solomon and Ms. Adeleine Gittens were selected as Chairman and Secretary respectively.

Mr. William Solomon	-	Chairperson
Ms. Adeleine Gittens	-	Secretary
Mr. Clarence Duke	-	Member
Ms. Georgiana Cudjoe	-	Member
Ms. Racheal Austin	-	Member
Ms. Julia Bruce	-	1st substitute
Mr. Heeralal Sookhai	-	2nd substitute

## 2. Meetings

The Committee held forty (40) meetings to the amount, three (03) was the Christmas Box approval.

	Present	Excused
William Solomon	38	02
Adeleine Gittens	38	02
Clarence Duke	40	-
Georgiana Cudjoe	40	-
Racheal Austin	36	04

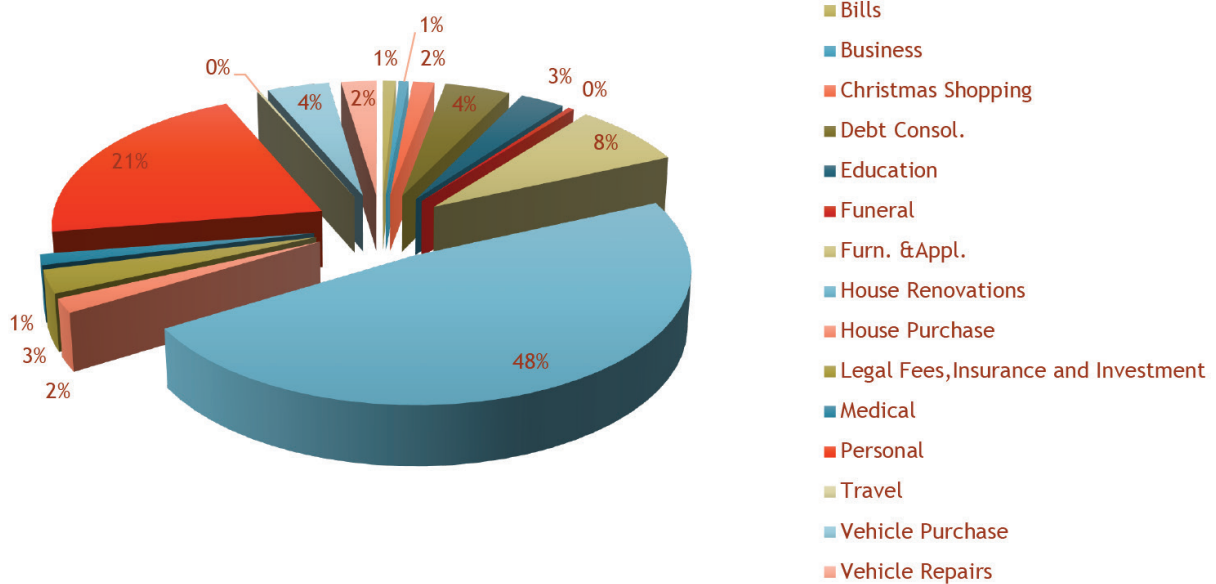
## 3. Loan Analysis

The total loans approved for the year 2021 was three thousand, six hundred and sixty-three (3,663) with a cash value of thirty-six million eight hundred and sixty-eight thousand, six hundred and forty-nine dollars (\$36,868,649.00) there was a decrease of (\$291,209.00).

LOANS APPROVED	NO. OF LOANS - 2021	2021	2020
<b>Bills</b>	<b>15</b>	306,810.00	322,178.74
<b>Business</b>	<b>5</b>	236,095.00	199,150.00
<b>Christmas Shopping</b>	<b>61</b>	515,650.00	755,880.00
<b>Debt Consol.</b>	<b>61</b>	1,547,012.84	910,996.00
<b>Education</b>	<b>92</b>	1,064,631.00	796,454.00
<b>Funeral</b>	<b>14</b>	146,770.00	94,115.00
<b>Furn. &amp; Appl.</b>	<b>219</b>	2,752,728.59	3,978,193.24
<b>House Renovations</b>	<b>690</b>	17,209,879.24	19,707,274.77
<b>House Purchase</b>	<b>5</b>	637,325.00	190,750.00
<b>Legal Fees, Insurance and Investment</b>	<b>67</b>	1,038,860.00	90,285.00
<b>Medical</b>	<b>23</b>	473,937.00	289,425.00
<b>Personal</b>	<b>2,034</b>	7,491,691.67	6,918,810.16
<b>Travel</b>	<b>5</b>	69,700.00	211,315.00
<b>Vehicle Purchase</b>	<b>19</b>	1,461,878.50	1,112,544.40
<b>Vehicle Repairs</b>	<b>54</b>	836,830.00	545,386.60
<b>Xmas Box</b>	<b>299</b>	1,078,850.00	1,037,100.00
<b>TOTAL</b>	<b>3663</b>	<b>36,868,649</b>	<b>37,159,858</b>



## LOANS DISBURSED



#### 4. Site Visits

Site visits were conducted to assist members who applied for house renovations, construction and home improvement throughout Trinidad and Tobago.

#### 5. Interviews

Interviews were conducted with members who requested to meet with the Committee, some to get further information to either provide clarification or confirmation of matters before the Committee and also financial counselling.

#### 6. Tobago

Due to the Covid-19 pandemic restriction, the Credit Committee was only able to visit Tobago twice for the year.

#### 7. Delinquency

The Credit Committee worked in collaboration with Delinquency Committee, Board of Directors, the General Manager and Loan Officers concerning recovery with respect to delinquency.

#### 8. Conclusion

The Credit Committee could not fulfil its obligation to the membership without first thanking God for the assistance of the following:

- Board Of Directors
- Supervisory Committee
- General Manager and Staff and all other sub committees.

We particularly want to thank all our members for their support, commitment and cooperation during this Covid-19 pandemic trying times which continues to dominate our country and world at large. We implore all to stay safe and adhere to the health protocols and trust in the Higher Being.

Blessings to all

**William Solomon**  
Chairperson

**Adeleine Gittens**  
Secretary

# THE SUPERVISORY COMMITTEE'S REPORT

★ ★ ★



**From Left**  
Ginelle Small Cummings, Anne Marie Campbell, Melina Preto

The Supervisory Committee brings greetings to all members; prospective members, guests and all well-wishers present at our 35th Annual General Meeting of the Progressive Credit Union Co-operative Society Limited.

The following members were elected at the 34th Annual General Meeting which was held virtually on the 27th March, 2021 at our North Branch located on #80 Second Street Barataria. The Supervisory Committee served for the period 2021-2022 in the following positions:

- |                                    |                       |
|------------------------------------|-----------------------|
| <b>Mrs. Ginelle Small-Cummings</b> | <b>Chairperson</b>    |
| <b>Ms. Melina Prieto</b>           | <b>Secretary</b>      |
| <b>Ms. Anne Marie Campbell</b>     | <b>Member</b>         |
| <b>Mr. Gerald Antoine</b>          | <b>1st Substitute</b> |

## 1.0 INTRODUCTION

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

## 2.0 ATTENDANCE OF MEETINGS

### A TOTAL OF 24 MEETINGS WERE HELD DURING THE TERM SERVED

NAMES	PRESENT	EXCUSED	ABSENT
Ginelle Small-Cummings	19	5	-
Melina Preto	12	10	2
Anne Marie Campbell	18	6	-

Meetings were done via virtual platform and physically. Also, physical checks were made to the Tobago, North and South Offices.

## 3.0 AIMS & OBJECTIVES

The Supervisory Committee had the following aims and objectives for the period of 2021-2022:

- Examined all Bank Reconciliations to ensure all transactions and returned cheques were accounted for.
- Reviewed and monitored the delinquency portfolio paying attention to the economic and industrial climate.
- Visited all Branches and conducted cash checks.
- Examined the Fixed Assets Register and Conducted Physical Checks.
- Identified weaknesses in the Organization and made recommendations for improvement.
- Maintained and ensured that all the necessary Protocols were enforced and followed due to the Covid-19 Pandemic, for the safety of the staff as well as our members.

## 4.0 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, without any obstacles.

The Committee had a presence at all Board and Credit Committee Meetings. The Committee submitted monthly reports as to the findings and made the necessary recommendations for improvements and offered recommendations where necessary.

The Supervisory Committee wishes to praise the Management and Staff of the Society for all their support in making the transition very smooth by adhering to the Society's Bye-Laws and the Co-operative Societies Act.

## 5.0 SEMINARS & WORKSHOPS

Seminars and workshops are ongoing for the Supervisory Committee.

## 6.0 VISITS

Both virtual and physical visits were done even in this time of pandemic to monitor all cash transactions. Meetings were held with the management and staff was interviewed and discussions held with regards to the operations of the Society.

## 7.0 COMMENDATIONS

It must be noted and commended even in this trying time the Credit Committee members were able to grant loans, while paying close attention to the current situation and financial problems being experienced by MTS in order to meet our members' needs.

The Board of Directors, Management, Staff and Co-opted member of all Board appointed Committees should be commended for their outstanding and fruitful efforts to function despite the Covid-19 Pandemic by ensuring the smooth running of the credit union as the members' wellbeing were first and foremost.

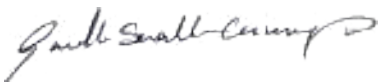
The Supervisory Committee will like to also commend the members of the Progressive Credit Union for your continued support, understanding and patience even though we have had to adapt to the new normal.

## 8.0 CONCLUSION

With the introduction of Sharetec software the transition from old to new appears to be smooth. The Committee takes this opportunity to firstly thank God Almighty for giving us the Health and Strength to render our services to all members of the Society.

We look forward to a bright and affluent term 2022-2023. We extend a heartfelt of gratitude to the members that have given us the opportunity to serve you and for believing in us.

Cooperatively yours,



---

MRS. GINELLE SMALL-CUMMINGS  
CHAIRPERSON

# THE EDUCATION COMMITTEE'S REPORT



The Education Committee for the term 2021 - 2022 comprised of:

Ms. Marilyn John Fahey	-	Chairperson
Ms. Thecla Quamina	-	Secretary
Mr. Errol Thomas	-	Member
Ms. Neisha Cudjoe	-	Liaison Officer Youth Arm
Mr. Anthony Perry	-	Staff Representative

## INTRODUCTION

'Education is for improving the lives of others and for leaving your community and world better than you found it'. Marian Wright-Elderman.

The term 2021 started with the embracing of the 'new normal' in the form of the pandemic 'Covid-19'; globally the world over had to change their plans and strategies. We at Progressive would have also been faced with shelving all physical activities and accede and adjust whenever the rules and laws were changed.

## TRAINING AND EDUCATION PROGRAMMES

As was stated the 'new normal' was a hindrance in some instances to plans that were put in place, which had to be shelved. Going forward the training of Board, Committees and Staff by the Credit Union League of Trinidad and Tobago were done online. This initiative was done to bring all stakeholders up to par. There was continuous online training to upgrade the Board and Committee members and Staff to efficiently serve our membership. Training included:-

- Corporate Governance
- Loan Default - Techniques to Control
- Directors and Committee Members Leadership Programmes

It was imperative that in order to better serve you the members who are the owners of the credit union and as one speaker said to 'delight our members', for all on board to come up to par with the 'new normal'.

## YOUTH ARM

In today's society every effort is being made to captivate and develop the youths; the credit union movement is no different. So once again we commenced the rejuvenation of the youth arm with emphasis being placed on development of the younger members in our society. In August 2021 a new 'Youth Arm Committee' was formed. The committee hit the ground running by attending a conference titled "Challenges and Success of Virtual Learning, Entrepreneurship a Covid Success Story", this was hosted by the North West Regional Chapter. Three members were chosen to attend. Dominique Cudjoe, prepared a video outlining her participation in the workshop, which could be viewed on the Credit Union's social media platform.

On the September 06, 2021, the Executive of the Youth Arm was formed. They are as follows:

- Ms. Dominique Cudjoe - *President*
- Mr. Renard Ramnath - *Vice President*
- Mr. Emmanuel Preudhomme - *Secretary*
- Mr. Jeremiah Pierre - *Assistant Secretary*
- Ms. Mia Davis - *Treasurer*
- Ms. Wonder John - *Public Relations Officer*

Ms. Neisha Cudjoe, a member of the education committee, is the Liaison Officer on the Youth Arm. There are presently fifteen (15) members. We are taking this opportunity to invite other youths to get involved and strengthen your ties, come and learn about the Credit Union Movement.

On the February 23, 2022, the Credit Union League hosted a workshop "Formulating the Effective Youth Arm Preparing for Transition", five (5) persons attended.

## CREDIT UNION MONTH

Credit Union Month, which is celebrated in October internationally on an annual basis, was not marked this year with our usual physical activities due to Covid-19 protocols. Members' Appreciation Day was held on October 21, 2021,

and members were able to go to our offices and receive a token. This year Appreciation Day was spearheaded by the Marketing Committee and the Education Committee who worked alongside them with the distribution of tokens. The Board of Directors took a decision to honour Mr. Michael Hunte, founding member (also a past president) who passed away due to the Covid-19 virus. The tokens which was a lunch bag, had written on them 'In Memoriam of Mr. Michael Hunte founding member'.

### PETER MC DAVID EXCELLENCE AWARDS

The Excellence Awards which is held annually, and which was renamed in 2012 after one of our founding fathers, Mr. Peter Mc David who was known as the 'Excellence Awards Man' was held on November 20, 2021. This was due to the delay in the SEA exams results.

It was with great pride and an unprecedented move that we were able to honour nine (9) SEA awardees, two (2) CSEC awardees and one (1) Tertiary awardee. Two (2) applicants were told to reapply next time. The 20th November was also International Children's Day. The awardees were well celebrated with the theme which was addressed by the feature speaker "*Virtual Success and Thriving in a Pandemic*". All Covid-19 protocols were observed with the reminder to the awardees to continue striving for excellence. The two (2) CSEC awardees were also former SEA awardees.

### CHILDREN'S CHRISTMAS PARTY

The Children's Christmas Parties were replaced this year with a 'Children's Treat and Snack-bag' distribution, because of the pandemic restrictions. They were held on December 12, 2021 in Tobago and December 18, 2021 in Trinidad. Although rain fell continuously in Tobago there was a lively stream of parents and children. The children were treated to snack bags, toys and an unexpected visit from Minnie Mouse who invited the children to take pictures with her. In Trinidad the children were visited by a lively clown personality who distributed balloons and toys to them. They collected their snack bags and toys, took pictures and left.

Heartfelt thanks must go to members for their participation, Ms. Annette Hinkson-Patrovanie from Marketing Department who worked selflessly and passionately along with staff and committee members to make this event a resounding success.

### UPCOMING EVENTS

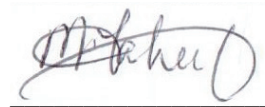
The upcoming events are as follows:

- Training for Youth Arm Committee Members
- Member Development Training
- Peter Mc David Excellence Awards
- FIP training and Staff Development
- Membership Training
- Children's Christmas Party

### CONCLUSION

In conclusion, 'an investment in education pays the best interest' - Benjamin Franklin. We would like to take this opportunity to thank Almighty God for giving us the strength and fortitude to serve you, our beloved members. We greatly appreciate your continuous support. Special thanks and acknowledgement to the General Manager and Staff, Board of Directors and fellow Committee Members. Thank you all and may God continue to bless you.

Cooperatively Yours



Marilyn John-Fahey  
Chairperson

# THE NOMINATING COMMITTEE'S REPORT



## INTRODUCTION

In accordance with Bye Law 24 (b) of the Progressive Credit Union, the Board of Directors appointed

Veronica Jacob - Chairperson/Director  
Michael Hernandez - Director

to serve on the Nominating Committee for the period 2022-2023, to select Officers to serve on the Board of Directors, Supervisory and Credit Committees. The following persons were also co-opted to serve on the Nominating Committee:

Gale Trim-Harris - Member  
Omar Dubay - Member  
Malcolm Alexander - Member

On the first day of the interview, Mr. Hernandez inadvertently fell ill and was unable to participate in the interviews.

## ADVERTISEMENT

The Notice inviting nominations was placed in the Trinidad Express Newspapers on January 5 and 16, 2022. In addition, social media was extensively utilized, and notices were placed at the three offices.

At the deadline date, January 24, 2022, a low total of ten (10) applications was received. An extended deadline, January 28, 2022, yielded nine (9) more applications.

The following is a breakdown of the nineteen (19) applications:

Board of Directors	-	06
Credit Committee	-	08
Supervisory Committee	-	05

One applicant failed to meet the set criteria and therefore could not be interviewed.

## INTERVIEWS

Upon receipt of the Nomination Forms, the Marketing Department verified that all requirements for candidates were met before dispatching e-mails and letters to candidates informing them of their acceptance and interview date. In accordance with Bye Law 24 (d) interviews were conducted on March 02 and 05, 2022 for all candidates.

A total of six (6) members were interviewed for the Board of Directors. Mr. Erskine Abel and Mr. Peter Ian De Boulet were interviewed virtually while the other candidates were interviewed in person.

A total of seven (7) members were interviewed in person for the Credit Committee.

A total of five (5) members were interviewed for the Supervisory Committee. One virtually, Ms. Melina Preto, and the others in person.

The following candidates were recommended:

### Board:

Wilfred Wallace	Erskine Abel
Peter Ian De Boulet	Stephen Fraser
Noeline Mayers-Downes	Georgiana Cudjoe

### Credit Committee:

Racheal Austin	Ann Marie Campbell
Natalie Jack	Heeralal Sookhai
Errol Thomas	Adelaine Gittens
Ginelle Small-Cummings	

### Supervisory Committee:

William Solomon	Clarence Duke
Clinton Warren	Melina Preto
Debra Mitchell	

The Credit Union continues to struggle in attracting sufficient and suitable candidates to serve on the Board and Statutory Committees.

## RECOMMENDATION

The changing external environment - world events which directly and indirectly impact our economy, shifting landscapes and technological advancements - demand more than just the perspective candidates' "*willingness to serve*". It requires competencies, dedication, commitment, honesty and integrity.

It is recommended that the Credit Union seek persons qualified in disciplines of Auditing, Financial Management, Law,

IT and Human Resource Management to fill positions in the above committees.

The Education Committee should be mandated to conduct suitable and appropriate seminars/courses designed to bring awareness and understanding about Cooperatives in general and the goals and strategic objectives of The Progressive Credit Union in particular, to perspective candidates and the general membership.

All perspective candidates should be required to submit updated resumes (not later than one year) with their application/nomination forms.

## **CONCLUSION**

The Nominating Committee wishes to thank the Board for the confidence placed in its members to conduct interviews and make the necessary nominee recommendations to the Board and its membership.

We also appreciate the cooperation provided by the staff of the Marketing Department and the candidates themselves especially the ones interviewed virtually.

Cooperatively,



---

**Veronica Jacob**  
**Chairperson**

# PROFILES 2022

## BOARD OF DIRECTORS



STEPHEN FRASER

**Place of Employment:** Transnational Organized Crime Unit

**Occupation:** Immigration Officer II

**Credit Union Membership:** 38 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



PETER IAN  
DE BOULET

**Place of Employment:** Security Consultant

**Credit Union Membership:** 37 years

**Present:**

- Member of the Delinquency Committee

**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



GEORGIANA CUDJOE

**Place of Employment:** Retired

**Credit Union Membership:** 38 years

**Credit Union Experience:**

**Present:**

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



# PROFILES 2022

## BOARD OF DIRECTORS



ERSKINE ABEL

**Place of Employment:** Retired

**Credit Union Membership:** 31 years

**Credit Union Experience:**

**Present:**

- **President of the Board of Directors**

**Past:**

- Treasurer of the Board of Directors
- Chairperson of the Audit Committee
- Secretary of the Board of Directors
- Chairperson of the Finance Committee
- Chairperson of the Credit Committee
- Member of the Board of Directors
- Member of the Properties Committee
- Member of the Delinquency Committee
- Member of the Education Committee
- Member of the Supervisory Committee

**Education and Training:**

- Certificate in Credit Union Management
- Certificate in Business Management
- Strategic Planning
- Financial Management
- PEARLS Ratio

**Other Associations:**

- Member of the Board of Directors of the South-East Regional Chapter



WILFRED WALLACE

**Place of Employment:** NMTS

**Occupation:** Accountant/Fleet Manager (Ag.)

**Credit Union Membership:** 18 years

**Present:**

- Member of the Finance Committee

**Past:**

- Member of the Supervisory Committee
- Member of the Finance Committee

**Education and Training:**

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



NOELINE MAYERS DOWNES

**Place of Employment:** NMTS

**Occupation:** Human Resource Officer

**Credit Union Membership:** 14 years

**Past:**

- Member of the Marketing and Communications Committee
- Member of the Nominating Committee

**Education and Training:**

- BA (Hons) Human Resource Management
- ABE Level 5 and 6
- Diploma in Human Resource Management
- Diploma in Industrial Relations Practices
- Food Preparation and Catering
- Bread, Cake and Pastry Making

# PROFILES 2022

## SUPERVISORY COMMITTEE



WILLIAM SOLOMON

**Occupation:** Retired

**Credit Union Membership:** 38 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:**

- Delinquency Management
- AML/CFT
- Loan Default – Techniques to Control
- Basic Computer Literacy Course
- Operation of Wastewater and Treatment Plant



CLARENCE DUKE

**Place of Employment:** NMTS

**Occupation:** Plumbing, Masonry, Electrical

**Credit Union Membership:** 37 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
- Repairing house roofs from wood to steel



MELINA PREITO

**Place of Employment:** NMTS

**Last Position Held:** Storekeeper (Ag.)

**Credit Union Membership:** 14 years

**Credit Union Experience:**

**Present:**

- Secretary of the Supervisory Committee

**Education and Training:**

- Financial Intelligence Unit Training
- Supervisory Committee Training
- Building Management
- Purchasing and Logistics
- Inventory and Warehouse Management
- Computer Literacy
- Receptionist Course
- Ticketing & Reservation
- Conversational Spanish
- LCCI Executive Secretarial Diploma
- Conversational Spanish
- Introduction to Receptionist
- Advanced Certificate in Office Management

# PROFILES 2022

## SUPERVISORY COMMITTEE



DEBRA ROSS MITCHELL

**Place of Employment:** NMTS

**Occupation:** Safety Assistant

**Credit Union Membership:** 17 years

**Present:**

- Member of the Health and Safety Committee

**Education and Training:**

- Diploma in Occupational Health and Safety
- Diploma in Environmental Management
- Pursuing Associate Degree in Environmental Management
- Security Officers Basic Training
- First Aid/Blood Borne Pathogen and Investigation



CLINTON WARREN

**Place of Employment:** NMTS

**Last Position Held:** Accounts Clerk

**Credit Union Membership:** 6 years

**Present:**

- Member of the Marketing and Communications Committee

**Education and Training:**

- Diploma in Accounting and Management
- Queens Royal College

**Other Skills**

- Customer Service
- Motivational Training
- Team Building

## CREDIT COMMITTEE



ERROL THOMAS

**Place of Employment:** Retired

**Credit Union Membership:** 37 years

**Credit Union Experience:**

**Present:**

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

**Past:**

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

**Education and Training:**

- Certificate in Credit Union Directors Professional Development Program
- Certificate in AML/CFT Workshop
- Certificate in Introduction to Occupational Health and Safety
- Delinquency Training
- Supervisory Training
- Credit Management Training
- Strategic Planning Training
- Introduction to Co-operative Studies

# PROFILES 2022

## CREDIT COMMITTEE



GINELLE SMALL-CUMMINGS

**Place of Employment:** NMTS  
**Occupation:** Maintenance Technician I  
**Credit Union Membership:** 14 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



HEERALAL SOOKHAI

**Place of Employment:** NMTS  
**Occupation:** Building Supervisor  
**Credit Union Membership:** 26 years

**Present:**

- Member of the Delinquency Committee

**Education and Training:**

- Building Construction Technology
- Plumbing Level I
- Construction Carpentry
- Cabinet Making
- Computer Literacy Levels I and II
- Supervisory Development
- Understanding Financial Statements
- Lending and Counselling Guidelines for Credit Committee



RACHEAL AUSTIN

**Place of Employment:** NMTS  
**Occupation:** Human Resource Assistant  
**Credit Union Membership:** 13 years  
**Credit Union Experience:**

**Present:**

- Member of the Credit Committee

**Past:**

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

**Education and Training:**

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

# PROFILES 2022

## CREDIT COMMITTEE



ANNE MARIE CAMPBELL

**Place of Employment:** Retired

**Credit Union Membership:** 38 years

**Credit Union Experience:**

**Present:**

- Member of the Supervisory Committee

**Past:**

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



NATALIE JACK

**Place of Employment:** Self Employed

**Last Position Held:** Massage Therapist

**Credit Union Membership:** 3 years

**Education and Training:**

- Certificate of Training in Basic Therapeutic Massage and Bodywork
- First Aid Certification
- Certification in ECCE Teaching
- Certification in Children Writing
- Certification in Hospitality

**Other Skills**

- Master of Ceremonies
- Conflict Resolution
- Interpersonal Communication
- Planning and Execution of Events
- Public Relations
- Team Work and Leadership



ADELEINE GITTENS

**Place of Employment:** Retired

**Credit Union Membership:** 20 years

**Credit Union Experience:**

**Past:**

- Former Senior Loan Officer at Progressive Credit Union
- Secretary of the Credit Committee
- Chairperson of the Credit Committee
- Chairperson of the Supervisory Committee
- Member of the Delinquency 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  
31ST DECEMBER 2021**

PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021

<b>C O N T E N T S</b>	<b>Page</b>
<b>Statement of Management’s Responsibilities</b>	<b>2</b>
<b>Auditors’ Report</b>	<b>3 - 5</b>
<b>Statement of Financial Position</b>	<b>6</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>8</b>
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<b>Notes to the Financial Statements</b>	<b>10 - 42</b>

**INDEPENDENT AUDITORS' 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 comprises the statement of financial position as at 31<sup>st</sup> December 2021, statement of comprehensive income, statement of changes in equity, statement of cash flows and receipts and payments account for the year then ended, and incorporating summary of significant accounting policies and other explanatory notes, as stated on pages 6 to 42.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Progressive Credit Union Co-Operative Society Limited as at 31<sup>st</sup> December 2021 and the results of its operations and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

*Other Matter*

The financial statements for the year ended 31<sup>st</sup> December 2020, were audited by another auditor, who expressed an unqualified opinion on those statements on 19<sup>th</sup> March 2021

*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 international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other information*

Management is responsible for the other information. The other information comprises the information included in the Society's annual report. Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



*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 IFRSs, 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 have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

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



*Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Rudranand Maharaj.

Maharaj Mohammed & Co.  
Chartered Accountants  
Trinidad & Tobago

8<sup>th</sup> April 2022

PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF MANAGEMENT’S RESPONSIBILITIES

Management is responsible for the following:

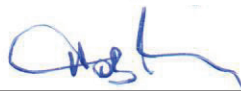
- Preparing and fairly presenting the financial statements of Progressive Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31<sup>st</sup> December, 2021, the statements of comprehensive income, changes in equity, statement of receipts and payments and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Credit Union 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 Credit Union’s assets, detection/prevention of fraud, and the achievement of Credit Union’s operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Cooperative Societies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

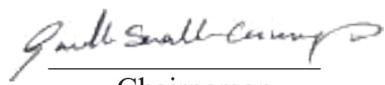
In preparing these audited financial statements, Management utilized the International Financial Reporting Standard, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards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

Nothing has come to the attention of Management to indicate that Progressive Credit Union Co-operative Society Limited 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 authorized for issue, if later.

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

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Treasurer

  
\_\_\_\_\_  
Chairperson  
Supervisory Committee

8<sup>th</sup> April 2022

8<sup>th</sup> April 2022

8<sup>th</sup> April 2022

PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION AT 31<sup>ST</sup> DECEMBER 2021

<u>ASSETS</u>	Notes	2021 \$	2020 \$
<b>Current assets</b>			
Cash and cash equivalents	4	1,170,746	381,784
Investment securities	8(b)	9,654,134	18,299,147
Accounts receivable and prepayments	6	9,504,605	2,784,813
Inventories	7	<u>303,398</u>	<u>429,706</u>
		<u>20,632,883</u>	<u>21,895,450</u>
<b>Non-current assets</b>			
Right-of-use asset	5	-	44,211
Property, plant and equipment	9	6,915,633	6,272,432
Members' loans	11	93,409,695	89,200,638
Investments	8(a)	<u>4,395,715</u>	<u>3,374,430</u>
		<u>104,721,043</u>	<u>98,891,711</u>
<b>Total Assets</b>		<b><u>125,353,926</u></b>	<b><u>120,787,161</u></b>
 <u>MEMBERS' EQUITY AND LIABILITIES</u>			
<b>Current liabilities</b>			
Bank advance	12	-	832,349
Accounts payable and accruals	10	2,574,045	3,782,856
Lease liability	13	<u>-</u>	<u>47,921</u>
		<u>2,574,045</u>	<u>4,663,126</u>
<b>Non-current liabilities</b>			
Members' shares	15	91,231,983	87,952,530
Members' deposits	14	<u>8,188,207</u>	<u>7,620,754</u>
		<u>99,420,190</u>	<u>95,573,284</u>
Total Liabilities		<u>101,994,235</u>	<u>100,236,410</u>
<b>Members' equity</b>			
Reserve fund		7,801,536	7,025,064
Education fund		940,808	749,599
Investment reserve		190,216	190,216
Retained earnings		<u>14,427,131</u>	<u>12,585,872</u>
Total members' equity		<u>23,359,691</u>	<u>20,550,751</u>
<b>Total Liabilities and Shareholders' Equity</b>		<b><u>125,353,926</u></b>	<b><u>120,787,161</u></b>

The accompanying notes on pages 10 to 42 form an integral part of these financial statements.

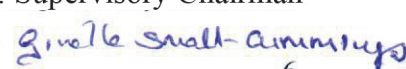
: President



: Treasurer



: Supervisory Chairman



PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021

	Note	2021 \$	2020 \$
<b>Revenue</b>			
Interest on loans		12,123,785	10,944,486
Investment income		452,867	740,297
Fees and other income		903,532	827,954
Rental income		<u>66,000</u>	<u>61,900</u>
<b>Total revenue</b>		<u>13,546,184</u>	<u>12,574,637</u>
<b>Expenses</b>			
Advertising and promotions		60,037	55,525
Bank charges and interest		80,971	107,518
Credit Union League dues	16	76,389	23,549
Depreciation		232,029	216,748
Donations		59,452	8,022
Education and seminars		-	18,025
Establishment	17	464,490	415,460
Expected credit loss provision on loans (IFRS 9)	11(b)	938,088	(221,876)
Green fund levy		41,622	36,163
Insurances		742,145	769,287
Interest on members' deposits		41,345	43,711
Legal and professional		226,628	193,802
Meetings	18	752,757	607,755
Miscellaneous	19	225,156	145,712
Office and stationery		258,841	149,002
Security		460,892	468,201
Staff salaries and benefits	21	3,310,718	3,636,522
Tobago	22	<u>258,631</u>	<u>250,064</u>
<b>Total expenses</b>		<u>8,230,191</u>	<u>6,923,190</u>
<b>Surplus before change in fair value of equity investments securities measured at FVTPL</b>		5,315,993	5,651,447
Net change in FV of equity investment securities		<u>1,243,102</u>	<u>(295,720)</u>
Net surplus		<u>6,559,095</u>	<u>5,355,727</u>

The accompanying notes on pages 10 to 42 form an integral part of these financial statements.

PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021

	<b>Reserve Fund</b>	<b>Education Fund</b>	<b>Investment Re-measurement Reserve</b>	<b>Undivided Surplus</b>	<b>Total Members' Fund</b>
	\$	\$	\$	\$	\$
<i><b>Year ended December 31<sup>st</sup> 2021</b></i>					
Balance as at 1 <sup>st</sup> January 2021	7,025,064	749,599	190,216	12,585,872	20,550,751
Operating surplus	-	-	-	6,559,095	6,559,095
Appropriations	773,347	400,000	-	(1,173,347)	-
Honorarium paid	-	-	-	(130,000)	(130,000)
Entrance fees	3,125	-	-	-	3,125
Fund expenditure/ adjustments	-	(208,791)	-	-	(208,791)
Dividends paid	-	-	-	(3,414,489)	(3,414,489)
Balance at 31 <sup>st</sup> December 2021	<u>7,801,536</u>	<u>940,808</u>	<u>190,216</u>	<u>14,427,131</u>	<u>23,359,691</u>
<i><b>Year ended 31<sup>st</sup> December 2020</b></i>					
Balance at 1 <sup>st</sup> January 2020	6,487,791	409,017	190,216	11,198,207	18,285,231
Operating surplus	-	-	-	5,355,757	5,355,727
Appropriations	535,573	400,000	-	(935,573)	-
Honorarium paid	-	-	-	(120,000)	(120,000)
Entrance fees	1,700	-	-	-	1,700
Fund expenditure/ adjustments	-	(59,418)	-	-	(59,418)
Dividends paid	-	-	-	(2,912,489)	(2,912,489)
Balance at 31 <sup>st</sup> December 2020	<u>7,025,064</u>	<u>749,599</u>	<u>190,216</u>	<u>12,585,872</u>	<u>20,550,751</u>

The accompanying notes on pages 10 to 42 form an integral part of these financial statements.

PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021

	Note	2021 \$	2020 \$
<b>Operating activities</b>			
Net surplus for the year		5,315,993	5,651,447
<b>Adjustment for non-cash items</b>			
Depreciation of property, plant and equipment		232,029	216,748
Depreciation of right-of-use asset		44,211	58,948
Expected credit losses		938,088	(221,876)
Loss on disposal of property, plant and equipment		<u>62,935</u>	<u>7,099</u>
<b>Operating income before working capital changes</b>		6,593,256	5,622,396
<b>Movements in working capital</b>			
Decrease / (increase) in inventories		126,308	(210,834)
(Increase) / decrease in accounts receivable and prepayments		(6,719,792)	3,684,629
(Decrease) / increase in payables and accruals		<u>(1,208,810)</u>	<u>601,113</u>
<b>Net cash (used in) / generated from operating activities</b>		<u>(1,209,038)</u>	<u>9,787,274</u>
<b>Investing activities</b>			
Net change in loans to members		(4,837,831)	(4,661,678)
Increase / (decrease) in members' deposits		567,453	(279,647)
Purchase of property, plant and equipment		(953,428)	(208,602)
Net sale / (purchase) of investments		<u>7,623,728</u>	<u>(2,250,399)</u>
<b>Net cash generated from / (used in) investing activities</b>		<u>2,399,922</u>	<u>(7,400,326)</u>
<b>Financing activities</b>			
Principal repayments on lease liability		-	(59,571)
Dividends paid		(3,414,489)	(2,912,489)
Net change in members' shares		3,279,453	1,260,208
Education fund expenses		(208,792)	(59,418)
Honorarium paid		(130,000)	(120,000)
Membership fee		<u>3,125</u>	<u>1,700</u>
<b>Net cash used in financing activities</b>		<u>(470,703)</u>	<u>(1,889,570)</u>
<b>Net increase in cash and cash equivalents</b>		<b><u>720,181</u></b>	<b><u>497,378</u></b>
<b>Cash and cash equivalents</b>			
- at the beginning of the year		(450,565)	(947,943)
- at the end of the year	6	<u>1,170,746</u>	<u>(450,565)</u>
		<b><u>720,181</u></b>	<b><u>497,378</u></b>

The accompanying notes on pages 10 to 42 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR 31<sup>ST</sup> DECEMBER 2021

**1. Incorporation and principal activities**

Progressive Credit Union Co-operative Society Limited (“the Credit Union”) was incorporated on July 1<sup>st</sup>, 1984 under the Co-operative Societies Act of Trinidad and Tobago. 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 objective are to promote the economic welfare of its members, encouraging the spirit and practice thrift, self-help and co-operation.

**2. Significant Accounting Policies**

The principal accounting policies applied to the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, with the exception of those impacted by new and amended standards and interpretations:

**(a) Basis of accounting**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board. These financial statements were prepared under the historical cost convention, except for investment securities which have been measurement at fair value.

*Functional and presentation currency*

The Credit Union’s functional and presentation currency is Trinidad and Tobago dollars which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Society.

**(b) Foreign currency translation**

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 translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income

**(c) Use of estimates**

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



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR 31<sup>ST</sup> DECEMBER 2021

**(d) Adoption of new accounting policies**

- (i) *Standards amended and interpretations which are effective and have been adopted by the Credit Union in the accounting period.*

The accounting policies adopted in the preparation of the Society's financial statements are consistent with those followed in previous financial year. There were no new standards, amendments and interpretations issued but not effective that would have an impact on the financial statements of the Credit Union.

- (ii) *New standards, amendments and interpretations issued but not effective and not early adopted.*

In preparing these financial statements, the Credit Union has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- Amendments to IFRS 16 *Leases: Covid-19-Related Rent Concessions* beyond 30 June 2021 - effective for periods beginning on or after 1 April 2021;
- Amendments to IFRS 3 *Business Combinations: Reference to the Conceptual Framework* - effective for periods beginning on or after 1 January 2022;
- Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous contracts* - effective for periods beginning on or after 1 January 2022;
- 2018-2020 annual improvements cycle: Amendments to four International Reporting Standards (IFRSs) as a result of the IASB's annual improvements project -effective for periods beginning on or after 1 January 2022;
- Amendments to IAS 16 *Property, Plant and Equipment: Proceeds before intended use* - effective for periods beginning on or after 1 January 2022;
- Amendments to IAS 1 *Presentation of financial statements: Amendments on classification* - effective for periods beginning on or after 1 January 2023;
- Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors: Definition of accounting estimate* - effective for periods beginning on or after 1 January 2023;
- Amendments to IAS 1 *Presentation of financial statements* and IFRS Practice Statement 2 *Making Materiality Judgements: Disclosure of accounting policies* - effective for periods beginning on or after 1 January 2023;
- Amendments to IAS 12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction* - effective for periods beginning on or after 1 January 2023.

The adoption and amendment to these standards had no impact on financial statements of the Credit Union.

NOTES TO THE FINANCIAL STATEMENTS  
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2. **Significant accounting policies (continued)**

(e) **Interest income and expenses**

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

(f) **Revenue recognition**

*Loan interest*

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

*Investment income*

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

*Rental fees and other income*

These are accounted for on the accrual basis

(g) **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 recorded 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.

## 2. Significant Accounting Policies (continued)

### (g) Financial instruments (continued)

#### 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 the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

#### Measurement categories of financial assets and liabilities

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

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

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

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:

## 2. Significant Accounting Policies (continued)

### (g) Financial instruments (continued)

#### Business model assessment

The Society determines its business models 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 aggregate portfolios and is based on observable factors such as:

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

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Society's original expectation,

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 purchased financial assets going forward.

## 2. Significant Accounting Policies (continued)

### (g) Financial instruments (continued)

#### *The SPPI (solely payments of principal 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 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 and loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management 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.

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.

## 2. Significant Accounting Policies (continued)

### (g) Financial instruments (continued)

#### (ii) Financial assets and financial liabilities at FVTPL (continued)

Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or interest expense, respectively, using 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 investments 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.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Bases 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.

## 2. Significant Accounting Policies (continued)

### (g) Financial instruments (continued)

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

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.

## 2. Significant Accounting Policies (continued)

### (g) Financial instruments (continued)

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 profitability-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 an 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.

**EAD** – The Exposure at Default is an estimation 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.



NOTES TO THE FINANCIAL STATEMENTS  
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**2. Significant Accounting Policies (continued)**

**(g) Financial instruments (continued)**

**The calculation of ECLs (continued)**

**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 possibly 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%.

**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 prices
- 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.

**2. Significant Accounting Policies (continued)**

**(g) Financial instruments (continued)**

**Collateral valuation**

To mitigate its credit risks on financial assets, the Society seeks to use collateral, where possible. The collateral comes in various form, 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**

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. The Credit Union generally handles all 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 possession 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 and 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.

NOTES TO THE FINANCIAL STATEMENTS  
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**2. Significant Accounting Policies (continued)**

**(g) Financial instruments (continued)**

**(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 amount and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**(h) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on a reducing balance basis at varying rates to write-off the cost of the assets over their estimated useful lives.

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

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

The assets' residual values and useful lives are reviewed at each reporting date, and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

**(i) Inventories**

Inventories are valued at the lower of cost and net realizable value and represents the 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 the 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.

**(j) Borrowing costs**

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

NOTES TO THE FINANCIAL STATEMENTS  
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**2. Significant Accounting Policies (continued)**

**(k) Cash and cash equivalents.**

Cash and cash equivalents comprise cash on hand and bank balances that are readily convertible to known amounts of cash which are subject to insignificant risk of change in value.

**(l) Accounts receivable**

Trade receivables are measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

**(m) Accounts payable**

Accounts payable are obligations on the basis of normal credit terms and do not bear interest. Payables and accruals are carried at cost which is the fair value of the consideration to be paid in the future for the services rendered,

**(n) Loans to members**

Loans and advances granted to members by the Credit Union are stated at principal amounts outstanding net of allowances for loan losses.

A loan is classified as non-accrual when principal or interest is past due, or when in the opinion of management, there is reasonable doubt as to the ultimate collectability of principal or interest. Non-accrual loans may revert to performing status when all payments become fully current or when management has determined there is no reasonable doubt of ultimate collectability.

Loan balances considered as doubtful and or uncollectable are written off to the statement of comprehensive income even though collections efforts continue. The Credit Union maintains a loan loss provision, is calculated in line with IFRS 9. The provision for the year, less recoveries of amounts previously written off and the reversal of provisions no longer required, is disclosed in the statement of comprehensive income.

**(o) Taxation**

The Credit Union is subject to Green Fund Levy based on the stipulated rate for the respective year. 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) 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 the shares held at the end of each day.

NOTES TO THE FINANCIAL STATEMENTS  
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**2. Significant Accounting Policies (continued)**

**(q) Education fund**

In accordance with Bye Law 25(b) of the Credit Union, an amount of not less than five percent (5%) of the net surplus for the year, after making provision to the Reserve Fund, may be credited to the Education Fund. This fund is to be used for education purposes.

**(r) Members' deposits**

A member may deposit money into his account in the Credit Union subject to the terms and conditions specified by the Board.

*(i) Members' savings deposits*

Members' savings deposits are stated at their current balance.

*(ii) Members' fixed deposits*

Members' fixed deposits are stated at their current balance. Interest on members fixed deposits is calculated generally at rates between 1% and 2.5%. These are computed on the accrual basis.

**(s) Members' shares**

The capital of the Society consists 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) Employee benefits / pension obligations**

The Credit Union operates a defined contribution plan and pays contributions to administered pension insurance plans. The Credit Union has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

**(u) Comparative**

Where necessary, comparative figures have been adjusted to take account of the changes in presentation in the current year.

## 2. Significant Accounting Policies (continued)

### (v) Provisions

Provisions are recognised when the society has a present legal or constructive obligation as a result of past events. It is more likely than not 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 risks 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.

### (w) 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 asses

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 economic benefits from the use of the asset, the Society considers only the economic benefits that arise use if 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.

NOTES TO THE FINANCIAL STATEMENTS  
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**2. Significant Accounting Policies (continued)**

**(w) Leases (continued)**

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.

**(x) 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 on 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 new financial year are discussed below:

**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.

## **2. Significant Accounting Policies (continued)**

### **(x) Significant accounting judgements and estimates (continued)**

If there is no quoted price in an active market, then the Society uses valuation techniques that maximises the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all 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.

#### **ii) Impairment losses in 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:



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**2. Significant Accounting Policies (continued)**

**(x) Significant accounting judgements and estimates (continued)**

- 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 ECL models.

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

**3. 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 financial instruments and on lending to members at higher interest rates

**(a) Financial instruments**

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

	<b>2021</b>	
	<i>Carrying Value</i>	<i>Fair Value</i>
	\$	\$
<i>Financial Assets</i>		
Cash and short-term funds	1,170,746	1,170,746
Investment securities	14,049,849	14,049,849
Loan interest receivable	328,597	328,597
Loans to members	93,409,695	93,409,695
<i>Financial Liabilities</i>		
Bank advance	-	832,349
Members' deposits	8,188,207	8,188,207
Interest payable	12,243	12,243
Members shares	91,231,983	91,231,983

PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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**3. Financial Risk Management (continued)**

	<b>2020</b>	
	<i>Carrying Value</i>	<i>Fair Value</i>
	\$	\$
<i>Financial Assets</i>		
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
<i>Financial Liabilities</i>		
Bank advance	832,349	-
Members' deposits	7,620,754	7,620,754
Interest payable	28,724	28,724
Members shares	87,952,530	87,952,531

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:

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument 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, customer 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:

PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

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**3. Financial Risk Management (continued)**

		<b>2021</b>				
	<b>Effective Rate</b>	<b>Up to 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Financial assets</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalent	0.05%	-	-	-	1,170,746	1,170,746
Investments	6.50%	9,654,134	2,329,000	2,041,715	25,000	14,049,849
Loans to members	12.00%	1,483,103	80,277,600	11,648,992	-	93,409,695
<b>Financial Liabilities</b>						
Members' deposits	2.00%	6,972,694	1,215,513	-	-	8,188,207
Members' shares	3.00%	91,231,983	-	-	-	91,231,983
		<b>2020</b>				
	<b>Effective Rate</b>	<b>Up to 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Financial assets</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalent	0.05%	-	-	-	381,784	381,784
Investments	6.50%	18,299,147	-	3,349,430	25,000	21,673,577
Loans to members	12.00%	1,494,953	69,822,803	17,822,822	-	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

**(c) Credit risk**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the Statement of Financial Position date. The Credit Union relies heavily on 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 these guidelines is expected to communicate the Credit Union's lending philosophy; provide policy guidelines to team members involve in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

### 3. Financial Risk Management (continued)

#### (c) Credit risk (continued)

The Credit Union'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. Cash balances are held with high credit quality financial institutions and the Credit Union has policies to limit the amount of exposure to any single financial institution.

#### (d) Liquidity risk

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Credit Union 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 Credit Union 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 the Society's management actively seeks to match cash inflows with 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 reporting date to the contractual maturity date.

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(d) *Liquidity risk (continued)*

	Up to 1 year \$	1 to 5 years \$	2021 Over 5 years \$	Total \$
<b>Fixed Assets</b>				
Cash and cash equivalent	1,170,746	-	-	1,170,746
Investments	9,654,134	2,329,000	2,066,715	14,049,849
Interest receivable	328,597	-	-	328,597
Investment interest receivable	302,239	-	-	302,239
Loans to members	<u>1,483,104</u>	<u>80,277,600</u>	<u>11,648,991</u>	<u>93,409,695</u>
	<u>12,938,820</u>	<u>82,606,600</u>	<u>13,715,706</u>	<u>109,261,126</u>
<b>Financial Liabilities</b>				
Members' deposits	6,972,694	1,215,513	-	8,188,207
Interest payable	12,243	-	-	12,243
Members' shares	<u>91,231,983</u>	<u>-</u>	<u>-</u>	<u>91,231,983</u>
	<u>98,216,920</u>	<u>1,215,513</u>	<u>-</u>	<u>99,432,433</u>
<b>Net liquidity gap</b>	<b><u>(85,278,100)</u></b>	<b><u>81,391,087</u></b>	<b><u>13,753,795</u></b>	<b><u>9,866,782</u></b>

	Up to 1 year \$	1 to 5 years \$	2020 Over 5 years \$	Total \$
<b>Fixed Assets</b>				
Cash and cash equivalent	381,784	-	-	381,784
Investments	18,299,147	-	3,374,430	21,673,577
Loans to members	577,556	-	-	577,556
Investment interest receivable	45,024	-	-	45,024
Loans to members	<u>1,494,953</u>	<u>69,822,803</u>	<u>17,882,882</u>	<u>89,200,638</u>
	<u>20,798,464</u>	<u>69,822,803</u>	<u>21,257,312</u>	<u>111,878,579</u>
<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	<u>87,952,530</u>	<u>-</u>	<u>-</u>	<u>87,952,530</u>
	<u>94,796,329</u>	<u>1,638,028</u>	<u>-</u>	<u>96,434,357</u>
<b>Net liquidity gap</b>	<b><u>(73,997,865)</u></b>	<b><u>68,184,775</u></b>	<b><u>21,257,312</u></b>	<b><u>15,444,222</u></b>

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**3. Financial Risk Management (continued)**

**(e) Reputation risk**

The risk of loss of reputation arising from the negative publicity relating to the Credit Union's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Society. The Credit Union engages in public social endeavours to engender trust and minimise this risk.

**(f) Compliance risk**

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Commissioner for Co-operative Development, as well as by the monitoring controls applied by the Credit Union.

**(g) Capital risk management**

The Credit Union's objectives when managing capital are to safeguard the Credit Union's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

**(h) 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 Credit Union's measurement currency. The Credit Union 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.

**4. Cash and cash equivalents**

Cash and cash equivalents consist of cash-on-hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts.

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	217,749	381,784
Cash at bank	<u>952,997</u>	<u>-</u>
	<u><b>1,170,746</b></u>	<u><b>381,784</b></u>

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**5. Right-of-use asset**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>i) Property</b>		
Balance as at January 1 <sup>st</sup>	44,211	103,159
Depreciation charge for the year	<u>(44,211)</u>	<u>(58,948)</u>
	<u>—</u>	<u>44,211</u>
<b>i) Amount recognised in statement of Comprehensive income</b>		
Interest on lease liability	<u>3,711</u>	<u>7,524</u>
Depreciation	<u>44,211</u>	<u>58,948</u>

The Credit Union's lease agreement for its Tobago Office expired in 2018. Discussions for a renewal have been ongoing since expiry, however, the Covid-19 Pandemic has significantly delayed this process. We expect that this will be finalised in the subsequent period.

**6. Accounts receivable and prepayments**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Interest receivable	302,239	45,024
Loan interest	328,597	577,556
NMTS payroll	8,698,992	1,928,182
Sundry receivables	<u>174,777</u>	<u>234,051</u>
	<u>9,504,605</u>	<u>2,784,813</u>

**7. Inventories**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Appliance Centre	<u>303,398</u>	<u>429,706</u>

The Credit Union's inventory consists of house-hold appliances, furniture, kitchen equipment and electronics. Inventory is carried in the books at cost.

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**8. Investment securities**

<i>(a) Debt investment securities measured at amortised cost:</i>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</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	1,020,430
National Investment Fund – 2023	337,000	337,000
Government of the Republic of Trinidad and Tobago -Fixed Rate Bond 2021	<u>1,021,285</u>	<u>-</u>
	<u>4,395,715</u>	<u>3,374,430</u>
 <i>(b) Equity investment securities measured at FVPL:</i>	 <b>2021</b>	 <b>2020</b>
	<b>\$</b>	<b>\$</b>
Jamaica Money Market Brokers – 120,000 shares	271,200	230,400
Royal Bank of Canada – 265 shares	189,045	147,027
Guardian Holdings Limited – 3,000 shares	90,000	62,700
Republic bank Limited – 2,000 shares	280,320	269,980
Grace Kennedy and Company Ltd – 18,000 shares	109,800	69,300
Sagicor Financial Company Ltd – 2,303 shares	81,797	80,249
First Citizens Bank Limited – 51,433 shares	3,197,512	2,216,162
Trinidad and Tobago NGL limited – 10,948 shares	228,813	186,116
<b>Units</b>		
Trinidad and Tobago Unit Trust Corporation;		
- 1 <sup>st</sup> Scheme	24,153	21,314
- 2 <sup>nd</sup> Scheme	4,819,465	14,709,727
- US\$ Income Fund	30,444	30,163
- Calypso Macro Index Fund	<u>331,585</u>	<u>279,009</u>
	<u>9,654,134</u>	<u>18,299,147</u>



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**9. Property, plant and equipment**

<b>31<sup>st</sup> December 2021</b>	Freehold Property	Buildings	Furniture, Fixture and Fittings	Equipment	Motor Vehicle	Total
<i>Cost / Valuation</i>	\$	\$	\$	\$	\$	\$
Balance January 1, 2021	1,516,427	4,730,618	679,213	1,565,971	178,850	8,671,079
Additions	-	104,837	13,630	834,961	-	953,428
Disposal	-	-	(35,979)	(170,266)	-	(206,245)
Balance December 31, 2021	<u>1,516,427</u>	<u>4,835,455</u>	<u>656,864</u>	<u>2,230,666</u>	<u>178,850</u>	<u>9,418,262</u>
<i>Accumulated Depreciation</i>						
Balance January 1, 2021	-	1,131,587	278,136	842,547	146,377	2,398,647
Charge for the year	-	94,785	22,240	108,510	6,494	232,029
Disposal	-	-	(15,002)	(113,045)	-	(128,047)
Balance December 31, 2021	-	<u>1,226,372</u>	<u>285,374</u>	<u>838,012</u>	<u>152,871</u>	<u>2,502,629</u>
<b>Net book value 2020</b>	<b><u>1,516,427</u></b>	<b><u>3,609,083</u></b>	<b><u>371,490</u></b>	<b><u>1,392,654</u></b>	<b><u>25,979</u></b>	<b><u>6,915,633</u></b>
<b>31<sup>st</sup> December 2020</b>	Freehold Property	Buildings	Furniture, Fixture and Fittings	Equipment	Motor Vehicle	Total
<i>Cost / Valuation</i>	\$	\$	\$	\$	\$	\$
Balance January 1, 2020	1,516,427	4,721,516	677,863	1,427,586	178,850	8,522,242
Additions	-	9,120	1,350	198,150	-	208,602
Disposal	-	-	-	(59,765)	-	(59,765)
Balance December 31, 2020	<u>1,516,427</u>	<u>4,730,618</u>	<u>679,213</u>	<u>1,565,971</u>	<u>178,850</u>	<u>8,671,079</u>
<i>Accumulated Depreciation</i>						
Balance January 1, 2020	-	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
Disposal	-	-	-	(52,666)	-	(52,666)
Balance December 31, 2020	-	<u>1,131,587</u>	<u>278,136</u>	<u>842,547</u>	<u>146,377</u>	<u>2,398,647</u>
<b>Net book value 2020</b>	<b><u>1,516,427</u></b>	<b><u>3,599,031</u></b>	<b><u>401,077</u></b>	<b><u>723,424</u></b>	<b><u>32,473</u></b>	<b><u>6,272,432</u></b>

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<b>10. Accounts payable and accruals</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Interest payable	12,243	28,724
Sundry payables and accruals	<u>2,561,802</u>	<u>3,754,132</u>
	<u>2,574,045</u>	<u>3,782,856</u>

**11. 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 Boards evaluation of the loan portfolio under current economic conditions and past loan loss experience

***Impact of COVID-19 Pandemic***

On March 11<sup>th</sup> 2020, the World Health Organization declared the novel Coronavirus (Covid-19) outbreak a global pandemic. Management has considered the consequences of Covid-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Credit Unions ability to continue as a going concern.

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.

<b>(a) Credit concentration</b>	<b>2021</b>	<b>2020</b>
<b>\$</b>	<b>\$</b>	
Special	1,963	7,119
Business	913,755	985,467
Consumer	85,724	200,399
Xmas	968,676	985,681
Ordinary	97,615,397	92,319,285
Mortgage	764,274	505,326
Education	29,508	66,853
Vehicle	<u>413,600</u>	<u>823,910</u>
Gross Loans	100,792,897	95,894,040
Less: Expected credit loss provision	<u>(7,383,202)</u>	<u>(6,693,402)</u>
Total loans net of expected credit loss provision	<u>93,409,695</u>	<u>89,200,638</u>

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**11. Loans to members (continued)**

**(b) Analysis of movement in expected credit loss**

Loans to members are stated at principal outstanding net of a provision for loan losses. Management applied the loan loss provisions along the guidelines of IFRS 9.

<i>Expected credit loss provision</i>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Opening balance as at 1 <sup>st</sup> January	6,693,402	7,163,770
Expected credit loss	938,088	(221,876)
Loans written off	<u>(248,288)</u>	<u>(248,492)</u>
Closing balance as at 31 <sup>st</sup> December	<u>7,383,202</u>	<u>6,693,402</u>

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

<b>December 2021</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>0-30 days</b>	<b>31-90 days</b>	<b>&gt; 90 days</b>	
	<b>in arrears</b>	<b>in arrears</b>	<b>in arrears</b>	<b>Sum total</b>
Principal loans	80,583,808	5,120,149	15,088,940	100,792,897
Expected credit losses	<u>(171,398)</u>	<u>(273,976)</u>	<u>(6,937,828)</u>	<u>(7,383,202)</u>
	<u>80,412,410</u>	<u>4,846,173</u>	<u>8,151,112</u>	<u>93,409,695</u>
<b>December 2020</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>0-30 days</b>	<b>31-90 days</b>	<b>&gt; 90 days</b>	
	<b>in arrears</b>	<b>in arrears</b>	<b>in arrears</b>	<b>Sum total</b>
Principal loans	77,815,369	5,912,725	12,155,946	95,894,040
Expected credit losses	<u>(162,282)</u>	<u>(142,362)</u>	<u>(6,388,758)</u>	<u>(6,693,402)</u>
	<u>77,653,087</u>	<u>5,779,363</u>	<u>5,768,188</u>	<u>89,200,638</u>

<b>12. Bank advance</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
RBC Royal Bank (T&T) Limited	<u>-</u>	<u>832,349</u>

<b>13. Lease liability</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Balance as at January 1 <sup>st</sup>	47,921	107,492
Payment of lease liability	<u>(47,921)</u>	<u>(59,571)</u>
	<u>-</u>	<u>47,921</u>

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<b>14. Members' deposits</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Demand deposits	5,665,730	5,149,032
Fixed deposits	1,215,513	1,638,028
Protector plan	970,180	798,905
Other	<u>336,784</u>	<u>34,789</u>
	<u>8,188,207</u>	<u>7,620,754</u>

**15. Members' shares**

In accordance with existing IFRSs and given the substance and the nature of Members' shares, this balance is accounted for as a liability and not as equity of the Credit Union. The Credit Union Bye Laws allow for the issue of shares at \$5.00 each. No member may hold at any time more than one fifth (1/5) of the total paid up share capital of the Credit Union.

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Shares at year end	<u>91,231,983</u>	<u>87,952,530</u>

<b>16. Credit Union League dues</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Credit Union League dues	44,159	44,159
Stabilization fund	<u>32,230</u>	<u>(20,610)</u>
	<u>76,389</u>	<u>23,549</u>

<b>17. Establishment</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Rent, rates and taxes	9,732	3,449
Repairs and maintenance	150,190	99,433
Other	<u>304,568</u>	<u>312,578</u>
	<u>464,490</u>	<u>415,460</u>

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<b>18. Meetings</b>	<b>2021</b>	<b>2020</b>
	\$	\$
Annual general	132,628	91,603
Board of Directors	330,000	356,931
Other committees	227,919	121,356
Subsistence	<u>62,210</u>	<u>37,865</u>
	<u>752,757</u>	<u>607,755</u>
<b>19. Miscellaneous</b>	<b>2021</b>	<b>2020</b>
	\$	\$
Cleaning	67,218	40,153
General	71,937	48,736
Loss on disposal of property, plant and equipment	62,935	7,099
Motor vehicle	<u>23,066</u>	<u>49,724</u>
	<u>225,156</u>	<u>145,712</u>
<b>20. Employees</b>	<b>2021</b>	<b>2020</b>
The number of persons employed at year end	<u>31</u>	<u>27</u>
<b>21. Staff salaries and benefits</b>	<b>2021</b>	<b>2020</b>
	\$	\$
Back pay	79,942	742,877
Ex-gratia and trade disputes	10,800	18,800
NIS and medical plan	213,991	192,802
Pensions	58,553	46,019
Provision for vacation	57,243	(719)
Salaries	2,787,366	2,547,342
Staff welfare and travelling	88,333	70,426
Training	13,900	6,674
Uniforms	<u>590</u>	<u>20,301</u>
	<u>3,310,718</u>	<u>3,636,522</u>

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<b>22. Tobago</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Depreciation	44,211	58,948
Lease interest	3,711	7,524
Office	40,860	26,435
Repairs and maintenance	4,610	4,538
Security	93,147	103,995
Travel, subsistence	50,684	21,610
Utilities	<u>21,409</u>	<u>27,014</u>
	<u>258,631</u>	<u>250,064</u>

**23. 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 related parties in the normal course of business. These transactions were carried out on commercial terms at market prices.

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

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Assets</i>		
Loan balances of Directors and key management	2,794,126	2,425,003
<i>Deposits and other liabilities</i>		
Deposits balances of Directors and key management	95,667	31,191
Shares held by Directors and key management	1,178,180	905,554
<i>Remuneration</i>		
Directors	330,000	399,350
<i>Key management compensation</i>		
Short-term benefits	898,097	723,669

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**24. Dividends**

Dividends are recommended by the Board of Directors and are subject to confirmation by the members at the Annual General Meeting. The dividend is computed on the basis of the average number of shares in issue throughout the year, the average being determined on the basis of the number of shares in issue at the end of each month.

The Board of Directors has proposed a dividend of 4% of the average value of members' shares in issue throughout the year, for the year ended December 31, 2021. This dividend amounting to \$3,606,239 (projected) and rebate of 3% amounting to \$345,000 (projected), (2020: \$2,912,489), is not recorded as a liability in the Statement of Financial Position, consistent with IAS 10 - Events after the Reporting Period.

**25. Fair value measurement**

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

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

*a) Current assets and liabilities*

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

*b) Members' Loans*

Loans are net of specific 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 flow values which are substantially in accordance with financial statement amounts.

*c) Investments*

The fair values of investments are determined on the basis of quoted market prices available at December 31, 2021.

*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.

PROGRESSIVE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR 31<sup>ST</sup> DECEMBER 2021

**26. Subsequent events**

There were no subsequent events occurring after the reporting date that significantly impacted the financial performance, position or cash flows which require disclosure.

**27. Approval of Financial Statements**

These financial statements were approved by the board of directors and authorised for issue on 8<sup>th</sup> April, 2022.



# RESOLUTIONS

## Resolution No. 1

### Appointment of Auditors:

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

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

**BE IT RESOLVED** that the firm Maharaj Mohammed and Company be appointed Auditors for the Progressive Credit Union Cooperative Society Limited for the year ending 2022 December 31st.

## Resolution No. 2

### Dividend:

**Whereas** Progressive Credit Union Cooperative Society Limited has realized a Net Surplus as at 2021 December 31st in the sum of **Six Million Five Hundred and Fifty Nine Thousand and Ninety Five Dollars (\$6,559,095.00)**; 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 2021, be divided, in accordance with the Bye-Law 15, as follows:

1. Dividend of 4% - \$3.6M Credited to Members' Share Accounts.
2. Interest Rebate of 3% - \$0.345M Credited to Members' Deposit Accounts.

## Resolution No. 3

### Honoraria:

Honoraria - \$130,000.00 to be distributed among the Board and Statutory Committees

## Resolution No. 4

### 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 twenty-three (23) bad debts in the sum of \$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 twenty-three (23) bad debts in the sum of \$250,000.00 be written off.

# STATEMENT OF BUDGETED INCOME & EXPENDITURE FOR THE YEAR 2022

	BUDGET 2022	AUDITED 2021	BUDGET 2022 vs AUDITED 2021	
ITEM	\$	\$	\$	%
<b>Income:</b>				
Interest on members' loans	12,151,410.34	12,123,785.00	27,625.34	<i>0.00</i>
Investment Income	301,983.66	452,867.00	(150,883.34)	<i>(0.33)</i>
Fees and Other Income	855,107.07	903,532.00	(48,424.93)	<i>(0.05)</i>
Rental income	66,000.00	66,000.00	-	-
<b>TOTAL INCOME</b>	<b>13,374,501.07</b>	<b>13,546,184.00</b>	<b>(171,682.93)</b>	<b><i>(0.01)</i></b>
<b>General and Administrative Expenses</b>				
Advertising and promotion	209,500.00	60,037.00	149,463.00	<i>2.49</i>
Bank charges and interest	82,200.00	80,971.00	1,229.00	<i>0.02</i>
Meetings	797,120.00	752,757.00	44,363.00	<i>0.06</i>
Credit Union League Dues	82,032.00	76,389.00	5,643.00	<i>0.07</i>
Depreciation	360,000.00	232,029.00	127,971.00	<i>0.55</i>
Donations	50,400.00	59,452.00	(9,052.00)	<i>(0.15)</i>
Education & Seminars Expenses	846,000.00	-	846,000.00	-
Establishment	491,800.00	464,490.00	27,310.00	<i>0.06</i>
Miscellaneous	126,000.00	225,156.00	(99,156.00)	<i>(0.44)</i>
Insurances	750,000.00	742,145.00	7,855.00	<i>0.01</i>
Legal and professional fees	198,000.00	226,628.00	(28,628.00)	<i>(0.13)</i>
Members' Fixed Deposit Interest	80,000.00	41,345.00	38,655.00	<i>0.93</i>
Provision for Loan Losses	900,000.00	938,088.00	(38,088.00)	<i>(0.04)</i>
Salaries and Benefits	4,025,268.69	3,310,718.00	714,550.69	<i>0.22</i>
Security	486,000.00	460,892.00	25,108.00	<i>0.05</i>
Stationery and postage	284,148.00	258,841.00	25,307.00	<i>0.10</i>
Tobago Expenses	272,481.00	258,631.00	13,850.00	<i>0.05</i>
Green Fund Levy	40,123.50	41,622.00	(1,498.50)	<i>(0.04)</i>
<b>TOTAL EXPENDITURE</b>	<b>10,081,073.19</b>	<b>8,230,191.00</b>	<b>1,850,882.19</b>	<b><i>0.22</i></b>
<b>NET SURPLUS FOR THE YEAR</b>	<b>3,293,427.88</b>	<b>5,315,993.00</b>	<b>(2,022,565.12)</b>	<b><i>(0.38)</i></b>

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