



TPCU
CELEBRATING
69 YEARS OF SERVICE

ANNUAL REPORT 2022

2023 ANNUAL GENERAL MEETING

People, Purpose & Passion
The Pathway to Success



VISION

The Trintoc (Penal) Credit Union will be the preferred credit union providing maximum benefits to our members with heavy emphasis on transparency, accountability and equity in our relationships with all stakeholders.

MISSION

In accordance with the Co-operative Societies Act chapter 81:03 of 1971 and our bye-laws, the mission of the Trintoc (Penal) Credit Union is to promote the holistic growth and development of our membership by rendering prudent financial management, continuous member education and sound advice and services which exceed expectations.

THE NATIONAL ANTHEM

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

Side by side we stand
Islands of the blue Caribbean Sea
This our native land
We pledge our lives to thee

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

THE 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 ANNUAL GENERAL MEETING

May 5th 2023

Notice is hereby given that the sixty ninth (69th) Annual General Meeting of the Trintoc (Penal) Credit Union Co-operative Society Limited will be held physically on:

Date: **Saturday 27th May 2023**
Time: **2:30 pm**
Venue: **Gospel Deliverance Ministries**
106 Quinam Road
Penal

The main business of the meeting will be to:

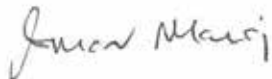
- Receive the Minutes of the 68th Annual General Meeting held virtually.
- Receive reports for the Year 2022 as follows:
 - o Board of Directors
 - o Credit Committee
 - o Supervisory Committee
 - o Nominations Committee
 - o Auditors
- Presentation of the 2023 Budget
- Propose Resolutions
- Elect Board and Committee Members
- Transact any other business

Registration starts at 1:30 p.m.

Brochures can be viewed on our website www.trintocpenalcu.com and collected at our office prior to the meeting.

This is a Members' forum, as such, ONLY Members will be allowed to attend the meeting.

For and on behalf of
Trintoc (Penal) Credit Union
Co-operative Society Limited



Omar Maraj
Hon. Secretary

Published on 12th May 2023

AGENDA

- 1.0 Call to Order
- 2.0 HSE Advisory – Covid-19 AGM Safety Protocols
- 3.0 Credential Report and Notice of the Annual General Meeting
- 4.0 The National Anthem of Trinidad and Tobago
- 5.0 The Credit Union Prayer & Minute of Silence
- 6.0 President's Address
- 7.0 Motion for Acceptance of the Standing Orders (to be taken as read)
- 8.0 Motion for Acceptance of the 2023 Brochure (to be taken as read)
- 9.0 Confirmation of Minutes of the 68th Annual General Meeting held on Saturday 9th April 2022
- 10.0 Adoption of Reports
 - 10.1 Board of Directors
 - 10.2 Credit Committee
 - 10.3 Supervisory Committee
 - 10.4 Education Committee
 - 10.5 Nominations Committee
 - 10.6 Auditors Report and Financial Statements for 2022
- 11.0 Budget Presentation
- 12.0 Resolutions
- 13.0 Election of Board and Committee Members
 - 13.1 Supervisory Committee - **Outgoing**
Mrs. Hyacinth Smith
Mr. Ivan Ashby
Mr. Danny Jattan
 - 13.2 Credit Committee - **Outgoing**
Mr. Rudolph Felix
Ms. Lazina Hosein
Mr. Kelvin Pustam
Mr. Winston Samm
Mr. Calvin Sargeant
 - 13.3 Board of Directors - **Outgoing**
Mr. Perry Jagdeo
Mr. Ananias Johnson
Mr. Imtiaz Mohamed
- 14.0 Other Business
- 15.0 Vote of Thanks

STANDING ORDERS

1.
 - (a) A member shall stand and/or raise hand when addressing the Chair.
 - (b) Speeches shall be clear and relevant to the subject before the Meeting.

2. A member shall only address the meeting when called upon by the Chairman to do so, after which, the members shall immediately be seated.

3. No member shall address the meeting except through the Chairman.

4. A member may not speak twice on the same subject except:
 - (a) The Mover of a Motion-who has the right to reply.
 - (b) Rising to object or explain (with the permission of the Chair).

5. No speeches are to be made after the “Question” has been put and carried or negated.

6. A member rising on a “Point of Order” shall state the point clearly and concisely.
(A “Point of Order” must have relevance to the “Standing Order”).

7.
 - (a) A Member shall not call another member “to order” but may draw the attention of the Chair to the “Breach of Order”.
 - (b) On no account can a member call the chair to “order”.

8. Only one amendment shall be before the meeting at one and the same time.

9. When a motion is withdrawn, any amendments to it fail.

10. The Chairman shall have a right to a “casting vote”.

11. If there is an equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.

12. The Chairman shall make provision for protection from vilification (personal abuse).

13. No member shall impute improper motives against another member.

MINUTES OF AGM 2022

Minutes of the 68th Annual General Meeting held Virtually via the Zoom Webinar Platform on Saturday 9th April 2022

1.0 CALL TO ORDER

The meeting was called to order by the AGM Moderator, Mr. Omar Maraj, at 1:00 p.m.

2.0 CREDENTIAL REPORT AND NOTICE OF THE ANNUAL GENERAL MEETING

Mr. Maraj advised that at 1:00 p.m., there were fifty-two (52) persons in attendance: fifty-one (51) members and one (1) guest. In compliance with bye-laws 18 (e), the meeting was duly constituted.

The Honorary Secretary, Mrs. Claudette Green-Lewis, was invited by the Moderator to read to the members the Notice of the Annual General Meeting.

3.0 THE NATIONAL ANTHEM OF TRINIDAD AND TOBAGO

The National Anthem was played.

4.0 CREDIT UNION PRAYER

The Credit Union Prayer was recited.

5.0 MINUTES OF SILENCE

A minute of silence was observed for those members who passed away.

6.0 PRESIDENT'S ADDRESS

In his opening address, the President extended a cordial welcome to all members and guests at the 68th Annual General Meeting. A special welcome was extended to the distinguished guests from the Co-operative Division, Mrs. Marsha Santlal-Phagoo together with Presiding Officers - Mrs. Marcia Goodridge-Constantine and Mr. Evans Cadogan.

The President moved the following motions: -

7.0 MOTION FOR ACCEPTANCE OF THE STANDING ORDERS

The motion was moved by Mr. Perry Jagdeo and seconded by Ms. Lazina Hosein.

Poll results: 50 – For; 0 – Against; 2 – Abstained. The House agreed.

8.0 MOTION FOR ACCEPTANCE OF THE 2022 BROCHURE

The President asked that the entire brochure be taken as read. Mr. W. Samm moved the motion, and this was seconded by Ms. C. Bahadoor-Hosein.

Poll results: 49 – For; 1 – Against; 2 – Abstained. The House agreed.

9.0 CONFIRMATION OF THE MINUTES OF THE 67TH ANNUAL GENERAL MEETING HELD ON SATURDAY, 26th JUNE 2021

The Minutes were confirmed by Mr. A. Johnson and seconded by Mr. C. Sargeant.

Poll results: 52 – For; 0 – Against; 0 – Abstained. The House agreed.

9.1 **General Meeting
Omissions and Corrections**
Nil.

9.2 **Business Arising out of Minutes**
Nil

10.0 **ADOPTION OF REPORTS**

10.1 **Credential Report: 75 in attendance, 71 – members, 4 – guest**

10.2 **Board of Directors Report**

This was moved by Mr. Perry Jagdeo and seconded by Mr. Ralph Mitchell. The House voted in favor.

Poll results: 47 – For; 0 – Against; 2 – Abstained

Matters Arising

Mrs. Avien Browne requested information on the number of non-performing loans and if any comparison can be made on the status from 2019, 2020, 2021 and moving on. The Manager to provide information on same by Monday, 11th April, 2023

10.3 **Credit Committee Report**

This was moved by Mr. Perry Jagdeo and seconded by Mr. Eric Forde. The House voted in favor.

Poll results: 37 – For; 0 – Against; 1 – Abstained

Matters Arising

Nil

10.4 **Supervisory Committee Report**

This was moved by Mr. Perry Jagdeo and seconded by Mr. Ralph Mitchell. The House voted in favor

Poll results: 37 – For; 1 – Against; 1 – Abstained

Matters Arising

Mr. Alwin Browne questioned some of the recommendations from the Board of Directors meeting.

Mr. Omar Maraj stated that recommendations were made in the area of policies. This entailed review of some existing policies, and ensuring that they are in alignment with the practices observed, as well as formalizing practices into policies.

Mr. Danny Jattan also added that policies and procedures be updated and amended. The Board should look at additional initiatives for revenue-generating and for attracting new members to fill the gaps in competency initiatives.

Mr. Charles Martin requested an explanation on the Petty Cash Audit 2022 & 2023 as stated in the report.

Mr. Ivan Ashby stated that the committee targets for the new year for continuity since the action plan 2022 / 2023 is for a two (2) year period.

Mr. Alwin Browne suggested that the findings/recommendations be identified and included in the report and placed in the Annual Report.

10.5 **Education Committee Report**

This was moved by Mr. Perry Jagdeo and seconded by Mr. Ralph Mitchell. The House voted in favor

Poll results: 44 – For; 1 – Against; 2 – Abstained.

Matters Arising

Nil

10.6 **Nominations Committee Report**

This was moved by Mr. Peter W David and seconded by Mr. Neal Johnson. The House voted in favor.

Poll results: 40 – For; 1 – Against; 1 – Abstained

Matters Arising

Nil

10.7 **Auditor’s Report and Financial Statements as at December 31st, 2021**

A representative from the Auditing Firm, Maharaj Mohammed & Co., Mr. A. Jaglal, read the Independent Auditor’s Report.

The acceptance of the Auditor’s Report was moved by Mr. Perry Jagdeo and seconded by Mr. Peter W David. The House voted in favor.

Poll results: 39 – For; 1 – Against; 5 – Abstained.

Matters Arising

Mr. Alwin Browne questioned why the Building Fund for 2020 and 2021 showed no movement in terms of the figures stated.

Mr. Neal Johnson indicated that in 2020 no funds were assigned to the Building Fund. Only when a resolution is approved then the funds will be transferred.

Mrs. Nadraka Persad stated that the resolution was passed but the funds were not journalized.

Mr. N. Johnson, the Treasurer, presented the Financial Statements as at December 31st, 2021.

11.0 **BUDGET PRESENTATION**

Mr. Neal Johnson, presented the 2022 Proposed Budget.

This was moved by Ms. Lazina Hosein and seconded by Mr. Peter W David.

The House accepted.

Poll results: 41 – For; 1 – Against; 5 – Abstained.

Matters Arising

Mr. Deonarine Jaggernauth asked if there were any long-term investments maturing during the coming year, 2023.

Mr. Neal Johnson indicated that TPCU has short term investments that mature annually. The KCL Capital Market Brokers Ltd, AUM, is a five-year plan maturing in January 2024. Because of the short term nature, the interest in investment is budgeted to be lower than 2021. All investments will be continuing in 2022 without any changes.

Mr. A Browne asked about the variance of interest on loans and what would have accounted for the variance? He enquired why our bank charges dropped significantly and how can we continue to reduce this further?

Mr. Neal Johnson responded that preparing the budget is based on loans. There was a decline in ordinary loans and therefore, more focus was placed on mortgages and secured loans to minimize our expected credit provision. Mortgages and secured loans carry a lower interest when compared to ordinary loans. Bank and finance charges are mainly tied to our investments. The amortized charges dropped over a period of time.

Mr. A Browne indicated his interest in knowing the components and breakdown of the investments, and what would have contributed to it.

Mrs. Avien Browne commented with respect to the Board and Committee expenses, why the figure was so high and requested a breakdown of the expenses. In addition, why was the Education Committee expenses kept separate from the Board and other Committee's expenses?

Mr. Neal Johnson responded that most of the expenses are related to the committees' stipend, and training and development for members of the Board, Credit and Supervisory Committees.

Mrs. Avien Browne suggested that in moving forward more online meetings/training should be encouraged and complimented the Credit Committee for having a significant amount of meetings online. Mrs. Browne further stated that the Board should consider having more online meetings in order to cut back on expenses of refreshments/entertainment, as it would benefit all and engender as much saving as possible.

Mr. Jeremy Maraj indicated that the Education Committee investigated training programmes for Members, Staff and Officers and highlighted several events such as foreign events, Credit Union Day, and Walk-a-ton, which were budgeted for in the coming year.

12.0 RESOLUTIONS

The Secretary moved the proposed resolutions: -

Resolution 1 – Appointment of Auditors

Whereas the Commissioner for Co-operative Development has drawn up a list of approved Auditors for the accounts of Co-operative Societies under Section 51 of the Co-operative Societies Act Chapter 81:03 and Regulations thereof;

And whereas Bye-Law 22 (k) of the Trintoc (Penal) Credit Union requires the Annual General Meeting to appoint an Auditor for the ensuing term from the list of Auditors approved by the Commissioner;

Be it resolved that Maharaj Mohammed and Co. be appointed Auditors of the Trintoc (Penal) Credit Union Co-operative Society Limited for the financial year ending December 31, 2022.

This was seconded by Mr. Ananias Johnson and approved by the membership.

Poll results: 38 – For; 4 – Against; 2 – Abstained

Matters Arising

Mr. Deonarine Jaggernauth asked if there was a policy where Auditors are engaged only for a 3-year period.

Mr. Neal Johnson indicated that there is no item in the bye-laws to indicate differently.

Mr. Deonarine Jaggernauth asked that the 3-year clause should be investigated.

Mr. Alwin Browne suggested that in the interest of transparency, all persons who wish to be appointed Auditors, be invited to send in a quotation.

Resolution 2 – Distribution of Surplus

Whereas the Credit Union has realized a net surplus for the financial year ended December 31, 2021; and whereas Byelaw 12 of the Society makes provision for the distribution of this surplus in accordance with the regulations of the Co-operative Societies Act Chapter 81:03.

Be it resolved that a dividend of 3.0% be declared on members' shares as at December 31, 2021 and credited to their share accounts.

And be it further resolved that any account which is in arrears, the said sum be credited to outstanding loan and interest.

This was seconded by Mr. Lennox Gould and approved by the membership.

Poll results: 36 – For; 1 – Against; 2 – Abstained

Resolution 3 – Building Fund

Whereas Bye-Law 12 (g) of the Society, states the balance of the net surplus may be used at the discretion of the General Meeting for the constitution of a Building Fund.

Be it resolved that \$2,000,000.00 be transferred from the retained earnings to this "Building Fund", which represents a portion of the surplus for 2021.

This was seconded by Ms. Christina Bahadoor-Hosein and approved by the membership.

Poll results: 34 – For; 1 – Against; 4 – Abstained

Matters Arising

Nil

Resolution 4 – Land Acquisition

Whereas Section 45 (d) of the Co-operative Societies Act and Regulations Ch 81:03 specifies that a Society may 'invest or deposit its funds' in any other manner permitted by the Commissioner.

And Whereas, the Board of Directors has set aside funds for the purchase of land and construction of a building to house the Credit Union, in accordance with Bye-Law 12 (g).

Be it resolved that the sum of one million three hundred and fifty thousand dollars (\$1,350,000.00) from the said building fund be approved for the purchase of two (2) lots of land, situated at Lot No.3 Penal Rock Road, Penal and stated to comprise 929 square meters in area. The land is approximately 100 meters from First Citizens Bank Limited and is within the Penal Business Sector.

Be it further resolved that this Annual General Meeting approve the recommendation from the Board of Directors of the Trintoc (Penal) Credit Union Co-operative Society Ltd.

This was seconded by Ms Denise Khan and approved by the membership.

Poll results: 38 – For; 0 – Against; 3 – Abstained

Matters Arising

Mr. Alwin Browne questioned if this is “a second” piece of land that is being considered.

Mr. Perry Jagdeo indicated that this is the first piece of land that is being considered since the previous request fell apart because of the closure of Petrotrin.

13.0 **ELECTION OF BOARD AND COMMITTEE MEMBERS**

At this stage, Mrs. Marcia Goodridge-Constantine, the Election Supervisor was asked by the President to conduct the elections.

Mrs. M. Goodridge-Constantine then read the credential report.

Present were: 79 members in attendance, 0 – minors, 4 – guest

She reminded members that the election of officers in any organization was very important and that before nominating a member to serve on any Committee, that member should be closely examined. Further, any member who served on the Supervisory Committee for three (3) consecutive years would not be eligible for re-election on the Supervisory Committee.

The election results were as follows:

13.1	Supervisory Committee		No. of Votes
	Names		
	Danny Jattan		42
	Via the Nominations Process		
	Hyacinth Smith		39
	Via the Nominations Process		
	Ivan Ashby		38
	Via the Nominations Process		
	Anissa Mohamed		36 (1 st Alternate)
	Via the Nominations Process		

Justin Bhim 24 (2nd Alternate)
Via the Nominations Process

Mr. Eric Forde moved that nominees to be accepted
Seconded by Calvin Sargeant

Poll results: 29 – For; 5 – Against; 0 – Abstained

Mr. Ralph Mitchell moved that the nominations cease
Ms. Keisha Felix seconded.

Ms. Christina Bahadoor-Hosein moved for the destruction of the electronic ballots
Mr. Ananias Johnson seconded

13.2 **Credit Committee**

Names	No. of Votes
Winston Samm Via the Nominations Process	66
Calvin Sargeant Via the Nominations Process	65
Lazina Hosein Via the Nominations Process	62
Rudolph Felix Via the Nominations Process	61
Kelvin Pustam Via the Nominations Process	48

Moved by Ralph Mitchell nominees to be accepted
Seconded by Peter W David

Poll results: 25 – For; 4 – Against; 4 – Abstained

Mr. Peter W David moved that the nominations cease
Mr. Ivan Ashby seconded

Mr. Ananias Johnson moved for the destruction of the electronic ballots
Mr. Alwin Browne seconded

13.3 **Board of Directors**

Names	No. of Votes
Peter W David Via the Nominations Process	44
Omar Maraj Via the Nominations Process	34

Eric Forde 31
Via the Nominations Process

Claudette Green-Lewis 31
Via the Nominations Process

Avien Browne 19
Nominated by Alwin Browne
Seconded by Wayne Lewis

Kristal Bhagaloo 15
Nominated by Suresh Bhagaloo
Seconded by Kimberly Bhagaloo

Moved by Ralph Mitchell nominees to be accepted
Seconded by Peter David

Poll results: 24 – For; 3 – Against; 5 – Abstained

Ms. Keisha Felix moved that the nominations cease
Mr. Ralph Mitchell seconded

Poll results: 27 – For; 4 – Against; 0 – Abstained

Mr. Ananias Johnson moved for the destruction of the electronic ballots
Mr. Alwin Browne seconded.

The Presiding Officer, Mrs. Marcia Goodridge-Constantine, indicated that since there was a tie for the 3rd position that the two members have a discussion and report back to the Presiding officer within 2 minutes of their decision. Both Mrs. Green-Lewis and Mr. Eric Forde agreed to return to the polls.

The Presiding Officer then gave members a short recess to effect a new poll for a bye-election. An invitation was sent to all members, following which a Credential Report was taken, showing 56 members in attendance at 5.05 pm.

A few minutes later, the poll was sent out for members to indicate their choice of candidate.

Poll results: 26 – For; 9 – Against; 0 – Abstained

The results put Mr. Eric Forde in 3rd place with 37 votes and Mrs. Claudette Green-Lewis as the 1st alternate with 18 votes. Therefore, Mr. Eric Forde will serve in the Board for 3 years.

The President thanked the Presiding Officer for conducting the elections and congratulated the elected members.

Mr. Ananias Johnson moved that the election ballots be destroyed. This was seconded by Mr. Calvin Sargeant.

Poll results: 17 – For; 9 – Against; 0 – Abstained

At this point, the Presiding Officer handed over the meeting to the Chairman.

14.0 OTHER BUSINESS

Ms. Keisha Felix stated that the tie-breaker should have been between Mr. Eric Forde and Mrs. Green-Lewis for the 3rd and 1st alternate positions respectively.

The Presiding Officer said that Mrs. Avien Browne received 19 votes and should be the 1st alternate since Mrs. Green-Lewis received 18 votes, would be the 2nd alternate.

The Presiding Officer called on Mrs. Vera Mohammed (Co-operative Division) to clarify the tie-breaker position by explaining the process.

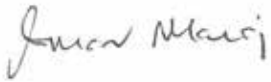
Ms. Keisha Felix stated that she was not happy with the decision taken by both the Presiding officer and member of the Co-operative Division.

15.0 VOTE OF THANKS

The vote of thanks was given by Mr. Omar Maraj, who encouraged members to continue to follow the Covid-19 protocols.

There being no further business, the Chairperson thanked the members for attending and declared the meeting closed at 5:42 p.m.

Respectfully submitted.



Omar Maraj
Hon. Secretary

The Office Staff

MANAGER



Mrs. Nadraka Persad

ASSISTANT MANAGER



Mrs. Sharida Gaffar-Ramrattan

CUSTOMER SERVICE REP.



Mrs. Ann Marie Lee-Pulchan

LOANS OFFICER



Mrs. Peaches Francis-Mc Nish

IT ADMINISTRATOR



Mr. Rawle Kanju

Board of Directors

PRESIDENT



Mr. Perry Jagdeo

VICE PRESIDENT



Mr. Imtiaz Mohamed

SECRETARY



Mr. Omar Maraj

TREASURER



Mr. Neal Johnson

ASSISTANT SECRETARY



Mr. Peter W David

DIRECTOR



Ms. Christina Bahadoor-Hosein

DIRECTOR



Mr. Eric Forde

DIRECTOR



Mr. Ananias Johnson

DIRECTOR



Dr. Godfrey Ransome

BOARD OF DIRECTORS REPORT

Distinguished Guests, Fellow Co-operators, Members; the Board of Directors is pleased to present to the 69th Annual General Meeting the report on its stewardship for the period January to December 2022.

The Board of Directors consists of the following members: -

Perry Jagdeo	-	President
Imtiaz Mohamed	-	Vice President
Omar Maraj	-	Secretary (effective April 11 th 2022)
Neal Johnson	-	Treasurer
Peter W David	-	Assistant Secretary
Christina Bahadoor-Hosein	-	Director
Eric Forde	-	Director
Ananias Johnson	-	Director
Godfrey Ransome	-	Director
Claudette Green-Lewis	-	Secretary up to April 08, 2022

Board Attendance Record

The Board of Directors held twelve (12) Statutory Board Meetings, nineteen (19) Special Meetings and six (6) All Officers' Meetings for the period.

Director	Statutory Meetings	Special Meetings	All Officers' Meetings	Excused
Perry Jagdeo	12	18	6	1
Imtiaz Mohamed	9	19	6	3
Omar Maraj (from April 11, 2022)	8	16	5	1
Neal Johnson	11	19	6	1
Peter W David	12	19	6	-
Christina Bahadoor-Hosein	11	19	5	2
Eric Forde	11	19	6	1
Ananias Johnson	12	19	6	-
Godfrey Ransome	12	17	6	2
Claudette Green-Lewis (up to April 08, 2022)	3	3	1	-

1.0 Introduction

We are pleased to report that the Credit Union had a positive year with steady performance. We earned a surplus and continued to make service improvements for you, our members. The Credit Union made every effort to return to 'business as usual' and for this we thank management and staff for their hard work.

The Credit Union maintained a stable income of \$13.3M. However, with increases in Administrative Expenses, namely Bailiffs', professional, legal and security fees, net surplus decreased by 3% to \$7.9M. We again reduced our Expected credit loss provision in 2022 by 17% to \$0.8M.

TPCU remains deeply committed to the principles of financial inclusion, being member-focused and making decisions that are in the best interest of you, our members, whilst ensuring that TPCU remains a strong, respected and well-run credit union into the future. We must always be cognisant that the cornerstone of our Strategic Plan is our membership. You have played a key role in another successful year for TPCU, ensuring a bright future for future generations to come.

2.0 Financial Highlights

In 2022, the economy showed signs of stabilizing, following 2 years of the Covid-19 pandemic which negatively impacted growth. Notwithstanding this challenge, our employees and Board remained focused on delivering on our key strategic priorities. We are pleased to report that the performance of the Credit Union in 2022 has been very favorable. TPCU exceeded its budgeted Income of \$12,603,204 by \$702,785 and its budgeted Cash Surplus of \$6,126,641 by \$1,652,364. As a result, we can propose a dividend increase, the first after several years.

ASSET BASE

Trintoc (Penal) Credit Union recorded a decrease in its asset base of \$5.4M (2.2%), for the year ended December 31, 2022, moving from \$242.M in 2021 to \$236.7M in 2022 (Table 1).

Item	2018	2019	2020	2021	2022
Total Assets	263,446,542	247,789,095	236,603,629	242,038,708	236,654,848

Table 1

LOAN PORTFOLIO

The total loan principal balances stood at \$59.4M as at December 31, 2022, representing a decrease of \$2.9M (4.6%) when compared with that at December 31, 2021 of \$62.3M (Table 2).

Item	2018	2019	2020	2021	2022
Loan Portfolio	93,282,647	71,956,781	64,124,694	62,317,774	59,424,995

Table 2

NON-PERFORMING LOANS

The closure of Petrotrin and the aftermath of Covid19 continue to present challenges in managing non-performing loans. Delinquency remains a priority and the Board of Directors continues to develop and implement initiatives to reduce the quantum of non-performing loans.

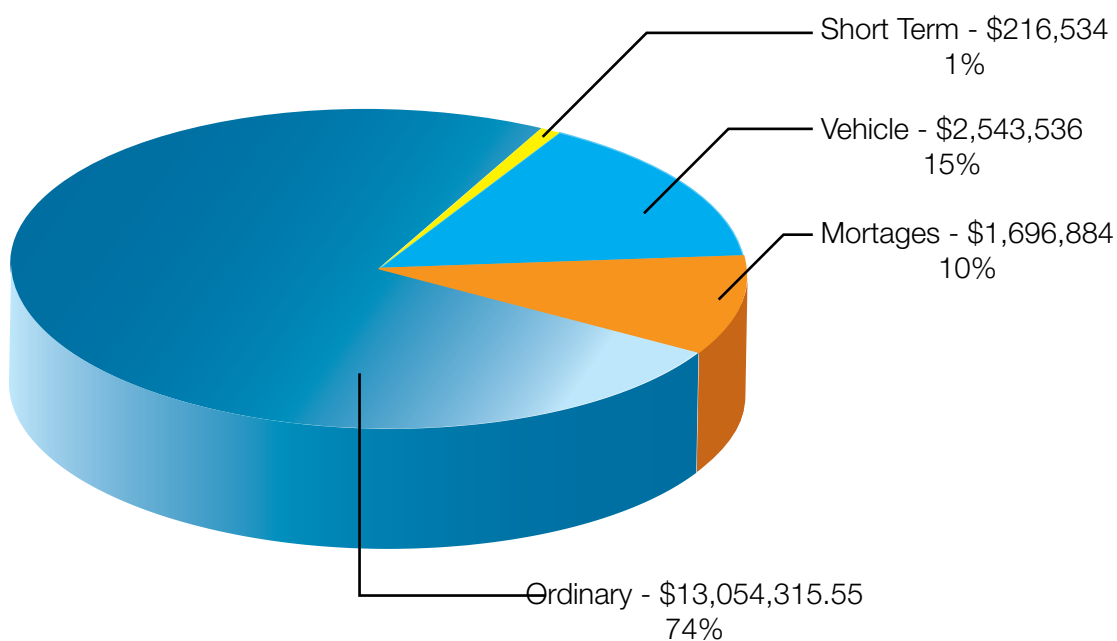
As at December 31, 2022, the Expected credit loss provision of the total loan portfolio at \$17.5M was 22.8%, compared with that of 21.1% as at December 31, 2021. (Table 3). It must be noted that the composition of this loss provision is: Ex-Petrotrin Members \$6.9M; Non-Petrotrin/External Members \$8.2M and Ex-Petrotrin Retirees \$2.4M.

Expected credit loss provision

2022	IFRS 9	IFRS 9
Loan Product Category	\$	%
Ordinary	13,054,316	74
Mortgages	1,696,884	10
Vehicle	2,543,536	15
Short Term	216,534	1
Provision	17,511,270	100

Table 3

Expected credit loss provision (Loan Category)

Provision for Bad and Doubtful Debts (IFRS 9) 2022

Particulars	2018	2019	2020	2021	2022
Loan Portfolio	102,560,264	84,703,297	79,796,182	78,996,985	76,936,265
Provision - ECL	9,277,617	12,746,516	15,671,488	16,679,211	17,511,270
Provision - %	9.0%	15.0%	19.6%	21.1%	22.8%

SHARE SAVINGS PORTFOLIO

The total share savings of the Credit Union stood at \$149.2M as at December 31, 2022, representing a decrease of \$2.4M (1.6%) (Table 4), over the total share savings of \$151.6M as at December 31, 2021. This yearly drop in shares highlights a trend of members withdrawing savings to settle outstanding loans.

Item	2018	2019	2020	2021	2022
Members' Shares	207,741,195	164,947,299	158,308,749	151,609,182	149,172,284

Table 4

INCOME

For the financial year ended December 31, 2022 Trintoc (Penal) Credit Union generated a Total Income of \$13.3M (Table 5), which surpassed our budgeted Income of \$12.3M by \$1.0M. Our performance is stable when compared to the December 31, 2021 income of \$13.3M.

Item	2018	2019	2020	2021	2022
Income	17,078,391	15,461,041	13,223,135	13,302,393	13,305,989

Table 5

The credit union recorded a Net Surplus of \$7.97M, representing a decrease of \$0.25M (3%) (Table 6), over the Net Surplus of \$8.23M as at December 31, 2021. The decrease resulted from increased operational expenses.

Earning Performance and Operating Efficiency Profile

Income/Expense	2018	2019	2020	2021	2022
Interest on loans	11,951,101	8,596,673	6,043,909	5,856,346	5,752,872
Investment Income	5,082,359	6,751,229	7,145,406	7,359,318	7,506,971
Other Income	44,931	113,139	33,820	86,729	46,146
Total Income	17,078,391	15,461,041	13,223,135	13,302,393	13,305,989
Total Expenses	7,547,698	7,851,554	7,072,680	5,075,165	5,331,478
Net Surplus	9,530,693	7,609,487	6,150,455	8,227,228	7,974,511
Net Surplus margin ratio	55.8%	49.2%	46.5%	61.8%	59.9%
Expense to income ratio	44.2%	50.8%	53.5%	38.2%	40.1%

Table 6

3.0 DIVIDEND

The Board of Directors is proposing a dividend of 3.2% for ratification by members at this Annual General Meeting for the financial year ended December 31, 2022.

4.0 MEMBERSHIP

Membership as at January 1st 2022	- 3,015
New members joined in 2022	- 157
Deaths in 2022	- 20
Resignations in 2022	- 1
Membership as at December 31st 2022	- 3151

5.0 CONDOLENCES

We offer heartfelt sympathy to the families of our departed members, who have loyally contributed to Trintoc (Penal) Credit Union's success over the years.

Deceased Members		
Noobindranan Balliram	Roland Hosein	Ali Rajack
Keith Mc Leod	Isaac Jurawan	Lorna Edwards
James Galloway Snr	Leslie Pustam	Lorenzo Torres
Wayne Bertrand	Rahiel Ali-John	Alisha Ramdeen
Brian Baptiste	Russell Barrington	Brian Wylie
Vijay Seejattan	Jeffrey Brittan	Wayne Boodoo
Mark Raymond	Rahim Hyatali	

6.0 CUNA

CUNA Caribbean Insurance Society remains the primary insurance provider for our Credit Union and as such our professional relations remain intact.

7.0 COMMUNITY CONTRIBUTIONS

The Trintoc (Penal) Credit Union continues to render assistance to charitable causes within the community and its immediate environs.

8.0 TRAINING AND DEVELOPMENT

The Trintoc (Penal) Credit Union continue to invest in educating its staff and officers through workshops, seminars, training programmes and short courses, which are conducted in-house or facilitated by the Co-operative Credit Union League, and other external organizations.

9.0 MANAGEMENT SYSTEMS**9.1 EMORTELLE Management Information System**

The office staff is supported by Micro Software Designs Ltd, developer of the Emortelle System. Our Management Information System continues to be upgraded to provide an improved service to you.

Global Information Access (GIA) Online Access

Approximately 10% of the membership has signed up for the Credit Union's GIA Online Access service facility. This new service allows our members to access their current financial data and request online transactions in the comfort of their home or office 24/7.

The interface is secured, interactive and allows members to perform:

- Balance Enquiries
- Request Inter-Member Funds Transfers
- Request Member to Member Transfers
- View and Print Statement
- Request Loan/Projections
- Request Statements
- Request Withdrawals
- Update Personal Data

If you have not signed up for this service, we encourage you to do so to keep abreast of your personal information and financial status with the Credit Union.

9.2 BYE-LAWS

In 2022, there were no proposed amendments to the Bye-Laws.

9.3 FINANCIAL INTELLIGENCE UNIT (FIU) TRAINING

The Co-operative Credit Union League of Trinidad and Tobago (CCULTT) continues to provide the required annual training in Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) procedures for all officers and employees.

9.4 AUTOMATED CLEARING HOUSE (ACH), LINX FACILITIES AND ONLINE TRANSFERS

The above facilities are now available to our membership. Members can request that their loans, deposits and share withdrawals be sent directly to their bank account. Linx is also available for easy payment to the credit union. For more information, please contact our office.

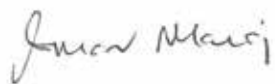
10.0 AUDITOR

We hereby recommend to this House, the appointment of Maharaj Mohammed and Co, Chartered Accountants, as Auditor for year ending December 31, 2023.

11.0 ACKNOWLEDGEMENT

The Board of Directors extends sincerest thanks to the dedicated and hard-working officers, committee members and staff of the Trintoc (Penal) Credit Union for providing efficient and timely services to you the membership.

**For and on behalf of
The Board of Directors**



**Omar Maraj
Hon. Secretary**

Credit Committee

CHAIRMAN



Mr. Winston Samm

SECRETARY



Mr. Calvin Sargeant

MEMBER



Ms. Lazina Hosein

MEMBER



Mr. Rudolph Felix

MEMBER



Mr. Kelvin Pustam

CREDIT COMMITTEE REPORT

The Credit Committee is pleased to report on its Loan Performance for period January to December 2022. The Credit Committee comprises of the following members:-

Winston Samm - **Chairman**
 Calvin Sargeant - **Secretary**
 Rudolph Felix - **Member**
 Kelvin Pustam - **Member**
 Lazina Hosein - **Member**

During the period under review, the Credit Committee held fifty-two (52) weekly meetings. Ten (10) meetings were held at the TPCU Office at Penal, Forty-two (42) virtual meetings and Six (6) All Officers Meeting.

Attendances were as follows: -

Name	Regular Meetings (TPCU Office)	Regular Meetings (Online Via Teams)	All Officers	Excused
Winston Samm	9	42	5	2
Calvin Sargeant	10	42	5	1
Rudolph Felix	10	42	5	1
Kelvin Pustam	8	42	3	5
Lazina Hosein	10	42	5	1

For the period January to December 2022, a total of **337** loans amounting to **\$15,996,634.09** were granted. This total represented a 4% increase when compared to **\$15,377,771.28** for the period January to December 2021.

The largest category of loans as shown on the pie chart below is Property Acquisition/Repairs followed by Vehicle and Vehicle Repairs amounting to 50% and 21% respectively of the total loans granted in 2022. Loans under the category “**Other**” on the pie chart below representing 3% are loans taken by members for the purpose of Personal, Domestic Expenses, Funeral Expenses, Weddings etc.

Weekly meetings continued in-house as well as virtually as we adhered to all Covid-19 Protocols. Site visits were conducted at the various phases of construction for members who received mortgage loans for land and building construction.

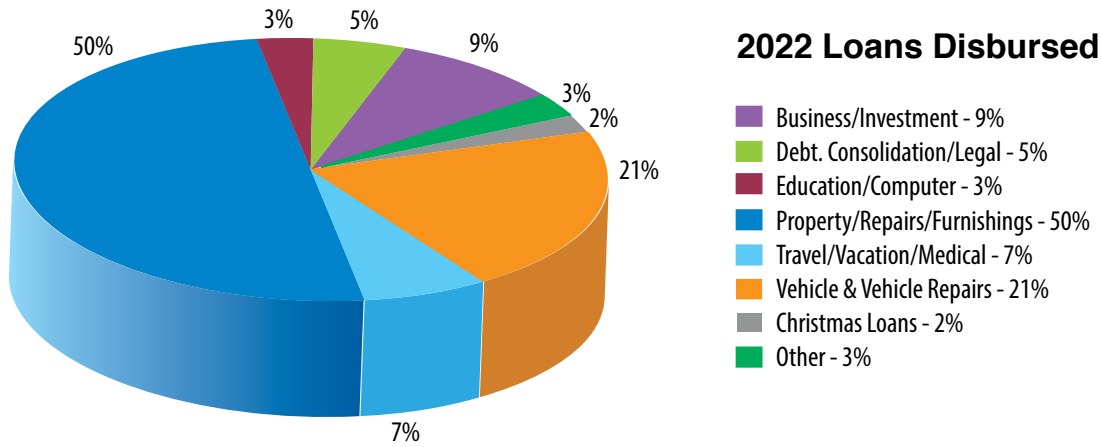
The members of the Credit Committee wish to thank the Board of Directors, Officers of the Supervisory Committee, Education Committee, and Office Staff for their support. Most of all we want to say a heartfelt thank you to our membership for giving us the opportunity to serve another year.



Calvin Sargeant
 Secretary

**COMPARISON OF LOANS DISBURSED FOR PERIOD
JANUARY - DECEMBER 2022, 2021 & 2020**

Statistical Data Related to Loans						
PURPOSE OF LOAN	TOTAL \$ (2022)	NO. OF LOANS (2022)	TOTAL \$ (2021)	NO. OF LOANS (2021)	TOTAL \$ (2020)	NO. OF LOANS (2020)
Business/Investment	1,480,684.62	31	2,782,547.31	51	1,556,916.20	45
Debt. Consolidation/Legal	846,011.48	18	593,523.22	7	404,334.47	10
Education/Computer	435,064.75	24	292,231.56	12	746,672.52	29
Property/Repairs/Furnishings	7,959,774.91	100	8,101,049.71	96	6,713,553.32	95
Travel/Vacation/Medical	1,105,700.75	32	303,700.00	18	589,660.00	52
Vehicle & Vehicle Repairs	3,297,397.58	63	2,343,984.98	42	2,988,636.59	20
Christmas Loans	368,600.00	30	-	-	-	-
Other	503,400.00	39	960,734.50	70	2,065,296.06	109
TOTAL	15,996,634.09	337	15,377,771.28	296	15,065,069.16	360



Supervisory Committee

CHAIRMAN



Mr. Danny Jattan

SECRETARY



Mr. Ivan Ashby

MEMBER



Mrs. Hyacinth Smith

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is pleased to report on the affairs of the Trintoc (Penal) Credit Union Co-operative Society Limited (TPCU) for the year ended December 2022 for consideration and adoption at the Credit Union's 69th Annual General Meeting.

At the 68th Annual General Meeting held virtually on Saturday 09th April, 2022, three (3) members and two (2) alternates were elected to serve on the Supervisory Committee.

At the inaugural meeting of the committee, the following persons were appointed.

Mr. Danny Jattan	-	Chairman
Mr. Ivan Ashby	-	Secretary
Mrs. Hyacinth Smith	-	Member

Committee Members Attendance Record

The record of attendance for outgoing members for the period between Annual General Meetings have been summarized below.

Committee Members	Regular Meetings	Excused
Danny Jattan	12	1
Ivan Ashby	13	-
Hyacinth Smith	10	3

Functions, Responsibilities and Activities

The Trintoc (Penal) Credit Union's Supervisory Committee has the responsibility to independently assess, review and examine the affairs of the Credit Union, perform random audit of its books and make the necessary recommendations to ensure compliance in accordance with TPCU Bye-Laws, the Co-operative Societies Act, Chap. 81.03 of 1971, International Financial Reporting Standards (IFRS), Policies, Procedures, Guidelines and Financial best practices.

The completed assessments, reviews and examinations addressed by the Supervisory Committee for the period under review, are summarized hereunder:

1. Internal Audit Reports

1.1 AR 01/22 – Review of Financial Statements 2022.

The objective of the review was to provide a Financial Analysis of the performance of the Credit Union for the Financial Period January 01, 2022 to December 31, 2022. The Supervisory Committee found that the internal controls over the preparation of the Financial Statements were effective for the period reviewed. Recommendations were made to the Board of Directors to have a Finance and Accounting Policy and Standard Operating Procedures formulated and more focus should be given to enhancing the Loan Portfolio of the Credit Union.

1.2 AR 02/22 – Review of the Compliance Reports 2022.

The objective of this review was to assess the degree of effectiveness of the current Compliance Practices.

The Supervisory Committee found that the current Compliance Practices were effective for the period reviewed. Recommendations were made to the Board of Directors to have the Compliance Program updated.

1.3 AR 03/22 – Review of Loan Applications 2022

The objectives of this review was to determine the degree of compliance of the loan applications for 2022 to stated policies and procedures. The Supervisory Committee found that the loan applications were completed in accordance with the stated policies and procedures for the period reviewed. Recommendations were made to the Board of Directors to have regular training of staff done to ensure consistency in the administration of loan applications.

1.4 AR 04/22 – Review of Member’s Share and Deposit Accounts 2022.

The objective of this review was to provide reasonable assurance of the accuracy of the updating of member’s shares and deposit account balances for 2022. The Supervisory Committee found that the internal controls over the maintenance and updating of Member’s shares and deposit accounts were effective for the period reviewed. Recommendations were made to the Board of Directors to explore technological instruments to improve the processing of transactions.

1.5 AR 05/22 – Audit of Petty Cash Management 2022.

The objective of this review was to provide reasonable assurance of the effectiveness of the internal controls over petty cash. The Supervisory Committee found that the internal controls over the Management of Petty Cash were effective for the period reviewed. Recommendations were made to the Board of Directors to set transactional limits for the Petty Cash.

1.6 AR 06/22 – Fixed Assets Audit.

The objective of this review was to give reasonable assurance that all Fixed Assets of the TPCU are recorded in compliance with all Regulatory/Statutory Guidelines and International Accounting Standards, and the values of Assets stated are reflective of the fair value of the assets as stated in the Financial Statements. The Supervisory Committee found that the internal controls over the Fixed Asset Register needed improvement. Recommendations were made to the Board of Directors to put measures in place to improve the internal controls.

1.7 AR 07/22 - Audit of the Process of Debt and Delinquency Recovery

The objective of this review was to assess the efficiency and effectiveness of the current Process of Debt/Delinquency Recovery. The Supervisory Committee found that the process for Debt/Delinquency Recovery was sufficient, however, the internal controls needed improvement. Recommendations were made to the Board of Directors to improve the internal controls and increase the resources allocated towards Debt/Delinquency Recovery to bring the delinquency portfolio to an acceptable level.

2 Special Reports.

The Supervisory Committee conducted two (2) special investigative reports upon requests received from two (2) members, the results of which were forwarded to the members and Board of Directors.

The Supervisory Committee also prepared a special report highlighting our concerns and recommendations to the Board of Directors based on our review of the operations of the Society.

3 External Auditor’s Management Letter.

The Supervisory Committee reviewed the Management Letter for 2021 submitted by the External Auditors Maharaj Mohammed & Co. The contents of the Management letter were noted whereby the External Auditors

indicated that they did not discover any weaknesses or deficiencies in the Society's internal controls which could adversely affect the Society.

4 Terms of Reference of Non-Statutory Committees.

The Supervisory Committee requested the Terms of Reference for the various Board Appointed Sub-Committees. There is a Marketing and Communications Committee with a Terms of Reference in place. The President of the Board further provided that there has been an Investment Committee and Member's Request Committee set up with the Terms of Reference for these committees still being drafted.

5 Training Seminars and Workshop Sessions.

In keeping with the TPCU's commitment for continuous training of all officers and staff, the Supervisory Committee members participated in the following workshop and training session during the year:

- 1) CCCU & SWOBODA Credit Union Governance Course.
- 2) Understanding Financial Statements (Practical Workshop).
- 3) Roles and Responsibilities of the Board of Directors, Credit Committee and Supervisory Committee.
- 4) Essential Operational Skills and Strategies for Supervisory Committee members.

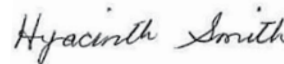
We wish to express our sincere thanks and gratitude to the Board of Directors, Manager and Office Staff, and fellow TPCU officers for their co-operation, guidance and support during our tenure. We also wish to thank the membership for the confidence placed in us by electing us and for the opportunity to serve on your behalf. In closing, we must continue to support our Credit Union and ensure its continuation for the good of present and future members and the community as a whole.



Danny Jattan
Chairman



Ivan Ashby
Secretary



Hyacinth Smith
Member

Education Committee

CHAIRMAN



Mr. Jeremy Maraj

SECRETARY



Mr. N'kosi David

MEMBER



Ms. Christina Bahadoor-Hosein

MEMBER



Mrs. Margaret Pustam

MEMBER



Ms. Kristal Bhagaloo

EDUCATION COMMITTEE REPORT

The Education Committee is pleased to report on its activities/programs during the year in review. We were encouraged and inspired by the attendance and support from the members. We also assure the membership that we are committed and continue to be so in our pursuits towards the prosperity and growth of the Credit Union.

The Education Committee held ten (10) virtual meetings, and attended two (3) all officers' meetings as follows:

Record of Attendance

Name	Virtual Meetings	All Officers' Meetings	Excused
Jeremy Maraj	10	3	0
Nkosi David	10	3	0
Kristal Bhagaloo	10	3	0
Margaret Pustam	9	3	1
Christina Bahadoor-Hosein	10	3	0

Interfaith Service

Our traditional Annual Interfaith Service was held in 2022 January virtually via YouTube. The Vice President, Mr. Imtiaz Mohamed, brought greetings and remarks on behalf of the Board of Directors. Inspirational messages from various faiths and entertaining musical performances defined the special occasion.

Young Achievers

Children of members continue to excel in the field of education. TPCU recognized these young achievers who excelled in 2020 and 2021 while faced with the difficult challenges of Covid-19. They were presented with their awards in person.

Virtual Officers and Staff Training and Development

All committee members were invited to participate in the local and foreign seminars and which were also hosted virtually:

- The Caribbean Confederation of Credit Unions (CCCU)
 - Modern Debt Collection Strategies for Credit Unions
 - Strategic Leadership for Credit Unions
 - How to Transform Self, People, Systems & Culture
 - "Governance in a Digital Pandemic World" AML
 - International Women's Day
- Co-operative Credit Union League of Trinidad and Tobago (CCULTT)
 - Compliance Officer Workshop
- World Council of Credit Unions (WOCCU)
 - Resilient Leader Series: Organizational Leadership
 - Fostering True Inclusion for Maximum Impact
 - Credit Unions in the Digital Age
 - Are Credit Unions Truly Prepared for Generation Z?
 - Flawsome - Creating Connection Through Human Error

- Cipriani College of Labour & Co-operative Studies (CCLCS)
 - Goal Setting and Time Management
 - Resilience/mental toughness and Stress management
 - Russia- Ukraine Crisis: A Critical Analysis
 - Mental Health and Coping
 - Strategic Communication and Critical Thinking for Credit Union Leaders
 - Essential Operational Skills and Strategies
- CFF - CSR Training
- Credit Union National Association (CUNA) - A Salute to Smart Investing
- The Training and Development Officer of the Co-operative Development Division
 - Board of Directors, Credit Committee and Supervisory Committee Training Session on Roles, Responsibilities and Functions

Wills & Testament Session

Death is a common factor everyone must face and sometimes comes unexpected and unplanned. As such, the Education Committee had a Wills & Testament Session with Trintoc (Penal) Credit Union's Lawyer Mr. Neebar. Members were able to know the importance of having a Will and how to properly create one. They also learnt what happens when someone without a Will dies and the consequences of it thereafter.

Newsletter

In accordance with the Trintoc (Penal) Credit Union's Bye-Laws, the Education Committee launched the first Digital Newsletter. The Newsletter, moving forward, will capture current events, upcoming events and updates from the organization. At present, there is one Newsletter for 2022, however for the upcoming years the Newsletter will be done quarterly.

Financial Literacy Session

Together with Central Bank of Trinidad and Tobago and the National Financial Literacy Program the Education Committee held a Financial Literacy Session hybrid which was both virtual and in house. The training session allowed members to learn how to properly budget, invest and save.

Conclusion

We wish to express our sincere appreciation to the Management Committees and the Administrative Staff for their support.

The Education Committee continues to strive in recognizing its role in contributing to the strategic development of the Credit Union and as such remains committed to provide its membership and staff with current information on educational opportunities available and the training of new members and other necessary means to ensure that this Credit Union remains a cohesive entity.

We wish to express our sincere appreciation to the Board of Directors, Credit and Supervisory Committees and the Administrative Staff for their magnanimous support over the last financial year. We also take this opportunity to wish the Trintoc (Penal) Credit Union continued financial growth and success as we continue to navigate through these unprecedented times.

N'Kosi David

N'KOSI DAVID
Secretary

NOMINATION COMMITTEE REPORT

The Chairman of the Nominations Committee (NC) was appointed by the Board of Directors at its statutory meeting on 11 December 2022. Two additional members were chosen to seek, screen, and select best fit candidates for nomination to the Board of Directors, Supervisory Committee, and Credit Committee at the upcoming 2023 Annual General Meeting (AGM).

The three-member committee comprised the following persons:

Godfrey Ransome	- Chairperson
Christina Bahadoor-Hosein	- Secretary
Carol Jarvis	- Member

Advertisements

The nominations process was guided by the terms of reference set out in the Board's nomination guidelines in accordance with its bye-law 26(a).

Advertisements inviting members to serve were placed in the daily newspapers, TPCU's website and via emails, with a 10 February 2023 deadline to submit applications.

Screening and Selection

Twelve application forms were received and perused for compliance with the specific guidelines outlined for each nomination category:

- Five (5) for BOD
- Five (5) for Credit Committee
- Two (2) for Supervisory Committee

All applicants were deemed to have complied with the "fit and proper" criteria and were approved for nomination for their respective committees at the AGM. Indeed, they have all served or are currently serving in either a management committee or a Board appointed sub-committee.

Conclusion

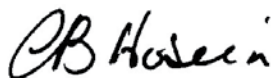
The Nominations Committee (NC) is one of the most critical board appointed committees, as it creates the path for recruiting "best fit" candidates for the board and committees. We are therefore grateful to the Board of Directors for enabling us to perform efficiently this important assignment.

We do recommend, however, that nominations from the floor be eliminated by amending the appropriate bye laws since the NC cannot vouch for the suitability and fitness of individuals who do not comply with the nomination process.

Finally, to ensure that ample and suitable nominees respond to the call to serve, we suggest that the nomination process commence some four months before the AGM. This would facilitate proactively pursuing and motivating members to respond.

The profiles of the approved nominees for the Board of Directors, Supervisory Committee and Credit Committee are appended.

Submitted on behalf of the Nominations Committee



Christina Bahadoor Hosein
Secretary

NOMINEES FOR THE BOARD OF DIRECTORS



Perry Jagdeo

HSE Team Lead
BSc. - Environmental Management
MSc. - Geographic Information Systems
Service at TPCU:
President (2019-2023)
Vice President-3 years
Education Committee-10 years
Member for some 24 years, 15 of which on BOD.



Ananias Johnson.

Retired Senior Systems Administrator (ICT)
Diploma in Computer Science
Service at TPCU:
Board member- 37 years
Supervisory Committee -3 years
Credit Committee – 2 years
Member for some 42 years



Imtiaz Mohamed

Retired Shift Team Leader, Marine Certificate in Credit Union Management
BSc - Business Management
Service at TPCU:
President -3 years
Vice President -7 years
Supervisory Committee-10 years
Member for some 41 years, 15 of which on Board.
Also served as:Board Director- Co-operative Credit Union League of Trinidad & Tobago
President – Southwest Regional Chapter (SWRC)



Jeremy Maraj

HSSEQ/Training Consultant
BSc Occupational Safety Health and Environment
Credit Union Management
Service at TPCU:
Education Committee chairman- 5 years
Member for some 22 years



Danny Jattan
Auditing Assistant
ACCA
BSc- Management Studies
Service at TPCU:
Supervisory Committee Chair -2 years
Member for some 2 years.

NOMINEES FOR THE SUPERVISORY COMMITTEE



Hyacinth Smith
Teacher 1- Ministry of Education
Bachelor of Education
Teachers Diploma
Service at TPCU:
Supervisory Committee – 3 years
Education Committee Member for some 30 years.



Ivan Ashby
Retired Estate Police Sergeant
BSc -Occupational Health Safety and Environment
Assoc. Degree-Security Admin. and Management
Service at TPCU:
Supervisory Committee -2 years
Member for some 30 years.

NOMINEES FOR THE CREDIT COMMITTEE



Kelvin Pustam
Retired Production Operations Gauger
GCE O Levels
Service at TPCU:
Credit Committee- 10 years
Education Committee.
Member for 42 years



Calvin Sargeant

Retired Estate Police Sergeant
BSc -Health Safety and Environmental Management
Service at TPCU:
Credit Committee- Past Chairman
Credit Committee-Past Secretary
Member for some 45 years in Credit Committee



Winston Samm

Field Maintenance Supervisor
Civil Engineering Technician
Associate Degree – Occupational Safety and Health.
Service at TPCU:
Credit Committee - Chairman since 2007
Member for 32 years, 15 of which on Credit Committee



Rudolph Felix

Retired Contracts Officer
GCE O Levels
Service at TPCU:
Credit Committee-Past Chairman
Credit Committee -Past Secretary
Member for some 45 years, 30 of which in Credit Committee



Lazina Hosein

Retired Loan Officer
GCE O Levels
Service at TPCU:
Credit Committee- 3 years
Member for some 26 years, and on TPCU staff for 22 years.

INDEPENDENT AUDITORS' REPORT
& FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022



Chartered Accountants
34 St. Vincent Street,
San Fernando,
Trinidad, W.I.
Tel: (868) 652 5245
Fax: (868) 653 6053
Email: info@maharajmohammed.com



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
TRINTOC (PENAL) CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

Opinion

We have audited the financial statements of Trintoc (Penal) Credit Union Co-Operative Society Limited which comprises the statement of financial position as at 31st December 2022, 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 43 to 67.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Trintoc (Penal) Credit Union Co-Operative Society Limited as at 31st December 2022 and the results of its operations and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

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.

A handwritten signature in black ink that reads 'Maharaj Mohammed & Co.' in a cursive script.

Maharaj Mohammed & Co.
Chartered Accountants
Trinidad & Tobago

24th March 2023

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the financial statements of Trintoc (Penal) Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31st December, 2022, 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.

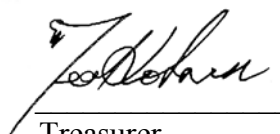
In preparing these audited financial statements, Management utilized the International Financial Reporting Standard, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards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

Nothing has come to the attention of Management to indicate that Trintoc (Penal) 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
24th March 2023


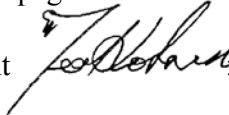
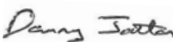


Treasurer
24th March 2023

STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2022

	Notes	2022 \$	2021 \$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	6	7,833,689	7,814,302
Accounts receivable and prepayments	9	<u>13,438,988</u>	<u>11,132,636</u>
		<u>21,272,677</u>	<u>18,946,938</u>
Non-current assets			
Property, plant and equipment	5	2,086,579	350,578
Members' loans	7	59,424,995	62,317,774
Investments	12	<u>153,870,597</u>	<u>160,423,418</u>
		<u>215,382,171</u>	<u>223,091,770</u>
Total Assets		<u>236,654,848</u>	<u>242,038,708</u>
<u>MEMBERS' EQUITY AND LIABILITIES</u>			
Members' equity			
Reserve fund	15	18,159,464	17,359,813
Education fund	16	2,787,934	2,494,272
Building fund	17	3,414,179	2,340,000
Investment reserve	14	11,672,592	16,610,971
Dividend equalization fund	19	1,000,000	1,000,000
Retained earnings		<u>14,722,275</u>	<u>13,454,609</u>
		<u>51,756,445</u>	<u>53,259,667</u>
Current liabilities			
Accounts payable and accruals	10	<u>1,987,377</u>	<u>1,662,182</u>
		<u>1,987,377</u>	<u>1,662,182</u>
Non-current liabilities			
Members' shares	20	149,172,284	151,609,182
Members' deposits	18	<u>33,738,742</u>	<u>35,507,677</u>
		<u>182,911,026</u>	<u>187,116,859</u>
Total Liabilities		<u>184,898,403</u>	<u>188,779,041</u>
Total Liabilities and Shareholders' Equity		<u>236,654,848</u>	<u>242,038,708</u>

The accompanying notes on pages 48 to 67 form an integral part of these financial statements.

 : President
  : Treasurer
  : Supervisory Chairman

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	2022 \$	2021 \$
Revenue			
Interest on loans		5,752,872	5,856,346
Investment income		7,506,971	7,359,318
Other income		<u>46,146</u>	<u>86,729</u>
Total		<u>13,305,989</u>	<u>13,302,393</u>
Expenses			
Administrative and other	21	998,669	731,330
Bank charges and interest on members deposits		1,446,236	1,326,833
CUNA insurance premiums		464,686	486,055
Expected credit loss provision on loans (IFRS 9)	8	832,059	1,007,723
Green fund levy	2(j)	39,470	41,396
Officers' expenses	22	617,343	600,924
Staff costs	23	928,673	872,852
Trans Union		<u>4,342</u>	<u>8,052</u>
		<u>5,331,478</u>	<u>5,075,165</u>
Net surplus for the year		<u>7,974,511</u>	<u>8,227,228</u>
Appropriations			
Transfer to reserve fund (10%)	2 (k)	797,451	822,723
Transfer to education fund (5%)	2 (l)	<u>358,853</u>	<u>370,225</u>
		<u>1,156,304</u>	<u>1,192,948</u>
Net surplus after appropriations		<u>6,818,207</u>	<u>7,034,280</u>

The accompanying notes on pages 48 to 67 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2022

	Reserve Fund	Education Fund	Building Fund	Revaluation Reserve	Dividend Equalization Fund	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 st January 2022	17,359,813	2,494,272	2,340,000	16,610,971	1,000,000	13,454,611	53,259,667
Operating surplus	-	-	-	-	-	7,974,511	7,974,511
Appropriations	797,451	358,853	-	-	-	(1,156,304)	-
Entrance fees	2,200	-	-	-	-	-	2,200
Expenditure	-	(65,190)	-	-	-	65,190	-
Building fund – 2021 Resolution 3	-	-	2,000,000	-	-	(2,000,000)	-
Building fund – 2020 Resolution 4	-	-	480,000	-	-	(480,000)	-
Land acquisition	-	-	(1,405,821)	-	-	1,405,821	-
Revaluation reserve	-	-	-	(4,938,379)	-	-	(4,938,379)
Dividends paid	-	-	-	-	-	(4,541,554)	(4,541,554)
Balance at 31 st December 2022	<u>18,159,464</u>	<u>2,787,934</u>	<u>3,414,179</u>	<u>11,672,592</u>	<u>1,000,000</u>	<u>14,722,275</u>	<u>51,756,445</u>
Balance as at 1 st January 2021	16,542,191	2,148,871	2,340,000	6,874,289	1,000,000	11,061,417	39,966,768
Operating surplus	-	-	-	-	-	8,227,228	8,227,228
Appropriations	822,723	370,225	-	-	-	(1,192,948)	-
Expenditure	-	(24,824)	-	-	-	24,824	-
Entrance fees	1,040	-	-	-	-	-	1,040
Payroll clearing	(6,141)	-	-	-	-	-	(6,141)
Revaluation reserve	-	-	-	9,736,682	-	-	9,736,682
Dividends paid	-	-	-	-	-	(4,665,910)	(4,665,910)
Balance at 31 st December 2021	<u>17,359,813</u>	<u>2,494,272</u>	<u>2,340,000</u>	<u>16,610,971</u>	<u>1,000,000</u>	<u>13,454,611</u>	<u>53,259,667</u>

The accompanying notes on pages 48 to 67 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	2022 \$	2021 \$
Operating activities			
Net surplus for the year		7,974,511	8,227,228
Adjustment for non-cash items			
Depreciation of property, plant and equipment		100,462	106,827
Revaluation of investments		(4,938,380)	9,736,682
Payroll clearing		-	(6,140)
Loss on disposal of property, plant and equipment		<u>11,407</u>	<u>2,519</u>
Operating income before working capital changes		3,148,000	18,067,116
Movements in working capital			
Decrease in loans to members		2,892,778	1,806,920
Decrease in members' deposits		(1,768,936)	(1,103,557)
(Increase) / decrease in accounts receivable and prepayments		(2,306,351)	1,512,054
Increase / (decrease) in payables and accruals		<u>325,195</u>	<u>(54,697)</u>
Net cash generated from operating activities		<u>2,290,686</u>	<u>20,227,836</u>
Investing activities			
Purchase of property, plant and equipment		(1,847,870)	(140,325)
Net sale / (purchase) of investments		<u>6,552,821</u>	<u>(11,604,569)</u>
Net cash generated from / (used in) investing activities		<u>4,704,951</u>	<u>(11,744,894)</u>
Financing activities			
Net decrease in members' shares		(2,436,897)	(6,699,567)
Dividends paid		(4,541,554)	(4,665,910)
Membership fee		<u>2,200</u>	<u>1,040</u>
Net cash used in financing activities		<u>(6,976,251)</u>	<u>(11,364,437)</u>
Net increase / (decrease) in cash and cash equivalents		<u>19,386</u>	<u>(2,881,495)</u>
Cash and cash equivalents			
- at the beginning of the year		7,814,302	10,695,797
- at the end of the year	6	<u>7,833,688</u>	<u>7,814,302</u>
		<u>19,386</u>	<u>(2,881,495)</u>

The accompanying notes on pages 48 to 67 form an integral part of these financial statements.

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2022

RECEIPTS	2022	2021	PAYMENTS	2022	2021
	\$	\$		\$	\$
Accounts receivables	388,257	2,031,619	Accounts payable	60,232	69,811
CUNA insurance claim	270,000	219,789	Advertising	52,957	32,044
Commission – CUNA	27,648	65,631	Annual general meeting	49,317	54,146
Deposit account	1,886,284	1,200,131	Audit fees	40,500	40,500
Entrance fee	2,180	1,020	Bank charges	13,398	7,129
Interest from loans	4,230,664	4,276,788	Board & committee	603,244	523,327
Investment income	1,736,358	1,753,711	Building and repairs	118,586	77,503
Investments	11,642,138	22,975,494	Computer maintenance	54,563	54,725
Loans	12,766,299	11,391,675	COVID19 expenses	-	134,423
Members shares	12,802,756	9,018,385	CUNA insurance claims	230,000	24,000
Returned ACH payments	68,334	-	CUNA FIP	195,628	320,659
Stale dated cheques	5,000	123,375	CUNA LP/LS premiums	426,572	446,867
Sundry expenses	-	5,083	Deposit account	3,247,952	2,658,250
			Donation and subscription	7,450	2,750
			Education committee	61,330	49,222
			Green fund levy	25,773	41,358
			Investments	7,324,427	20,003,354
			Legal and bailiff fees	96,970	32,813
			Loans	14,901,980	14,781,589
			League dues	24,317	24,317
			Members' shares	14,341,338	14,873,371
			Office stationery and supplies	67,917	46,385
			Property, plant and equipment	1,882,870	82,064
			Salary	694,944	614,245
			Security service – CIT	147,975	76,425
			Staff pension & NI	187,655	177,242
			Subscriptions	12,761	5,442
			Trinre insurance premiums	890,511	652,411
			Telephone and internet	45,362	37,824
	<u>45,825,918</u>	<u>53,062,701</u>		<u>45,806,530</u>	<u>55,944,196</u>
Balance at beginning of the year:			Balance at the end of the year:		
Float – Deposit withdrawal	11,000	7,000	Float – Deposit withdrawal	12,000	11,000
Petty cash	2,500	2,500	Petty cash	2,500	2,500
USD savings account	423,015	15,664	USD savings account	36,285	423,015
Republic current account	7,377,787	10,669,211	Republic current account	7,782,905	7,377,787
Treasury	-	1,422	Treasury	-	-
	<u>7,814,302</u>	<u>10,695,797</u>		<u>7,833,690</u>	<u>7,814,302</u>
	<u>53,640,220</u>	<u>63,758,498</u>		<u>53,640,220</u>	<u>63,758,498</u>

The accompanying notes on pages 48 to 67 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

1. Incorporation and principal activities

Trintoc (Penal) Credit Union Co-operative Society Limited (“the Credit Union”) was incorporated in 1954 under the Co-operative Societies Act of Trinidad and Tobago. Its registered office and principal place of business is Clarke Road, Penal. It was formed in order to improve the economic and social conditions of its members, chiefly by promoting savings among its members, and providing loans to members at reasonable and legitimate rates of interest for provident and productive purposes.

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, unless otherwise stated.

(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 the measurement at fair value of hold to collect and sell investments and certain other financial instruments.

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.

Foreign currency transactions and balances

Foreign currency transactions during the year are translated into Trinidad and Tobago dollars at the exchange rates ruling at the dates of the transactions. Current assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Gains or losses thus arising are included in the statement of income.

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

The Credit Union has not applied any new, revised standards and interpretations that have been issued as they:

- do not apply to the activities of the Society;
- have no material impact on its financial statements; or
- have not been early adopted by the entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

2. Significant accounting policies (continued)

(a) Basis of accounting (continued)

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

There are no new standards, interpretations and amendments, which have not been applied in these financial statements. Standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Credit Union and have not been disclosed

- (iii) *Standards and amendments to published standards early adopted by the Corporation*

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

(b) Revenue recognition

Interest income is accounted for on the accrual basis for investment. Interest on loans is accounted for on the accrual basis, at the rate prescribed by the Bye-Laws of the Credit Union.

(c) 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:

Leasehold building	10%
Furniture and fixtures	10%
Air conditioning	10%
Office equipment	20%
Computer equipment	33.3%

No depreciation is charged on land.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

2. Significant Accounting Policies (continued)

(d) 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.

(e) 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.

(f) Accounts payable

Accounts payable are obligations on the basis of normal credit terms and do not bear interest.

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

2. Significant Accounting Policies (continued)

(h) Financial assets

The Credit Union has adopted IFRS 9 and classifies its financial assets based on the following business models:

- Hold for trading
- Hold to collect and sell or
- Hold to collect

The classification depends on the purpose for which financial assets were acquired or originated. Based on these factors, the Credit Union classifies its assets into one of the following three measurement categories:

- *Amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in “Interest income” using the effective interest rate method.

- *Fair value through other comprehensive income (FVOCI)*

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the asset cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). These include certain equity instruments, corporate bonds and notes.

These financial assets are initially recognized at fair values plus transaction cost that are directly attributable to their cost. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument’s amortised cost which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognized in “Net Investment Income”. The interest income from these financial assets is included in “interest Income” using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

(h) Financial assets (continued)

- Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the income statement within “Gains from investments securities” in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented in “Investment Interest Income”. Interest income from these financial assets is included in “Interest income” using the effective interest rate method.

1) Debt Instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer’s perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Credit Union’s business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Credit Union’s Business model

The business model reflects how the Credit Union manages the assets in order to generate cash flows. An assessment is made at a portfolio level and includes an analysis of factors such as:

- The stated objective and policies of the portfolio and the operation of those in practice. More specifically whether the Credit Union’s objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of the assets.
- Past experience on how the cash flows for these assets were collected.
- Determination of performance targets for the portfolio, how evaluated and reported to key management personnel.
- Managements identification of and response to various risks, which includes but not limited to, liquidity risk, market risk, credit risk, interest rate risk.
- Management classify its assets based on historical sales and forecasted liquidity requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

(h) Financial assets (continued)

Solely payments of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Credit Union assesses whether flows represent solely payment of principal and interest (SPPI test). In making this assessment, the Credit Union considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Credit Union reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

2) *Equity instruments*

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Credit Union subsequently measures all equity investments at fair value through profit or loss, except where the Credit Union's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. These financial assets are presented within investment securities held to collect and sell. The Credit Union's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other income when the Credit Union's right to receive payments is established.

Gain and losses on equity investments classified as FVPL are included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

2. Significant Accounting Policies (continued)

(i) Impairment

Financial assets (continued)

The Credit Union assesses on a forward-looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. (excluding equity instruments)

The Credit Union measures loss allowances on its debt instruments at an amount equal to lifetime credit losses, except in the following cases, for which the amount recognized is 12 months credit losses. For receivables, the Society applies the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognized from initial recognition of receivables.

All impairment losses are recognized in the statement of comprehensive income. Any cumulative loss in respect of investments measured at fair value through other comprehensive income recognized previously in equity is transferred to the profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and fair value through other comprehensive income that are debt securities, the reversal is recognized in the statement of comprehensive income. For investments measured at fair value through other comprehensive income that are equity securities, the reversal is recognized directly in equity.

Non-financial assets

The carrying amounts of the Society's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is adjusted to reflect the revised estimate.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets of groups of assets. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

2. Significant Accounting Policies (continued)

(j) 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.

(k) Reserve fund

In accordance with Bye Law 12 of the Credit Union and The Co-operative Society Act, 1971 Section 47 (2), at least ten percent (10%) of the net surplus of the Credit Union for the year is to be transferred to a Reserve Fund. All losses on investments, which are beyond the control of the Credit Union, are written off to the Reserve Fund.

(l) Education fund

In accordance with Bye Law 12 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.

(m) Building fund

In accordance with Bye Law 12(g) of the Credit Union, the balance of the net surplus may be used at the discretion of the General Meeting for the constitution of a Building Fund.

(n) 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%.

(o) Interest on members' loans

Interest on loans is accounted for on an accrual basis. The interest charged on loans is calculated at the rate of 0.5% to 1% per month on the reducing balance at the end of each month.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

2. Significant Accounting Policies (continued)

(p) Unclaimed shares

Under Bye Law 13, the Board may transfer any shares and or interest not claimed (net of any amounts due to the Society) within one year from the date of the last transaction of a member, whose whereabouts are unknown, to an Unclaimed Shares Account. Any sums remaining unclaimed for two (2) years may be transferred to the Reserve Fund.

(q) 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.

(r) 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.

(s) Comparative

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

3. Financial Risk Management

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

(a) Operational risk

Operational risk is the risk derived from deficiencies relating to the Credit Union's information technology and control systems, as well as the risk of human error and natural disasters. The Credit Union's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimise human error. Additionally, staff is often rotated and trained on an on-going basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

3. Financial Risk Management (continued)

(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.

i) Bonds

The Society invests mainly in medium to long term bonds consisting of both floating rate and fixed rate instruments. The market values of the fixed rate bonds are not very sensitive to changes in interest rates. The market values of the floating rate bonds are sensitive to changes in interest rates. The longer the maturity of the bonds, the greater is the sensitivity to changes in interest rates. As these assets are being held to maturity and are not traded, any changes in market value will not impact the statement of comprehensive income. The society actively monitors bonds with maturities greater than ten years, as well as the interest rate policies of the Central Bank of Trinidad and Tobago.

ii) Loans

The Society generally invests in fixed rate loans. These are funded mainly from member deposits and shares.

(c) 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.

(d) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

3. Financial Risk Management (continued)

(e) 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.

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.

(f) 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.

Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Credit Union. The Credit Union employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Credit Union's assets as well as generating sufficient cash from new and renewed members' deposits and shares. To manage and reduce liquidity risk the Credit Union's management actively seeks to match cash inflows with liability requirements

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

3. Financial Risk Management (continued)

(h) Capital Risk Management

The Credit Union manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members, and providing value to its members by offering loan and savings facilities. The Credit Union's overall strategy remains unchanged from previous years. The capital structure of the Credit Union consists of equity attributable to members, and comprises members' shares, reserves and retained earnings.

4. Critical Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in the process of applying the Credit Union's accounting policies (see basis of preparation). Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Credit Union makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Changes in accounting estimates are recognised in the statement of comprehensive income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods. The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

i) Allowances for credit losses

Loans and investments accounted are evaluated for impairment.

ii) Financial assets and liabilities classification

The Society's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories. In classifying financial assets or liabilities as "fair value through the profit and loss", the Society has determined that it meets the description of trading assets and liabilities

iii) Impairment of assets

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

Property, plant and equipment

31st December 2022	Land	Leasehold Building Clarke Rd	Office Furniture &Fittings	Air Conditioning	Office Equipment	Computer Equipment	Total
Cost	\$	\$	\$	\$	\$	\$	\$
At 1 st January, 2022	-	-	180,974	19,600	255,639	487,027	943,240
Additions	1,411,521	384,346	-	-	17,401	34,602	1,847,870
Disposal	-	-	(1,499)	-	(8,238)	(73,328)	(83,065)
At 31 st December 2022	<u>1,411,521</u>	<u>384,346</u>	<u>179,475</u>	<u>19,600</u>	<u>264,802</u>	<u>448,301</u>	<u>2,708,045</u>
Accumulated Depreciation							
At 1 st January, 2022	-	-	117,076	6,432	174,112	295,042	592,662
Charge for the year	-	3,203	6,404	1,317	17,763	71,775	100,462
Disposal	-	-	(1,208)	-	(7,196)	(63,254)	(71,658)
At 31 st December 2022	-	<u>3,203</u>	<u>122,272</u>	<u>7,749</u>	<u>184,679</u>	<u>303,563</u>	<u>621,466</u>
Net book value 2022	1,411,521	381,143	57,203	11,851	80,122	144,736	2,086,579
31st December 2021							
Cost	\$	\$	\$	\$	\$	\$	\$
Balance January 1, 2021	-	-	174,664	28,248	248,542	361,579	813,033
Additions	-	-	7,779	-	7,097	125,448	140,324
Disposal	-	-	(1,469)	(8,648)	-	-	(10,117)
Balance December 31, 2021	-	-	<u>180,974</u>	<u>19,600</u>	<u>255,639</u>	<u>487,027</u>	<u>943,240</u>
Accumulated Depreciation							
Balance January 1, 2021	-	-	111,714	11,151	154,698	215,870	493,433
Charge for the year	-	-	6,513	1,710	19,414	79,172	106,827
Disposals	-	-	(1,169)	(6,429)	-	-	(7,598)
Balance December 31, 2021	-	-	<u>117,076</u>	<u>6,432</u>	<u>174,112</u>	<u>295,042</u>	<u>592,662</u>
Net book value 2021	-	-	63,898	13,169	81,525	191,985	350,578

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

6. 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.

	2022	2021
	\$	\$
Petty cash	2,500	2,500
Withdrawal float	12,000	11,000
Cash at bank	<u>7,819,189</u>	<u>7,800,802</u>
	<u>7,833,689</u>	<u>7,814,302</u>

7. Members' loans

	2022	2021
	\$	\$
Fully secured	6,715,081	6,285,297
Mortgage	31,219,056	31,251,102
Ordinary	30,180,165	31,984,101
Short term	1,012,689	705,635
Vehicle	<u>7,809,274</u>	<u>8,770,850</u>
	76,936,265	78,996,985
Less: Expected credit loss provision (See note 8 below)	<u>(17,511,270)</u>	<u>(16,679,211)</u>
	<u>59,424,995</u>	<u>62,317,774</u>

8. Expected credit loss provision

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.

	2022	2021
	\$	\$
Opening balance as at 1 st January	16,679,211	15,671,488
Current year expected credit losses	<u>832,059</u>	<u>1,007,723</u>
Closing balance as at 31 st December	<u>17,511,270</u>	<u>16,679,211</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

9. Accounts receivable and prepayments	2022	2021
	\$	\$
Trade receivables	13,428,484	11,125,582
Prepayments	<u>10,504</u>	<u>7,054</u>
	<u>13,438,988</u>	<u>11,132,636</u>

10. Accounts payable and accruals	2022	2021
	\$	\$
Trade payables	1,834,989	1,557,281
Accruals	<u>152,388</u>	<u>104,901</u>
	<u>1,987,377</u>	<u>1,662,182</u>

11. 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:

	2022	2021
	\$	\$
Assets		
Loans to directors, key management and other	4,503,161	5,191,597
Deposits and other liabilities		
Deposits held by directors, key management and other	3,109,258	5,257,488
Shares		
Shares held by directors, key management and other	7,945,534	8,560,626
Income		
Directors and related parties	533,440	534,640
Dividends		
Directors, key management and other	252,739	247,134
Key management compensation	421,558	408,145

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

12. Investments

Financial assets measured at fair value through other comprehensive income

	2022	2021
	\$	\$
(a) Hold to collect		
ANSA secured fund	50,000	50,000
Aspire Fund Management	3,957,763	1,934,847
Government of Trinidad and Tobago (GOTT) bonds	47,312,477	46,635,015
Guardian Holdings Ltd 2023	96,000	112,905
Guardian Holdings Ltd 2025	<u>2,860,000</u>	<u>2,860,000</u>
	<u>54,276,240</u>	<u>51,592,767</u>
(b) Hold to collect and sell		
ANSA TT\$ Income Fund	76,825	77,523
Caribbean Airlines Limited	200,760	203,252
First Citizens Bank Limited – Abercrombie fund	19,142	18,914
First Citizens Bank - IPO	20,871,240	25,001,337
First Citizens Bank – 2022	-	5,238,000
KCL Capital Market Brokers Limited	8,172,842	13,476,252
KCL Capital Market Brokers Limited - AUM	39,588,882	32,349,780
KCL Capital Market Brokers Limited - USD	1,792,386	1,799,849
National Investment Fund	2,254,215	2,271,710
Republic Bank Limited Money Market Fund	37,109	36,860
Trinidad and Tobago Unit Trust Corp. 2 nd unit scheme	452	446
Trinidad and Tobago Unit Trust Corp - growth & income fund	1,014	1,121
Trinidad and Tobago Mortgage Finance Co. Ltd.	10,000,000	10,000,000
T&T National Gas Ltd – IPO	2,249,490	2,025,607
TSTT – Tranche 1	3,330,000	3,330,000
The Maritime Financial Group	5,000,000	5,000,000
Trinidad and Tobago Mortgage Finance 2022	5,000,000	5,000,000
ANSA Merchant Bank	<u>1,000,000</u>	<u>3,000,000</u>
	<u>99,594,357</u>	<u>108,830,651</u>
Total Investments	<u>153,870,597</u>	<u>160,423,418</u>

13. Employees

	2022	2021
The number of persons employed at year end	<u>6</u>	<u>6</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

14. Investment Reserve

Investments are recognized in the Statement of Financial Position at the market value. The carrying amounts of the Credit Union's Investment Reserve at the end of the reporting period is as follows:

	2022	2021
	\$	\$
Opening balance	16,610,971	6,874,289
Net change in market value for the period	<u>(4,938,379)</u>	<u>9,736,682</u>
Ending balance	<u>11,672,591</u>	<u>16,610,971</u>

15. Reserve fund

	2022	2021
	\$	\$
Opening balance as at 1 st January	17,359,813	16,542,191
Appropriations	797,451	822,723
Payroll clearing	-	(6,141)
New membership fees	<u>2,200</u>	<u>1,040</u>
Closing balance as at 31 st December	<u>18,159,464</u>	<u>17,359,813</u>

16. Education fund

	2022	2021
	\$	\$
Opening balance as at 1 st January	2,494,272	2,148,871
Appropriations	358,853	370,225
Expenditure for the period	<u>(65,190)</u>	<u>(24,824)</u>
Closing balance as at 31 st December	<u>2,787,934</u>	<u>2,494,272</u>

17. Building fund

	2022	2021
	\$	\$
Opening balance as at 1 st January	2,340,000	2,340,000
Appropriations – Resolution 3 2021	2,000,000	-
Appropriations – Resolution 4 2020	480,000	-
Land acquisition	<u>(1,405,821)</u>	<u>-</u>
Closing balance as at 31 st December	<u>3,414,179</u>	<u>2,340,000</u>

18. Members deposits

	2022	2021
	\$	\$
Opening balance as at 1 st January	35,507,677	36,611,234
Net (decrease) / increase for the period	<u>(1,768,935)</u>	<u>(1,103,557)</u>
Closing balance as at 31 st December	<u>33,738,742</u>	<u>35,507,677</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

19. Dividend equalization fund	2022	2021
	\$	\$
Opening balance as at 1 st January	1,000,000	1,000,000
Appropriations	<u>-</u>	<u>-</u>
Closing balance as at 31 st December	<u>1,000,000</u>	<u>1,000,000</u>

The fund was established out of the net surplus, at the 2019 Annual General Meeting and in accordance with Bye Law 12(g) of the Credit Union. The fund may be used to safeguard dividend payment for future years impacted by the uncertain economic environment.

20. 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.

	2022	2021
	\$	\$
Shares at year end	<u>149,172,284</u>	<u>151,609,182</u>

21. Administrative and other	2022	2021
	\$	\$
Advertising and promotions	40,773	18,800
Annual general meeting expenses and tokens	51,684	55,651
Audit fees	48,375	43,875
Bailiffs', professional and legal fees	105,945	41,500
Computer, software maintenance and support services	65,505	75,610
Depreciation	100,462	106,827
Donations	10,159	3,100
Education committee expenses	65,190	24,825
Insurance	24,901	24,901
Loss on disposal of property, plant and equipment	11,406	2,519
League dues	24,317	24,317
Office supplies, stationery and postage	64,012	41,112
Property maintenance, land rent and facilities	100,397	98,146
Subscriptions	71,446	47,062
Security fees	170,124	85,261
Telephone and internet	<u>43,973</u>	<u>37,824</u>
	<u>998,669</u>	<u>731,330</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

22. Officers' expenses	2022	2021
	\$	\$
Board of directors/ committee expenses	609,893	593,741
Entertainment	-	283
Marketing committee	<u>7,450</u>	<u>6,900</u>
	<u>617,343</u>	<u>600,924</u>
23. Staff costs	2022	2021
	\$	\$
Insurance	7,042	7,044
Medical plan – employer contribution	24,008	23,055
National insurance – employer contribution	62,110	58,683
Pension plan – employer contribution	65,392	62,172
Salaries and travelling	760,144	708,091
Training	<u>9,977</u>	<u>13,807</u>
	<u>928,673</u>	<u>872,852</u>

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 3.2% of the average value of members' shares in issue throughout the year, for the year ended December 31, 2022. This dividend amounting to \$4,735,022 (projected), (2021: \$4,541,554), is not recorded as a liability in the Statement of Financial Position, consistent with IAS 10 - Events after the Reporting Period.

25. Impact of COVID-19 Pandemic

On March 11th 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2022

26. Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of 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, 2022.

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.

27. 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.

28. Approval of Financial Statements

These financial statements were approved by the board of directors and authorised for issue on 24th March, 2023.

PROPOSED BUDGET 2023

INCOME	Budget 2022	Actual 2022	Variance	Budget 2023
Interest on Loans	5,747,419	5,752,872	5,453	5,745,992
Income from Investments/Fixed Deposits	6,832,785	7,506,971	674,186	7,627,165
Other Income	23,000	46,146	23,146	50,000
TOTAL INCOME	12,603,204	13,305,989	702,785	13,423,157
EXPENDITURE				
All Officers Meeting/Social Events	-	-	-	-
Advertising - Marketing & Comm	100,000	40,773	(59,227)	100,000
Annual General Meeting	56,000	51,685	(4,315)	75,000
Audit Fees	45,000	48,375	3,375	52,500
Bank / Finance Charge	260,000	405,284	145,284	403,000
Board & Committee Expenses	585,000	568,073	(16,927)	585,000
General Repairs & Maintenance	100,000	104,942	4,942	100,000
Computer & Software Maintenance	83,977	65,505	(18,472)	75,000
Credit Union League Dues	24,500	24,317	(184)	24,500
CUNA LP/LS	500,000	464,686	(35,314)	500,000
Depreciation	105,000	100,462	(4,538)	105,000
Disposal of Assets	-	11,406	11,406	-
Donations/ Sponsorship	12,000	10,159	(1,841)	12,000
Education Committee	135,700	63,899	(71,801)	225,000
Green Fund Levy	42,000	39,470	(2,530)	40,269
Insurance & Pension	210,000	204,577	(5,423)	210,000
Interest on Members Fixed Deposits & Savings	1,100,000	1,040,952	(59,048)	1,100,000
Office Expense	65,000	64,012	(988)	60,000
Professional Fees - IT, legal, bailiff, compliance programme	66,250	105,945	39,695	100,000
Provision for bad and doubtful debts	1,500,000	832,059	(667,941)	1,000,000
Salary/Contract Labour	970,000	760,144	(209,856)	940,000
Security fee (CIT) & CCTV maint & security guard	164,000	170,124	6,124	164,000
Subscriptions/sundry	44,000	66,901	22,901	65,000
Telephone & Internet	39,500	43,973	4,473	39,500
Training and Development	15,000	39,413	24,413	-
TransUnion	6,000	4,342	(1,658)	6,000
Total Operating Expenditure	6,228,927	5,331,479	(897,448)	5,981,769
OPERATING SURPLUS	6,374,277	7,974,510	1,600,233	7,441,388
Capital Expenditure				
Building Upgrade (one off exp & extention)	500,000	384,346	(115,654)	150,000
Land and Building	1,350,000	1,411,521	61,521	100,000
Capital Expenditure - computer, furniture, office equip, etc	50,000	52,002	2,002	-
Total Capital Expenditure	1,900,000	1,847,870	(52,130)	250,000
CASH SURPLUS	4,474,277	6,126,641	1,652,364	7,191,388

RESOLUTIONS

Resolution 1 – Appointment of Auditors

Whereas the Commissioner for Co-operative Development has drawn up a list of approved Auditors for the accounts of Co-operative Societies in accordance with Section 51 of the Co-operative Societies Act Chapter 81:03 and Regulations thereof;

And whereas Bye-Law 22(k) of the Trintoc (Penal) Credit Union Co-operative Society Limited requires the Annual General Meeting to appoint an Auditor for the ensuing term from the list of Auditors approved by the Commissioner;

Be it resolved that Maharaj Mohammed and Co Chartered Accountants be appointed Auditors of the Trintoc (Penal) Credit Union Co-operative Society Limited for the financial year ending December 31st 2023.

Resolution 2 – Distribution of Surplus

Whereas the Trintoc Penal Credit Union Co-operative Society Limited has realized a net surplus for the financial year ended December 31st 2022;

And Whereas, the Society's Bye-law No.12 makes provision for the distribution of the net surplus in accordance with the Co-operative Societies Act and Regulations Chapter 81:03;

Be it resolved that a dividend of **3.2%** be declared on members' **share balances** as at December 31st 2022 and credited to their share accounts;

And be it further resolved that any account which is in arrears, the said sum be credited to outstanding loan and interest.

And be it further resolved that the sum of one million dollars (\$1,000,000.00) be transferred from the Dividend Equalization Fund to be used as a buffer for the payment of this Dividend.

Resolution 3 – Land and Building Fund

Whereas Bye-Law the Society's Bye-law No.12 (g) of the Society; states the balance of the net surplus may be used at the discretion of the General Meeting for the constitution of a Building Fund.

Be it resolved that \$2,000,000.00 be transferred from the remaining net surplus to this 'building fund' which represents a portion of the surplus for 2022.

PRODUCTS AND SERVICES

Term / Fixed Deposits

Term/Fixed Deposits – where the member agrees to place a fixed amount of money for a specific period to receive an interest rate for the duration of that time period. TPCU interest rates will vary based on amount. Deposits are repayable on demand however penalties apply.

Shares

The Credit Union's strength is represented by its Share Capital.

Members purchase shares which contribute to the pool of resources, members can then borrow in their time of need. The members accumulated shares increases the total resources of the Credit Union.

As a shareholder you are part-owner of the Credit Union, entitled to benefit from all services provided by the Credit Union. Your share balance is considered in your eligibility for loans.

Members are required to purchase at least one share (cost \$5.00) to keep an active status.

Benefits include:

- Free loan protection and life savings insurance
- The use of Shares as collateral for loans
- Dividends are paid annually on shareholdings on rates of interest as determined at Annual General Meetings

Loans

At TPCU, we provide a variety of personal loans for our members designed to help them achieve their short- and long-term goals:

- Vehicle loans
- Mortgage loans
- Education loans
- Vacation loans
- Debt consolidation loans
- Seasonal loans
- Life Event loans e.g. for weddings, christenings, funerals etc.
- Investment loans
- Insurance loans
- Share builder loans

CUNA Caribbean Insurance is the leading provider of insurance protection and retirement solutions for credit unions and co-operative societies across the Caribbean. Trintoc (Penal) Credit Union has enjoyed a very long and beneficial partnership with the company whose focus is to ensure that our members can have access to insurance products that they can trust and afford. As partners with CUNA Caribbean Insurance, we can provide a few of the insurance products to our membership.

LIFE SAVINGS INSURANCE (LS)

Pre-approved insurance coverage can automatically double your savings upon death.

- Your savings are insured up to a maximum of \$30,000.00
- At no direct cost to you
- Approval is automatic
- You can leave your family an inheritance

LOAN PROTECTION INSURANCE (LP)

Leave your family an inheritance, not a debt. Enjoy the security of knowing that your family will be taken care of.

- Get insurance coverage for your loan of up to a maximum of \$60,000.00 if you become permanently disabled or pass away
- Insurance coverage at no direct cost to you
- Only your family will receive the benefits.

THE FAMILY INDEMNITY PLAN (FIP)

The Family Indemnity Plan offers peace of mind during a difficult time by providing a cash benefit to cover funeral expenses in the event of the member or his eligible family members' death. Coverage is provided for a maximum of six eligible (6) family members as follows:

- Member
- Spouse or significant other
- Children between the age 1 through 25
- Members' parents below the age of 76 (any two (2) persons you choose from your parents and parents-in-law)

Advantages of the Family Indemnity Plan:

- No medical questions
- One monthly premium covers up to 6 family members (including any two persons you choose from your parents and parents-in-law enrolled by age 76)
- Full benefit is paid (per person) every time a claim is made
- Payments for claims are made within 2 working days
- Lifetime insurance coverage

Choose the option that best suits you:

Plan	Premium	Benefit
PLAN A	\$52.80 monthly	\$10,000.00
PLAN B	\$79.20 monthly	\$15,000.00
PLAN C	\$105.60 monthly	\$20,000.00
PLAN D	\$158.40 monthly	\$30,000.00
PLAN E	\$211.20 monthly	\$40,000.00
PLAN F	\$343.20 monthly	\$65,000.00
PLAN G	\$528.00 monthly	\$100,000.00

We strongly recommend this plan to all members since it provides a measure of relief for bereaved families at a crucial time.

Group Life Insurance

Provider:	TRINRE Insurance
Effective:	August 2022
Coverage:	<u>\$50,000.00</u>
Premiums:	\$444.00 annually
Payment:	Automatic deduction from member's share account.

The Group Life coverage guarantees the benefit to all eligible Trintoc (Penal) Credit Union members, and the criteria for eligibility will be based on the requirements set by the provider.

At the commencement of this plan in 2021, all members between the ages of 1-90 were eligible for coverage.

New Credit Union members joining the plan, must enrol before the age of 65 and within 31 days of becoming a member of the Society.

Once the 31 days of becoming a member have passed, a member will be treated as a late entrant. Late entrants will be subject to a medical underwriting.

All benefits are payable to the named beneficiary on the Group Life Plan. Conditions Apply.

Global Information Access (GIA) Online Access

In an effort to streamline our services for our membership, GIA Online Access facility is offered to the membership. This new service allows our members to access their current financial data and request online transactions in the comfort of their home or office 24 hours each day.

This interface is secured, interactive and allows members to perform.

- Balance Enquiries
- Request Inter-Member Funds Transfers
- Request Member to Member Transfers
- View and Print Statement
- Request Loan/Projections
- Request Statements
- Request Withdrawals
- Update Personal Data

