



Serving you for 67 years

2020 Annual Report

Embracing
Change

Annual General Meeting 2021



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.

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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

Notice is hereby given that the Sixty Seventh (67th) Annual General Meeting of the Trintoc (Penal) Credit Union Co-operative Society Limited will be held on:

Date : Friday 30th April, 2021
Time : 3.00 pm
Venue : Gospel Deliverance Ministries
Camp and Retreat Center
106 Quinam Road
Penal

The main business of the meeting will be to:

1. Receive the Minutes of the 66th Annual General Meeting
2. Receive reports for the Year 2020 as follows:
 - a. Board of Directors
 - b. Credit Committee
 - c. Supervisory Committee
 - d. Auditors
3. Present the 2021 Budget
4. Propose Resolutions
5. Elect Board and Committee Members
6. Transact any other business

PLEASE BE ADVISED THAT DUE TO COVID 19 PROTOCOLS, REGISTRATION MUST TAKE PLACE BEFORE THE DATE OF THE MEETING.

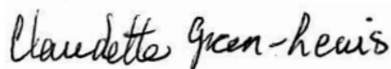
Registration would take place **ONLY** on the following **DATES** at the Trintoc (Penal) Credit Union Office:

- **Thursday 22nd April 2021** - **9.00 am – 2.00 pm.**
- **Friday 23rd April 2021** - **9.00 am – 2.00 pm.**
- **Monday 26th April 2021** - **9.00 am – 2.00 pm.**
- **Tuesday 27th April 2021** - **9.00 am – 2.00 pm.**
- **Registration can also be done online via info@trintocpenalcu.com and TPCU's Smartsheet Form.**

YOU ARE REMINDED OF THE FOLLOWING:

- All persons attending the AGM **MUST** always wear face mask
- All members attending our 67th AGM **MUST** be registered prior to the AGM date
- No minors will be allowed
- Duration of AGM – Ninety (90) minutes

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



CLAUDETTE GREEN-LEWIS
HON. SECRETARY

Published on April 12th, 2021



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 2021 Brochure (to be taken as read)
- 9.0 Confirmation of Minutes of the 66th Annual General Meeting held on December 19th, 2020 and Business Arising
- 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 2020
- 11.0 Budget Presentation
- 12.0 Resolutions
- 13.0 Election of Board and Committee Members
 - 13.1 Supervisory Committee - **Outgoing**
Ms. Stephanie Felix
Mrs. Hyacinth Smith
Mr. Omar Maraj
 - 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**
Ms. Sharida Ali
Mr. Neal Johnson
Dr. Godfrey Ransome
- 14.0 Other Business
- 15.0 Vote of Thanks

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STANDING ORDERS

1.
 - (a) A member shall stand when addressing the Chair.
 - (b) Speeches shall be clear and relevant to the subject before the Meeting.
2. A member shall 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 2020

Minutes of the 66th Annual General Meeting held at the Gospel Deliverance Ministries Camp & Retreat Center, #106 Penal Quinam Road, on Saturday 19 December, 2020

1.0 CALL TO ORDER

The meeting was called to order by the Chairperson, Mr. O. Maraj, at 3:21 p.m. He advised that item 2.0 on the Agenda – HSE Advisory, will be addressed in the President’s report.

2.0 CREDENTIAL REPORT AND NOTICE OF THE ANNUAL GENERAL MEETING

Present were members of the Board of Directors, Credit Committee, Supervisory Committee, Education Committee, three (3) guests, amounting to fifty-eight (58) members. The Chairperson advised that at 3:21 p.m., there were fifty-two (52) members present and, therefore, the meeting was properly constituted.

The Honorary Secretary, Mrs. Claudette Green-Lewis, was invited by the Chairperson to read to the members present 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 and led by Ms. C. Bahadoor-Hosein. A minute of silence was observed for those members who passed away.

6.0 PRESIDENT’S ADDRESS

The President, in his opening address, extended a cordial welcome to all members and special guests to the 66th Annual General Meeting.

7.0 ELECTION OF BOARD AND COMMITTEE MEMBERS

The Vice President moved the following motion: -

Whereas Bye-Law 22(f) of the Trintoc (Penal) Credit Union requires the Annual General Meeting to elect a Board of Directors, a Credit Committee and a Supervisory Committee. I do beg to move that item 13.0 of the agenda be moved up to item 7.0 instead. This is to facilitate the election officers in expediting the election process, due to the limited time stipulated by the Ministry of Health, for this AGM to be held. It also gives the relevant officers sufficient time to respond to your concerns. This was adopted by Mr. K. Pustam. The House agreed.

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

Mrs. M. Goodridge-Constantine then read the credential report. Present were seventeen (17) Committee members, forty-one (41) adult members and three (3) guests.

She reminded members that 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.



Election results were as follows:

7.1 Supervisory Committee

Names

No. of Votes

Stephanie Felix

45

Nominated by Kelvin Pustam

Seconded by Malachi Thongs

Hyacinth Smith

43

Nominated by Gordon Smith

Seconded by Stephanie Felix

Omar Maraj

37

Via the Nominations Committee

Malachi Thongs

23 (1st Alternate)

Nominated by Melonie Young Thongs

Seconded by Rudolph Felix

Melonie Young-Thongs

07 (2nd Alternate)

Nominated by Malachi Thongs

Seconded by Keisha Felix

Ms. Lazina Hosein moved that nominations cease.

Ms. Stephanie Felix seconded.

7.2 Credit Committee

Names

No. of Votes

Lazina Hosein

57

Nominated by Kousil Jagmohan

Seconded by Sharida Gaffar-Ramrattan



Rudolph Felix Nominated by Kelvin Pustam Seconded by Keisha Felix	53
Kelvin Pustam Nominated by Stephanie Felix Seconded by Keisha Felix	53
Winston Samm Nominated by Kelvin Pustam Seconded by Keisha Felix	52
Calvin Sargeant Nominated by Kelvin Pustam Seconded by Keisha Felix	50

Ms. C. Bahadoor-Hosein moved that nominations cease.
Mrs. Hyacinth Smith seconded.

7.3 Board of Directors

Names	No. of Votes
Perry Jagdeo Via the Nominations Committee	43
Imtiaz Mohamed Via the Nominations Committee	42
Ananias Johnson Via the Nominations Committee	32
Christina Bahadoor-Hosein Nominated by Winston Samm Seconded by Glen Ransome	19 (1 st Alternate)
Sanatan Roop-Persad Nominated by Khemraj Maharaj Seconded by Glen Ransome	13 (2 nd Alternate)

Ms. Keisha Felix moved that nominations cease.
Mr. Eric Forde seconded.

The Chairperson thanked Mrs. Marcia Goodridge-Constantine and her colleague (Mr. Evans Cadogan) for conducting the elections and congratulated the elected members.

8.0 MOTION FOR ACCEPTANCE OF THE STANDING ORDERS

The motion was moved by Mr. P. Jagdeo and adopted by Ms. S. Felix. The House agreed.

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9.0 MOTION FOR ACCEPTANCE OF THE 2020 BROCHURE

The President, Mr. P. Jagdeo asked that the entire brochure be taken as read. He moved the motion, and this was adopted by Mr. K. Pustam. The House agreed.

10.0 CONFIRMATION OF THE MINUTES OF THE 65TH ANNUAL GENERAL MEETING HELD ON SATURDAY, 2019 JUNE 22

The Minutes was confirmed by Mr. W. Samm and seconded by Ms. C. Bahadoor-Hosein. The House agreed.

10.1 General Meeting Omissions and Corrections

Nil.

10.2 Business Arising Out of Minutes

Nil.

11.0 ADOPTION OF REPORTS

11.1 Board of Directors

This was moved by Mr. P. Jagdeo and seconded by Ms. C. Bahadoor-Hosein. The House was unanimously in favour.

Matters Arising

Nil.

11.2 Credit Committee Report

This was moved by Mr. P. Jagdeo and seconded by Mr. M. Thongs.

Matters Arising

Nil.

11.3 Supervisory Committee Report

This was moved by Mr. P. Jagdeo and seconded by Mr. C. Sargeant.

Matters Arising

Nil.

11.4 Education Committee Report

This was moved by Mr. P. Jagdeo and seconded by Ms. S. Ramnarine.
Matters Arising

Nil.

11.5 Nominations Committee Report

This was moved by Mr. P. Jagdeo and seconded by Mr. G. Smith.
Matters Arising

Nil.



11.6 Auditor’s Report and Financial Statements as at December 31st, 2019

This was moved by Mr. P. Jagdeo and seconded by Ms. K. Felix.

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. P. Jagdeo and seconded by Ms. K. Felix and unanimously accepted by the house.

Matters Arising

Nil

Mr. N. Johnson, the Treasurer, went through the **Financial Statements as at December 31st, 2019.**



12.0 BUDGET PRESENTATION

Mr. Neal. Johnson, Treasurer, presented the Proposed Budget 2020.

This was moved by Mr. P. Jagdeo, adopted by Ms. C. Bahadoor-Hosein and unanimously accepted by the house.

Matters Arising

Ms. S. Felix enquired about the reason for the increase in Credit Union League Dues. The Treasurer replied that Credit Union dues are determined by the League and he cannot confirm the reason for the increase in dues each year. He can only assume that it is due to inflation, however we have no control over the increase, as this is set by the League. The figure is between \$24,000.00 to \$25,000.00 and as such \$25,000.00 is normally budgeted.

Ms. S. Felix then enquired about the process for donation/sponsorship, whether the Credit Union seek persons or persons need to make requests. The Treasurer responded that donations are made based on written requests from members or from the public. The reasons for the decrease are reduced requests, and mainly because of the non-sponsorship of Shiva Boys Junior Co-operative, which was previously sponsored by the Credit Union.

13.0 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 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 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 31st 2020.

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

Resolution 2 – Distribution of Surplus

Whereas the Credit Union has realized a net surplus for the financial year ended December 31st 2019; and whereas Bye-law 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 31st 2019 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. A. Johnson and approved by the membership.

Resolution 3 – Dividend Equalization Fund

Whereas the uncertain economic environment is likely to adversely impact future earnings, the Board of Directors recommends establishing a dividend equalization fund Bye-law 12 (g) to safeguard payment of dividends for the year 2020.

And whereas it is proposed that one million dollars (\$1,000,000) from the 2019 net surplus be reserved to initiate the fund.

Be it resolved that the sum of one million dollars (\$1,000,000) from the 2019 net surplus be transferred to a dividend equalization fund to safeguard dividend payment for the 2020 financial year.

This was seconded by Ms. S. Felix and approved by the membership.

14.0 OTHER BUSINESS

Mr. I. Mohamed informed the membership that the present plan for Life Savings Insurance covers up to a maximum of thirty thousand dollars (\$30,000) and the Loan Protection Insurance covers up to a maximum of sixty thousand dollars (\$60,000). This Insurance coverage is offered free to members; however, we are in the process of extending this coverage and members may be asked to share some of these costs. As soon as this new arrangement is finalized, the membership will be notified.

15.0 VOTE OF THANKS

The vote of thanks was moved by Ms. C. Bahadoor- Hosein.

There being no further business for discussion, the Chairperson thanked the members for attending and declared the meeting closed at 5:00 p.m.

Respectfully submitted

A handwritten signature in black ink that reads "Claudette Green-Lewis".

Claudette Green-Lewis
Hon. Secretary

The Office Staff



Mrs. Nadraka Persad



Mrs. Sharida Gaffar-Ramrattan



Mrs. Ann Marie Lee-Pulchan



Mrs. Peaches Francis-Mc Nish



Mr. Rawle Kanju

Board of Directors

PRESIDENT



Mr. Perry Jagdeo

VICE PRESIDENT



Mr. Imtiaz Mohamed

SECRETARY



Mrs. Claudette Green-Lewis

TREASURER



Mr. Neal Johnson

ASSISTANT SECRETARY



Mr. Peter W David

DIRECTOR



Ms. Sharida Ali

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 67th Annual General Meeting the report on its stewardship for the period January to December 2020.

The Board of Directors consists of the following members: -

Perry Jagdeo	-	President
Imtiaz Mohamed	-	Vice President
Claudette Green-Lewis	-	Secretary
Neal Johnson	-	Treasurer
Peter W. David	-	Assistant Secretary
Eric Forde	-	Director
Ananias Johnson	-	Director
Godfrey Ransome	-	Director
Sharida Ali	-	Director

BOARD ATTENDANCE RECORD

The Board of Directors held twelve (12) Statutory Board Meetings, three (3) Special Meetings and one (1) All Officers' Meeting for the period.

Director	Statutory Meetings	Special Meetings	All Officers' Meeting	Excused
Perry Jagdeo	12	2	1	1
Imtiaz Mohamed	12	3	1	-
Claudette Green-Lewis	10	3	-	3
Neal Johnson	12	2	1	1
Peter W. David	12	3	1	-
Eric Forde	11	2	-	3
Ananias Johnson	12	3	1	-
Sharida Ali	12	3	1	-
Godfrey Ransome	12	3	1	-

1.0 Introduction

Not having recovered from the severe impact of the Petrotrin closure, the organization was again severely jolted during 2020 with the damaging effects of the Covid 19 pandemic. Given the widespread economic impact, the BOD deemed the financial needs of members to be its utmost priority by responding directly to the demands for share and deposit withdrawals as well as the restructuring and refinancing of loans.

Not surprisingly, the downward trend in revenues deepened in 2020 as interest on loans fell precipitously by 32% from 2019. However, operating surplus increased marginally by 5% as the significant drop in operating expenses more than offset the fall in revenue.

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The pandemic, nevertheless, has brought to sharp focus the dire need for the organization to be digitally competent and equipped in order to stay relevant in a fast-changing technological world.

2.0 Financial highlights

The Trintoc (Penal) Credit Union (TPCU) recorded a surplus of TT\$6.1 Million for the year ended 31 December 2020. Despite the increasingly challenging landscape, TPCU surpassed its budgeted surplus of TT\$5Million and the Board of Directors are pleased to announce that we are once again able to declare a dividend of 3% to our members.

Revenue decreased by 14% to TT\$13.2Million (2019: TT\$15.4Million) as the challenges posed by COVID-19 to life and livelihoods have greatly impacted our country and the economy.

Total Assets decreased by 4% to TT\$236Million. There is reassurance however as Members' Loan only decreased by 10% compared to 23% in 2019. Our Investment portfolio remains stable contributing over 50% of our total Revenue.

Through prudent management TPCU was able to reduce its Expected Credit Loss Provision on Loans again in 2020 by 15% to TT\$2.9Million (2019: TT\$3.4Million). The Board is in constant dialogue to development strategies on managing and reducing our expected credit loss.

TPCU has maintained a strong balance sheet, healthy surplus and has reserved conservatively for expected credit loss. The Board is confident in our ability to overcome the uncertainties brought by the global health crisis and continue our growth trajectory as a sustainable credit union.

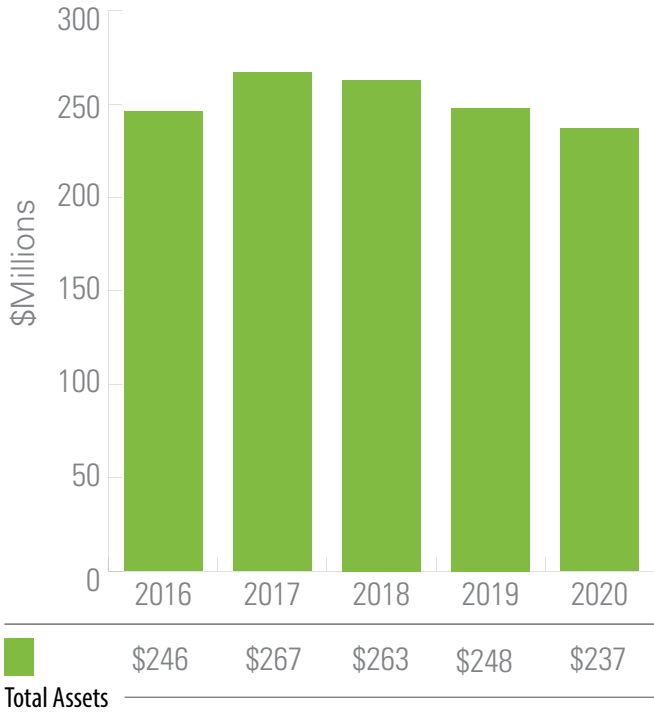
The following table and graphs give an analysis of our performance over the past five (5) years.

PERFORMANCE COMPARATIVE FOR THE PERIOD 2016 – 2020

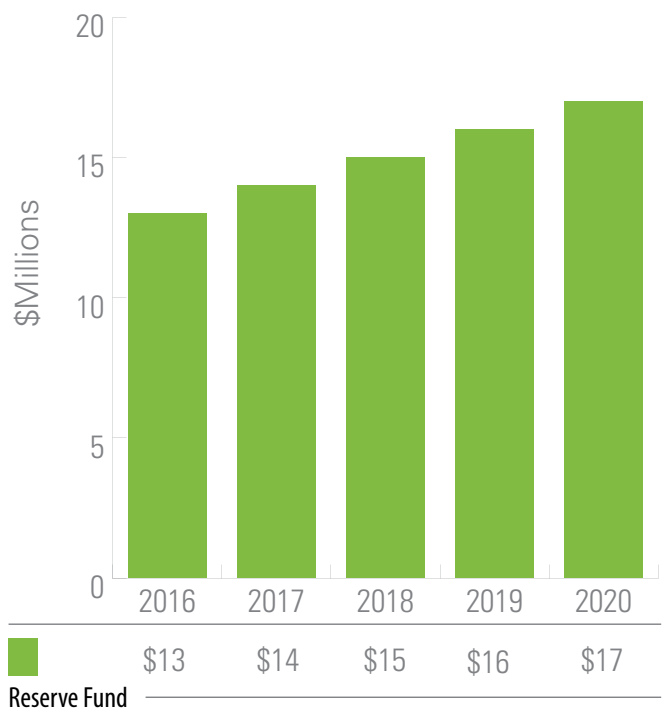
Items	2016	2017	2018	2019	2020
	\$000	\$000	\$000	\$000	\$000
Total Assets	245,821	266,847	263,447	247,789	236,604
Reserved Fund	12,934	14,204	15,159	15,921	16,542
Members' Shares	203,449	220,103	207,741	164,947	158,309
Loan Balances	119,463	124,661	93,283	71,957	64,125
Investments	103,593	116,845	111,647	156,975	148,819
Expenses	4,006	4,815	7,548	7,852	7,073
Income	15,382	17,488	17,078	15,461	13,223
Net Surplus	11,375	12,674	9,531	6,506	5,259
	2016	2017	2018	2019	2020
Membership	2760	2874	2940	2970	2985



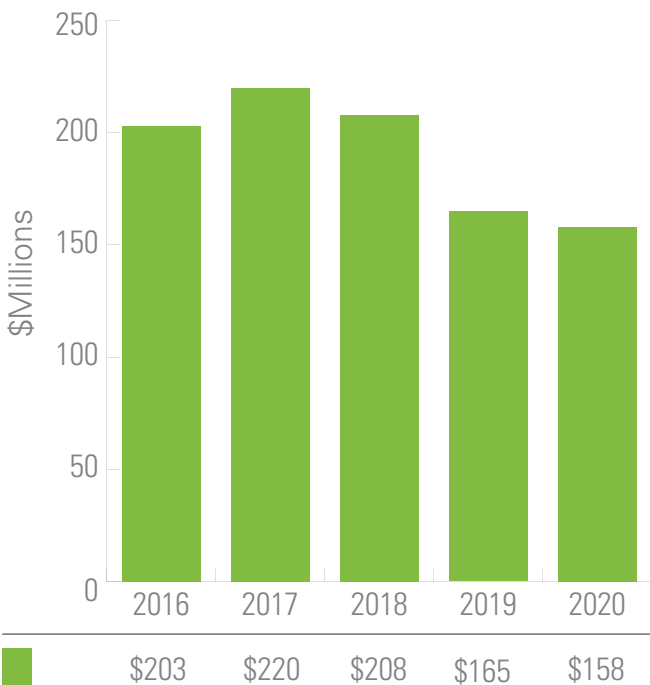
Total Assets 2016-2020



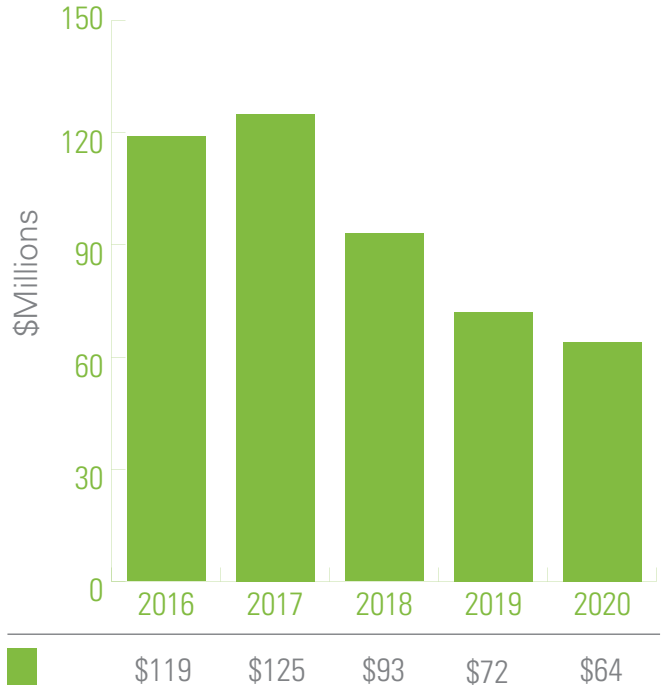
Reserve Fund 2016-2020



Members Shares 2016-2020

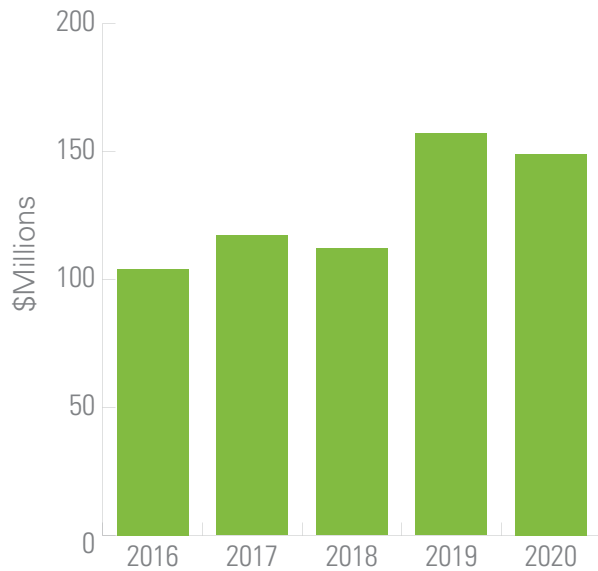


Loan Balances 2016-2020



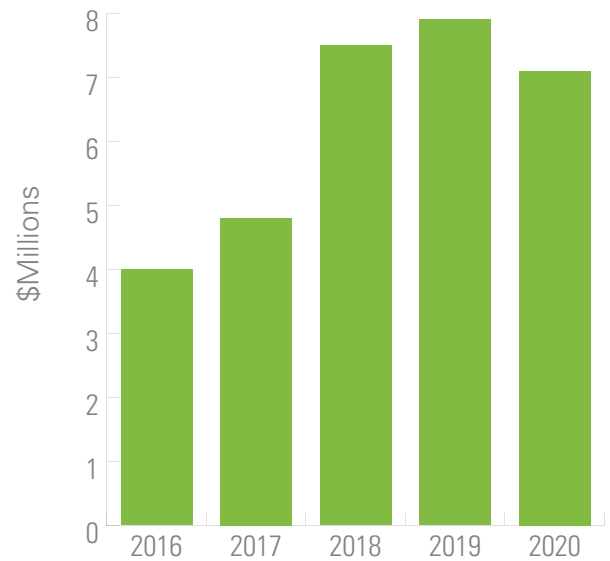
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Investments 2016-2020



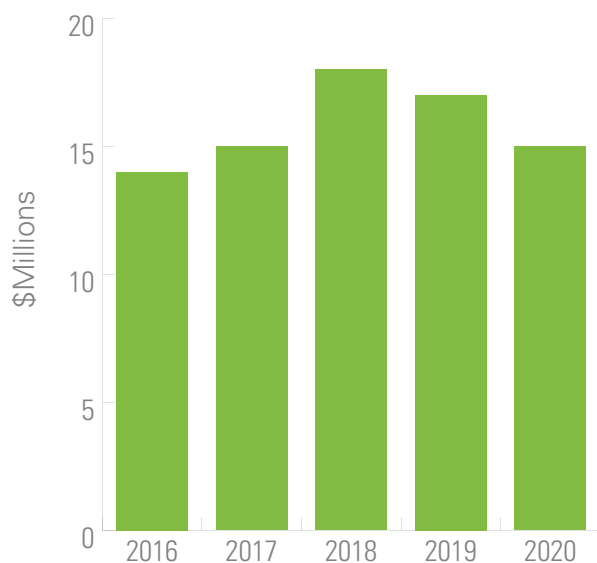
Investments	\$104	\$117	\$112	\$157	\$149
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Expenses 2016-2020



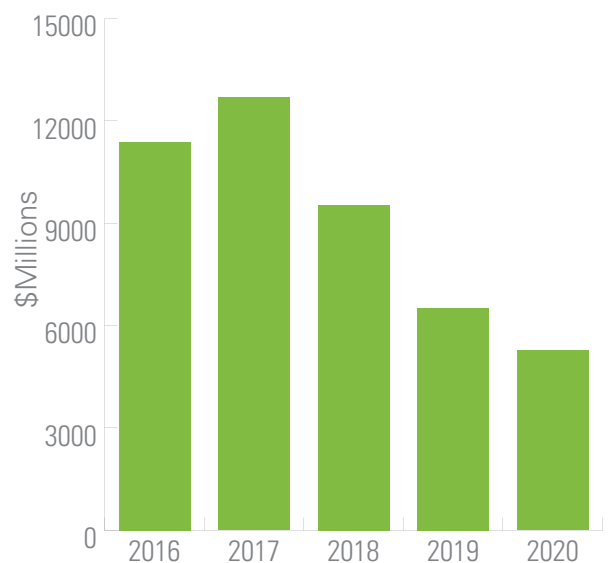
Expenses	\$4.0	\$4.8	\$7.5	\$7.9	\$7.1
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Income 2016-2020



Income	\$15	\$18	\$17	\$15	\$13
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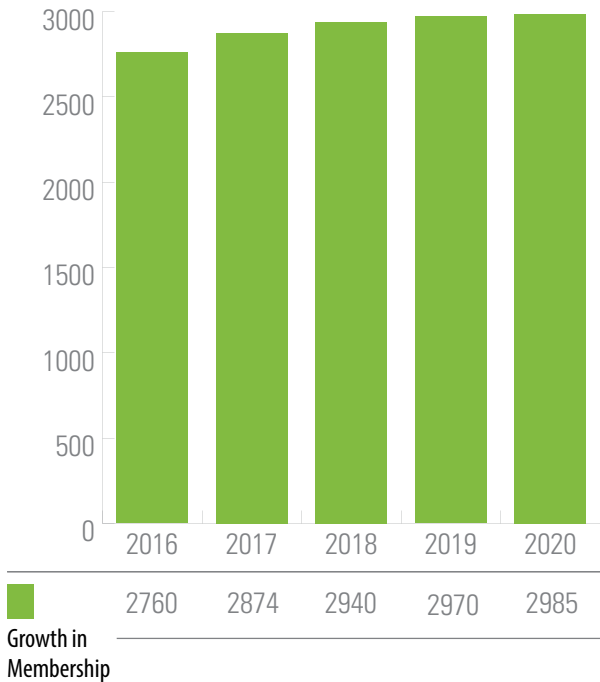
Net Surplus 2016-2020



Net Surplus	\$11,375	\$12,674	\$9,531	\$6,506	\$5,259
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Growth in Membership 2016-2020



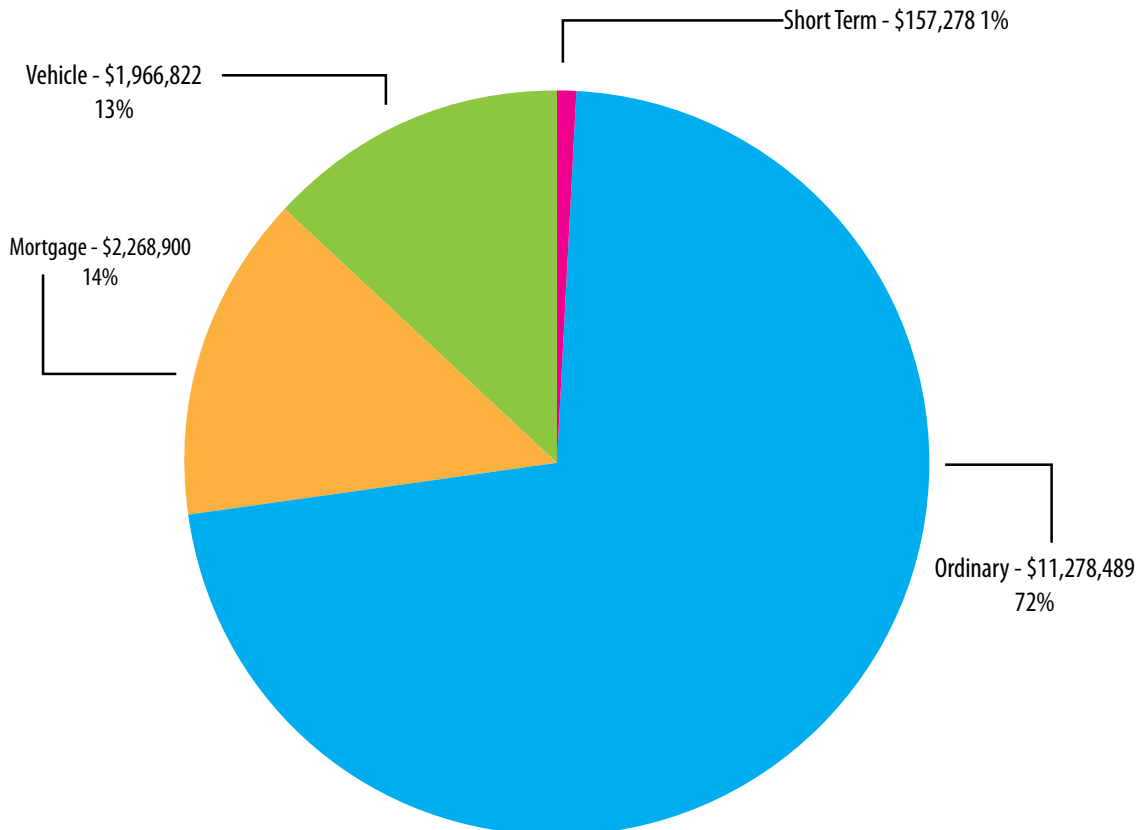
Expected Credit Loss Provision on Loans

Post IFRS 9 implementation the TPCU continues to manage the effects of the accounting standard with the objective of reducing its impact on our financial position. Through this management, the Expected Credit Loss Provision on Loans reduce by 16% to \$2.9Million in 2020.

Expected Credit Loss Provision on Ordinary loan was 72% in 2020 which is 14% of our overall loan portfolio. Short-Term expected credit loss remained at 1%.

Mortgage Loan expected credit loss reduce to 3% and Vehicle Loan expected credit loss reduce to 2% in 2020.

The Board is ever cognizant of the impact Expected Credit Loss Provision has on the credit union and continues to keep it on our agenda as high priority.



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3.0 DIVIDEND

The Board of Directors is proposing a dividend of 3% for ratification by members at this Annual General Meeting for the financial year ended December 31, 2020.

4.0 MEMBERSHIP

Membership as at January 1 st 2020	-	2970
New members joined in 2020	-	27
Deaths in 2020	-	12
Resignations in 2020	-	nil
Membership as at December 31 st 2020	-	2985

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.

- Harripaul Rickhi
- Fitzroy Callender
- Joel Mc Lean
- Emirti Ali
- Sydney Roberts
- Dave Ryan
- Otta Procope
- Andre Maharaj
- Danny Ramlal
- Colombo Johnson
- Terance Sookhansingh
- Basdeo Mahatoo

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.



9.2 BYE-LAWS

The proposed changes to the Bye-Laws were approved by the Commissioner's Office in April 2020 and copies are available at the Credit Union's office for collection.

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 Company, Chartered Accountants, as Auditor for year ending December 31, 2021.

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

Claudette Green-Lewis
Hon. Secretary

Credit Committee



Mr. Winston Samm



Mr. Calvin Sargeant



Ms. Lazina Hosein



Mr. Rudolph Felix



Mr. Kelvin Pustam



CREDIT COMMITTEE REPORT

The Credit Committee is pleased to report on its Loan Performance for period January to December 2020.

The Credit Committee comprises of the following members: -

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

During the period under review, the Credit Committee held fifty-two (52) weekly meetings and one all officers meeting. Eighteen (18) meetings were held at the TPCU Office at Penal and Thirty-Four (34) meetings were held via virtual platform.

Attendances were as follows: -

Name	Regular Meetings (TPCU Office)	Regular Meetings (Online Via Teams)	Excused	All Officers Meetings
Winston Samm	18	34	0	1
Calvin Sargeant	18	34	0	1
Rudolph Felix	18	34	0	1
Kelvin Pustam	18	34	0	1
Lazina Hosein	18	34	0	1

For the period January to December 2020, a total of 360 loans amounting to \$15,065,069.16 were granted. This total represented a 19.2% decrease when compared to \$18,642,148.61 for the period January to December 2019.

The closure of Petrotrin in November 2018, the Covid-19 Pandemic in 2020, and economic factors beyond the control of our Credit Union resulted in a continued reduction in loans requested from members for the period January to December 2020.

The largest category of loans as shown on the pie chart below is Property Acquisition/Repairs which represent 45% of the total loans granted in 2020. Loans under the category "Other" on the pie chart below representing 14% are loans taken by members for the purpose of Christmas expenses, Loan Relief, Personal, Domestic Expenses, Funeral Expenses, Weddings etc.

The Credit Committee in keeping with the Covid-19 protocols held virtual meetings online and only met at the office as required. The Committee, invited members to online meetings via Zoom or Microsoft Teams and face to face were held if an online meeting -was not possible.

The Credit Committee wishes to thank the Board of Directors for their foresight and leadership in implementing systems for the continuity of the Trintoc (Penal) Credit Union during this sudden and difficult Covid -19 Pandemic period

The Credit Committee takes this opportunity to encourage our members to make use of services provided. Members are advised to continue to make use of our loan facilities especially our Net Savers as our success depends on you.

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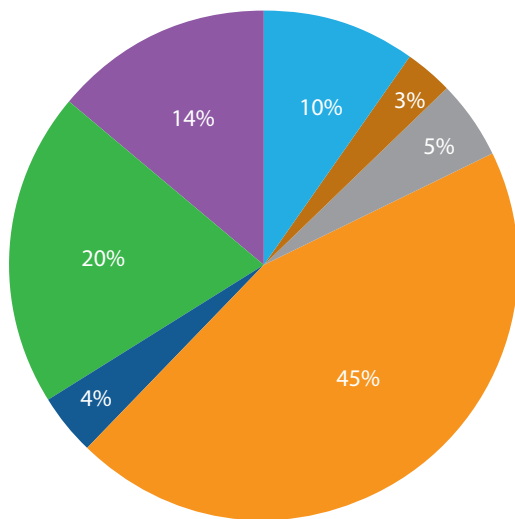
The members of the Credit Committee wish to thank the Board of Directors, Officers of the Supervisory Committee, Education Committee, and Office Staff for their support. More importantly, we wish to thank the Membership for their continued support and for giving us the opportunity to serve another year.

Calvin Sargeant

Calvin Sargeant
Secretary

COMPARISON OF LOANS DISBURSED FOR PERIOD JANUARY - DECEMBER 2020, 2019 & 2018

Statistical Data Related to Loans						
PURPOSE OF LOAN	TOTAL \$ (2020)	NO. OF LOANS (2020)	TOTAL \$ (2019)	NO. OF LOANS (2019)	TOTAL \$ (2018)	NO. OF LOANS (2018)
Business/Investment	1,556,916.20	45	2,979,592.01	38	2,311,546.74	77
Debt. Consolidation/ Legal	404,334.47	10	947,949.84	17	3,473,457.79	75
Education/Computer	746,672.52	29	1,020,100.00	21	1,400,800.00	69
Property/Repairs/ Furnishings	6,713,553.32	95	7,844,598.95	88	12,690,729.73	173
Travel/Vacation/ Medical	589,660.00	52	854,024.66	44	3,458,531.74	165
Vehicle & Vehicle Repairs	2,988,636.59	20	3,030,431.79	63	5,703,748.05	163
Other	2,065,296.06	109	1,965,451.36	125	2,419,253.06	235
TOTAL	15,065,069.16	360	18,642,148.61	396	31,458,067.11	957



2020 Loans Disbursed

- Business/Investment - 10%
- Debt. Consolidation/Legal - 3%
- Education/Computer - 5%
- Property/Repairs/Furnishings - 45%
- Travel/Vacation/Medical - 4%
- Vehicle & Vehicle Repairs - 20%
- Other - 14%

Supervisory Committee

CHAIRPERSON



Mrs. Hyacinth Smith

SECRETARY



Ms. Stephanie Felix

MEMBER



Mr. Malachi Thongs

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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 2020 for consideration and adoption at the Credit Union's 67th Annual General Meeting.

At the 66th Annual General Meeting held on Saturday 19th December, 2020 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.

Mrs. Hyacinth Smith	-	Chairperson
Ms. Stephanie Felix	-	Secretary
Mr. Omar Maraj	-	Member

Due to the gathering constraints of the COVID-19 restrictions, the 66th Annual General Meeting was held at a time when the work of the Supervisory Committee which will be contained in this report was completed before the December 2020 meeting date and therefore the Committee's composition and attendance record will reflect the presence of the sole outgoing member Mr. Malachi Thongs.

Committee Members Attendance Record

Attendance for Supervisory Committee members is recorded by calendar year. The record of attendance for outgoing members have been included, since the functions and responsibilities of the Supervisory Committee applies for the period between Annual General Meetings.

Committee Members	Regular Meetings	All Officers	Absent
Hyacinth Smith	7	1	-
Stephanie Felix	7	1	-
Malachi Thongs (May 2020 –Dec 2020)	5	1	2

Functions, Responsibilities and Activities

The Trintoc (Penal) Credit Union 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, Credit Union Co-operative Societies Act, Chap. 81:03 of 1971, International Financial Reporting Standard (IFRS-9), Policies, Procedures, Guidelines and Financial best practices.

As a result of the lengthy delay between the originally intended April 2020 Annual General Meeting and the completed December 2020 Meeting the Supervisory Committee was able to complete assessments, reviews and examinations which were not addressed under the previous year's action plan; in its fulfillment of its duties and responsibilities which are summarized hereunder:

- Policies, Procedures, the Bye Laws, Acts** - Based on the change of direction of the Credit Union and the need for the expansion of membership outside of the closed bond, Bye Laws were revised and new ones added and approval was given by the Commissioner for Co-operative Development. The Committee examined the uploaded April 2020 Trintoc Penal Credit Union (TPCU) Bye-Laws, and identified areas for revision which were quickly implemented by the Board.



2. **Statements-** The committee conducted a review of a random sampling of members' statements and was able to identify net savers as well as mortgage loan takers. These statements accounted for deposits, withdrawals, loans and loans repayments. Certain areas were of concerns and recommendations were given.
3. **Auditor's Management Letter** - The Management letter was examined by the Committee and based on the topics covered at All Officers meetings during the year, as well as the successful Special General Meeting, it is clear that the Board has gone through and attempted to implement the firm's recommendations.
4. **Manager's Monthly Report** - These reports are critical to the Credit Union as it attests to the performance of the society which guides the decisions of the Board. The Supervisory Committee in its review of the Manager's Reports were able to easily understand the items of the report focus.
5. **Approved 2020 Budget Income/ Expenditure** - In the Supervisory Committee's examination of the budget, the Manager's Report indicated that the 2020 budget was being revised providing opportunities for changes. It was recommended that at future budget reviews a member of the Board should be present.
6. **Investments** – In the Committee's review of the Credit Union investments all questions were answered and the committee was satisfied with the assistance given.

Following the installation of the December 2020 elected Committee an Action Plan was formulated, meetings were held with the President and with officers of the Co-operative Development Division of the Ministry of Youth Affairs and National Services. The information obtained provided guidance to the three newly elected Committee members as it relates to their roles and responsibilities.

Training, Seminars and Workshop Sessions

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

1. Training and Development: 'Roles and Functions of the Supervisory Committee.'
2. An Internal Audit and Officers Responsibilities virtual workshop facilitated by the Co-operative Credit Union League of Trinidad and Tobago.

We wish to express our sincere thanks and gratitude to the Board of Directors, Manager, Office Staff, fellow TPCU officers and officers of the Co-operative Development Division of the Ministry of Youth Affairs and National Services 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.

Hyacinth Smith
Chairperson

Stephanie Felix
Secretary

Malachi Thongs
Member

Education Committee

CHAIRPERSON



Ms. Christina Bahadoor-Hosein

SECRETARY



Ms. Shalini Ramnarine

MEMBER



Mr. Omar Maraj

MEMBER



Mrs. Sharida Gaffar-Ramrattan

MEMBER



Mrs. Helen Kallicharan



EDUCATION COMMITTEE REPORT

The Education Committee continues to be encouraged and inspired by the support from members of our Credit Union. 2020 was a challenging year for everyone, but we assure the membership that we remain quite committed in our pursuits towards the training and development of the members of the Credit Union as we embark upon innovative ways to meet the expectations of our members.

The Education Committee held twelve (12) virtual meetings and attended one (1) all officers' meetings as follows: -

RECORD OF ATTENDANCE

Name	Regular Meetings	All Officers' Meetings	Excused
Christina Bahadoor-Hosein	12	1	Nil
Sharida Gaffar-Ramrattan	12	1	Nil
Omar Maraj	12	1	Nil
Shalini Ramnarine	8	1	4
Helen Kallicharan	12	1	Nil

Interfaith Service

Our traditional Annual Interfaith Service was held on 2020 January 19 at the Shiva Boys Hindu College. The President, Mr. Perry Jagdeo, brought greetings and remarks on behalf of the Board of Directors. Inspirational messages from various faiths, motivational guest speakers and entertaining musical performances defined the special occasion which concluded with a Sunday Brunch.

Virtual Officers and Staff Training and Development

All committee members were invited to participate in local and foreign seminars and programs hosted virtually:

- Caribbean Confederation of Credit Unions
 - *Managing Resilience*
- Cipriani College of Labour and Co-operative Studies (CCLCS)
 - *'Skills for the Credit Committee'*
- Financial Intelligence Unit
 - *'Anti-Money Laundering/Counter of Finance Terrorist/Proliferation (AML/CFT/PF) Seminar'*
- Jamaica Institute of Financial Services
 - *Effective Debt Collections Techniques Workshop*
- Micro Software Designs Limited
 - *'ACH Module'*
 - *'Credit Bureau Module'*
- Ministry of Youth Development and National Service – Co-operative Development Division
 - *'Understanding Financial Statements'*
- Technical Institute for Learning
 - *'Project Management'*

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- The Co-operative Credit Union League of Trinidad and Tobago (CCULTT)
 - *'Compliance Officers' Workshop'*
 - *Internal Audit Workshop'*
 - *National Compliance Officers' Workshop – 'Preparing Compliance Officers for the New World'*
 - *Suspicious Transactions/Activity Reporting and the Compliance Officer*
 - *Suspicious Transactions/Activity Reporting/Developing Trends Workshop*
- Trans Union
 - *'Credit Bureau Module'*

Scholarship

A Scholarship in a certificate program entitled 'Credit Union Management' at the Cipriani College of Labour and Co-operative Studies was offered to the membership. One person was selected to participate.

Conclusion

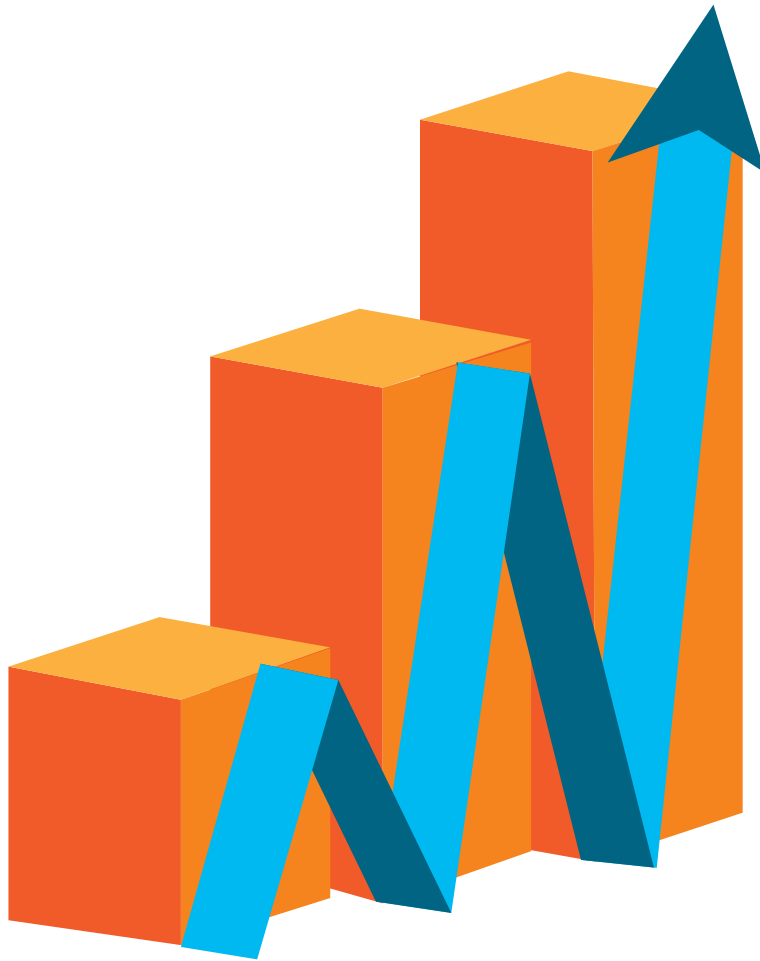
We wish to express our sincere appreciation to the Management Committees and the Administrative Staff for their support over the last financial year and we wish the Trintoc Penal Credit Union continued financial growth and success as we navigate through these unprecedented times. We encourage you to continue to stay safe.



SHALINI RAMNARINE

Secretary

INDEPENDENT AUDITORS' REPORT
& FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020



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 2020, statement of comprehensive income, statement of changes in equity, statement of cash flows and receipts and payments account for the year then ended, and incorporating summary of significant accounting policies and other explanatory notes, as stated on pages 6 to 30.

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 2020 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.



TRINTOC (PENAL) CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

Maharaj Mohammed & Co.
Chartered Accountants
Trinidad & Tobago

23rd March 2021

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, 2020, 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.

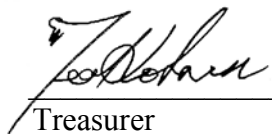
In preparing these audited financial statements, Management utilized the International Financial Reporting Standard, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards 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
23rd March 2021






Treasurer
23rd March 2021

STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2020

	Notes	2020 \$	2019 \$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	6	10,695,797	16,680,460
Accounts receivable and prepayments	9	<u>12,644,690</u>	<u>1,918,679</u>
		<u>23,340,487</u>	<u>18,599,139</u>
Non-current assets			
Property, plant and equipment	5	319,599	258,038
Members' loans	7	64,124,694	71,956,781
Investments	13	<u>148,818,849</u>	<u>156,975,137</u>
		<u>213,263,142</u>	<u>229,189,956</u>
Total Assets		<u>236,603,629</u>	<u>247,789,095</u>
<u>MEMBERS' EQUITY AND LIABILITIES</u>			
Members' equity			
Reserve fund	15	16,542,191	15,920,544
Education fund	16	2,148,871	1,948,012
Building fund	17	2,340,000	2,340,000
Investment reserve	14	6,874,289	8,874,346
Dividend equalization fund	19	1,000,000	-
Retained earnings		<u>11,061,416</u>	<u>11,696,746</u>
		<u>39,966,767</u>	<u>40,779,648</u>
Current liabilities			
Accounts payable and accruals	10	<u>1,716,879</u>	<u>1,941,936</u>
		<u>1,716,879</u>	<u>1,941,936</u>
Non-current liabilities			
Members' shares	20	158,308,749	164,947,299
Members' deposits	18	<u>36,611,234</u>	<u>40,120,212</u>
		<u>194,919,983</u>	<u>205,067,511</u>
Total Liabilities		<u>196,636,862</u>	<u>207,009,447</u>
Total Liabilities and Shareholders' Equity		<u>236,603,629</u>	<u>247,789,095</u>

The accompanying notes on pages 41 to 60 form an integral part of these financial statements.

 : President
  : Treasurer
  : Supervisory Chairman

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	2020 \$	2019 \$
Revenue			
Interest on loans		6,043,909	8,596,673
Investment income		7,145,406	6,751,229
Other income		<u>33,820</u>	<u>113,139</u>
Total		<u>13,223,135</u>	<u>15,461,041</u>
Expenses			
Administrative and other	21	691,292	724,963
Bank charges and interest on members deposits		1,419,157	1,505,617
CUNA insurance premiums		519,417	544,128
Expected credit loss provision on loans (IFRS 9)	8	2,924,972	3,468,899
Green fund levy	2(j)	41,121	63,611
Officers' expenses	22	605,414	616,171
Staff costs	23	866,965	928,165
Trans Union		<u>4,342</u>	<u>-</u>
		<u>7,072,680</u>	<u>7,851,554</u>
Net surplus for the year		<u>6,150,455</u>	<u>7,609,487</u>
Appropriations			
Transfer to reserve fund (10%)	2 (k)	615,046	760,949
Transfer to education fund (5%)	2 (l)	<u>276,770</u>	<u>342,427</u>
		<u>891,816</u>	<u>1,103,376</u>
Net surplus after appropriations		<u>5,258,639</u>	<u>6,506,111</u>

The accompanying notes on pages 41 to 60 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2020**

	Reserve Fund	Education Fund	Building Fund	Revaluation Reserve	Dividend Equalization Fund	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 st January 2020	15,920,544	1,948,012	2,340,000	8,874,346	-	11,696,746	40,779,648
Operating surplus	-	-	-	-	-	6,150,455	6,150,455
Appropriations	615,046	276,770	-	-	-	(891,816)	-
Expenditure	-	(75,911)	-	-	-	75,911	-
Entrance fees	460	-	-	-	-	-	460
Payroll clearing	6,141	-	-	-	-	-	6,141
Revaluation reserve	-	-	-	(2,000,057)	-	-	(2,000,057)
Dividend equalization fund	-	-	-	-	1,000,000	(1,000,000)	-
Dividends paid	-	-	-	-	-	(4,969,880)	(4,969,880)
Balance at 31 st December 2020	<u>16,542,191</u>	<u>2,148,871</u>	<u>2,340,000</u>	<u>6,874,289</u>	<u>1,000,000</u>	<u>11,061,416</u>	<u>39,966,767</u>
Balance at 1 st January 2019	15,158,855	1,683,632	2,340,000	3,330,970	-	11,163,294	33,676,751
Operating surplus	-	-	-	-	-	7,609,487	7,609,487
Appropriations	760,949	342,427	-	-	-	(1,103,376)	-
Expenditure	-	(78,047)	-	-	-	78,047	-
Entrance fees	740	-	-	-	-	-	740
Revaluation reserve	-	-	-	5,543,376	-	-	5,543,376
Dividends paid	-	-	-	-	-	(6,050,706)	(6,050,706)
Balance at 31 st December 2019	<u>15,920,544</u>	<u>1,948,012</u>	<u>2,340,000</u>	<u>8,874,346</u>	<u>-</u>	<u>11,696,746</u>	<u>40,779,648</u>

The accompanying notes on pages 41 to 60 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	2020 \$	2019 \$
Operating activities			
Net surplus for the year		6,150,455	7,609,487
Adjustment for non-cash items			
Depreciation of property, plant and equipment		80,255	66,891
Revaluation of investments		(2,000,057)	5,543,377
Payroll clearing		6,141	-
Loss on disposal of property, plant and equipment		<u>5,993</u>	<u>2,722</u>
Operating income before working capital changes		4,242,787	13,222,477
Movements in working capital			
Decrease in loans to members		7,832,087	21,325,866
(Decrease) / increase in members' deposits		(3,508,979)	19,074,092
Increase in accounts receivable and prepayments		(10,726,011)	(1,097,674)
(Decrease) / increase in payables and accruals		<u>(225,055)</u>	<u>959,457</u>
Net cash (used in) / generated from operating activities		<u>(2,385,171)</u>	<u>53,484,218</u>
Investing activities			
Purchase of property, plant and equipment		(147,808)	(13,076)
Net sale / (purchase) of investments		<u>8,156,288</u>	<u>(45,328,523)</u>
Net cash generated from / (used in) investing activities		<u>8,008,480</u>	<u>(45,341,599)</u>
Financing activities			
Decrease in members' shares		(6,638,551)	(42,793,893)
Dividends paid		(4,969,880)	(6,050,706)
Membership fee		<u>460</u>	<u>740</u>
Net cash used in financing activities		<u>(11,607,971)</u>	<u>(48,843,859)</u>
Net decrease in cash and cash equivalents		<u>(5,984,663)</u>	<u>(40,701,239)</u>
Cash and cash equivalents			
- at the beginning of the year		16,680,460	57,381,699
- at the end of the year	6	<u>10,695,797</u>	<u>16,680,460</u>
		<u>(5,984,663)</u>	<u>(40,701,239)</u>

The accompanying notes on pages 41 to 60 form an integral part of these financial statements.

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2020

RECEIPTS	2020	2019	PAYMENTS	2020	2019
	\$	\$		\$	\$
Accounts receivables	654,478	1,008,511	Advertising	25,336	57,949
CUNA insurance claim	137,486	112,000	Accounts payable	91,220	57,699
Commission – CUNA	14,330	12,469	Annual general meeting	53,793	108,969
Deposit account	1,502,425	10,736,400	Audit fees	18,900	25,675
Donations/sponsorship	1,500	-	Bank charges	4,117	2,583
Entrance fee	400	700	Board & committee	593,939	597,253
Interest from loans	3,981,147	5,715,114	Building and repairs	94,006	126,152
Investment income	1,815,658	2,083,435	COVID 19 expenses	168,073	-
Investments	39,703,899	31,175,646	CUNA FIP	134,270	163,182
Loans	11,325,564	18,805,250	CUNA insurance claim	48,000	154,000
Members shares	7,404,774	17,194,826	CUNA insurance premium	476,404	499,901
Payroll clearing account	2,434,345	-	Computer maintenance	43,687	41,069
Petrotrin retirees medical	-	36,800	Deposit account	5,674,684	3,141,664
Sale of promotional items	-	5,950	Donation and subscription	7,185	21,820
Stale dated cheques	1,303,108	22,917	Education committee	81,608	75,827
Sundry expenses	2,541	264	Green fund levy	41,121	63,611
Early withdrawal fee	-	1,650	Investments	39,927,831	68,755,818
			Legal and bailiff fees	23,150	32,250
			League dues	24,967	24,617
			Loans	14,698,720	18,391,349
			Members' shares	12,752,913	34,203,819
			Office stationery and supplies	71,156	43,021
			Petrotrin retirees medical	-	36,400
			Payroll clearing (members)	165,000	-
			Property, plant and equipment	55,867	14,544
			Salary	710,033	760,283
			Security service – CIT	50,918	13,241
			Staff pension & NI	177,042	166,289
			Subscriptions	8,784	-
			Sundry	7,766	7,647
			Telephone and internet	35,827	26,541
	<u>70,281,655</u>	<u>86,911,932</u>		<u>76,266,317</u>	<u>127,613,173</u>
Balance at beginning of the year:			Balance at the end of the year:		
Float – Deposit withdrawal	16,000	17,700	Float – Deposit withdrawal	7,000	16,000
Petty cash	2,500	2,500	Petty cash	2,500	2,500
USD savings account	1,904,832	330,278	USD savings account	15,664	1,904,832
Republic current account	14,757,127	57,031,222	Republic current account	10,669,211	14,757,127
	<u>16,680,459</u>	<u>57,381,700</u>	Treasury	1,422	-
	<u>86,962,114</u>	<u>144,293,632</u>		<u>10,695,797</u>	<u>16,680,459</u>
				<u>86,962,114</u>	<u>144,293,632</u>

The accompanying notes on pages 41 to 60 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2020

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 adopted IFRS 16 with a transition date of October 1, 2019. There were no material changes to these financial statements resulting from the adoption of this new standard.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

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:

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

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 2020

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 2020

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 represents 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 2020

(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 2020

(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 2020

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 2020

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 2020

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 2020

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 2020

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 2020

3. Financial Risk Management (continued)

(h) Capital risk management

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

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 2020

5. Property, plant and equipment

31st December 2020	Office Furniture & Fittings	Air Conditioning	Office Equipment	Computer Equipment	Total
Cost	\$	\$	\$	\$	\$
Balance January 1, 2020	173,064	26,598	258,404	268,985	727,051
Additions	1,600	4,500	9,292	132,416	147,808
Disposal	_____ -	<u>(2,850)</u>	<u>(19,154)</u>	<u>(39,822)</u>	<u>(61,826)</u>
Balance December 31, 2020	<u>174,664</u>	<u>28,248</u>	<u>248,542</u>	<u>361,580</u>	<u>813,033</u>
Accumulated Depreciation					
Balance January 1, 2020	104,723	10,319	150,176	203,795	469,013
Charge for the year	6,991	1,778	22,624	48,862	80,255
Disposals	_____ -	<u>(945)</u>	<u>(18,102)</u>	<u>(36,787)</u>	<u>(55,834)</u>
Balance December 31, 2020	<u>111,714</u>	<u>11,151</u>	<u>154,698</u>	<u>215,870</u>	<u>493,434</u>
Net book value 2020	<u>62,950</u>	<u>17,097</u>	<u>93,843</u>	<u>145,709</u>	<u>319,599</u>

31st December 2019	Office Furniture & Fittings	Air Conditioning	Office Equipment	Computer Equipment	Total
Cost	\$	\$	\$	\$	\$
Balance January 1, 2019	173,064	29,446	257,549	260,909	720,968
Additions	-	3,500	1,500	8,076	13,076
Disposal	_____ -	<u>(6,348)</u>	<u>(645)</u>	_____ -	<u>(6,993)</u>
Balance December 31, 2019	<u>173,064</u>	<u>26,598</u>	<u>258,404</u>	<u>268,985</u>	<u>727,051</u>
Accumulated Depreciation					
Balance January 1, 2019	96,337	12,203	124,070	173,782	406,392
Charge for the year	8,386	1,799	26,693	30,013	66,891
Disposals	_____ -	<u>(3,683)</u>	<u>(587)</u>	_____ -	<u>(4,270)</u>
Balance December 31, 2019	<u>104,723</u>	<u>10,319</u>	<u>150,176</u>	<u>203,795</u>	<u>469,013</u>
Net book value 2019	<u>68,341</u>	<u>16,279</u>	<u>108,228</u>	<u>65,190</u>	<u>258,038</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2020

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.

	2020	2019
	\$	\$
Cash on hand	2,500	2,500
Cash at bank	<u>10,693,297</u>	<u>16,677,960</u>
	<u>10,695,797</u>	<u>16,680,460</u>

7. Members' loans

	2020	2019
	\$	\$
Fully secured	7,161,362	7,154,756
Mortgage	27,401,644	29,289,066
Ordinary	34,608,162	38,249,498
Short term	637,084	1,141,981
Vehicle	<u>9,987,930</u>	<u>8,867,996</u>
	79,796,182	84,703,297
Less: Expected credit loss provision (See note 8 below)	<u>(15,671,488)</u>	<u>(12,746,516)</u>
	<u>64,124,694</u>	<u>71,956,781</u>

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

<i>Expected credit loss provision</i>	2020	2019
	\$	\$
Opening balance as at 1 st January	12,746,516	9,277,617
Current year expected credit losses	<u>2,924,972</u>	<u>3,468,899</u>
Closing balance as at 31 st December	<u>15,671,488</u>	<u>12,746,516</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2020

9. Accounts receivable and prepayments	2020	2019
	\$	\$
Trade receivables	12,637,636	1,911,621
Prepayments	<u>7,054</u>	<u>7,058</u>
	<u>12,644,690</u>	<u>1,918,679</u>

10. Accounts payable and accruals	2020	2019
	\$	\$
Trade payables	1,611,449	1,821,881
Accruals	<u>105,430</u>	<u>120,055</u>
	<u>1,716,879</u>	<u>1,941,936</u>

11. Employees	2020	2019
The number of persons employed at year end	<u>6</u>	<u>7</u>

12. 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:

	2020	2019
	\$	\$
Deposits and other liabilities	5,040,740	4,289,748
Dividends	224,395	309,062
Key management compensation	413,148	418,132
Loans	5,152,096	5,063,481
Shares	7,637,808	8,802,468
Stipend to directors and related committee members	524,400	562,862

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2020

13. Investments

Financial assets measured at fair value through other comprehensive income

	2020	2019
	\$	\$
(a) Hold to collect		
ANSA secured fund	50,000	50,000
Aspire Fund Management	1,848,825	-
Government of Trinidad and Tobago (GOTT) bonds	47,473,583	43,645,229
Guardian Holdings Ltd 2023	119,765	126,624
Guardian Holdings Ltd 2025	2,860,000	-
Methanol Holdings Ltd	<u>9,000,000</u>	<u>9,000,000</u>
	<u>61,352,173</u>	<u>52,821,853</u>
(b) Hold to collect and sell		
ANSA TT\$ Income Fund	74,178	72,922
Caribbean Airlines Limited	202,743	-
First Citizens Bank Limited – Abercrombie fund	18,673	18,395
First Citizens Bank Limited	-	18,000,000
First Citizens Bank - IPO	17,270,951	17,881,034
First Citizens Bank – 2022	5,238,000	5,238,000
KCL Capital Market Brokers Limited	8,393,484	8,092,515
KCL Capital Market Brokers Limited - AUM	32,265,476	30,680,137
KCL Capital Market Brokers Limited - USD	1,721,064	1,352,460
National Investment Fund	2,266,552	2,243,000
Republic Bank Limited Money Market Fund	36,502	12,323
Trinidad and Tobago Unit Trust Corp. 2 nd unit scheme	441	435
Trinidad and Tobago Unit Trust Corp - growth & income fund	989	988
Trinidad and Tobago Mortgage Finance Co. Ltd.	10,000,000	10,000,000
T&T National Gas Ltd – IPO	1,647,623	2,231,075
TSTT – Tranche 1	3,330,000	3,330,000
The Maritime Financial Group	<u>5,000,000</u>	<u>5,000,000</u>
	<u>87,466,676</u>	<u>104,153,284</u>
Total Investments	<u>148,818,849</u>	<u>156,975,137</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2020

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:

	2020	2019
	\$	\$
Opening balance	8,874,346	3,330,970
Net change in market value for the period	<u>(2,000,057)</u>	<u>5,543,376</u>
Ending balance	<u>6,874,289</u>	<u>8,874,346</u>

15. Reserve fund

	2020	2019
	\$	\$
Opening balance as at 1 st January	15,920,544	15,158,855
Appropriations	615,046	760,949
Payroll clearing	6,141	-
New membership fees	<u>460</u>	<u>740</u>
Closing balance as at 31 st December	<u>16,542,191</u>	<u>15,920,544</u>

16. Education fund

	2020	2019
	\$	\$
Opening balance as at 1 st January	1,948,012	1,683,632
Appropriations	276,770	342,427
Expenditure for the period	<u>(75,911)</u>	<u>(78,047)</u>
Closing balance as at 31 st December	<u>2,148,871</u>	<u>1,948,012</u>

17. Building fund

	2020	2019
	\$	\$
Opening balance as at 1 st January	2,340,000	2,340,000
Appropriations	<u>-</u>	<u>-</u>
Closing balance as at 31 st December	<u>2,340,000</u>	<u>2,340,000</u>

18. Members deposits

	2020	2019
	\$	\$
Opening balance as at 1 st January	40,120,212	21,046,120
Net (decrease) / increase for the period	<u>(3,508,978)</u>	<u>19,074,092</u>
Closing balance as at 31 st December	<u>36,611,234</u>	<u>40,120,212</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2020

19. Dividend equalization fund	2020	2019
	\$	\$
Opening balance as at 1 st January	-	-
Appropriations	<u>1,000,000</u>	<u>-</u>
Closing balance as at 31 st December	<u>1,000,000</u>	<u>-</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.

	2020	2019
	\$	\$
Shares at year end	<u>158,308,749</u>	<u>164,947,299</u>

21. Administrative and other	2020	2019
	\$	\$
Advertising and promotions	19,500	21,127
Annual general meeting expenses and tokens	55,477	117,075
Audit fees	52,800	71,425
Bailiffs', professional and legal fees	23,450	31,250
Computer, software maintenance and support services	44,245	40,429
Depreciation	80,255	66,891
Donations	5,685	22,720
Education committee expenses	75,911	78,047
Insurance	24,900	25,085
Loss on disposal of property, plant and equipment	5,994	2,722
League dues	24,967	24,617
Office supplies, stationery and postage	68,290	48,158
Property maintenance, land rent and facilities	82,545	88,287
Subscriptions	36,065	19,854
Security fees	57,481	34,153
Telephone and internet	<u>33,727</u>	<u>33,123</u>
	<u>691,292</u>	<u>724,963</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2020

22. Officers' expenses	2020	2019
	\$	\$
Board of directors/ committee expenses	586,679	607,148
Entertainment	15,135	5,423
Marketing committee	<u>3,600</u>	<u>3,600</u>
	<u>605,414</u>	<u>616,171</u>
23. Staff costs	2020	2019
	\$	\$
Insurance	5,813	6,909
Medical plan – employer contribution	21,720	22,292
National insurance – employer contribution	60,254	58,866
Pension plan – employer contribution	61,514	61,366
Salaries and travelling	703,563	752,613
Staff uniforms and welfare	1,152	9,585
Training	<u>12,950</u>	<u>16,534</u>
	<u>866,965</u>	<u>928,165</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% of the average value of members' shares in issue throughout the year, for the year ended December 31, 2020. This dividend amounting to \$4,771,539 (projected), (2019: \$4,969,880), is not recorded as a liability in the Statement of Financial Position, consistent with IAS 10 - Events after the Reporting Period.

25. 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.

26. Approval of Financial Statements

These financial statements were approved by the board of directors and authorised for issue on 23rd March, 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 31ST DECEMBER 2020

27. 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, 2020.

d) Members' deposits

Members' deposits bear interest at rates that are not significantly different from current rates and are assumed to have discounted cash flow values which approximate carrying values.

28. 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.

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PROPOSED BUDGET 2021

	Budget 2020	Actual - 2020	Variance	Budget 2021
INCOME				
Interest on Loans	6,467,950	6,043,909	(424,041)	6,577,606
Income from Investments/Fixed Deposits	6,216,999	7,145,405	928,406	7,330,388
Other Income	100,000	33,820	(66,180)	12,000
TOTAL INCOME	12,784,949	13,223,135	438,186	13,919,994
EXPENDITURE				
All Officers Meeting/Social Events	25,000	15,135	(9,865)	15,000
Advertising	10,000	19,500	9,500	18,000
Annual General Meeting	120,000	55,477	(64,523)	90,000
Audit Fees	51,625	52,800	1,175	49,250
Bank / Finance Charge	400,000	403,481	3,481	400,000
Board & Committee Expenses	610,000	564,518	(45,482)	702,000
Building Maintenance	90,000	82,542	(7,458)	80,000
Building Upgrade (one off exp)	300,000	-	(300,000)	500,000
Capital Expenditure	90,000	-	(90,000)	88,950
Computer & Office Equipment Maintenance	35,000	44,245	9,245	45,000
Credit Union League Dues	25,000	24,967	(34)	25,000
CUNA LP/LS	550,000	519,417	(30,583)	520,000
Depreciation	75,000	80,255	5,255	80,000
Disposal of Assets	5,000	5,994	994	-
Donations/ Sponsorship	30,000	5,685	(24,315)	15,000
Education Committee	149,000	75,912	(73,088)	75,000
Green Fund Levy	42,902	41,121	(1,781)	41,200
Insurance & Pension	182,000	190,478	8,478	220,000
Interest on Members Fixed Deposits & Savings	1,400,000	1,015,675	(384,325)	1,100,000
Office Expense	65,000	68,290	3,290	70,000
Professional Fees - legal, bailiff, compliance	35,000	23,450	(11,550)	55,000
Provision for bad and doubtful debts	2,500,000	2,924,972	424,972	3,000,000
Salary/Contract Labour	850,000	704,715	(145,285)	850,000
Security fees	44,961	57,481	12,520	100,000
Subscriptions/sundry	15,000	36,065	21,065	36,000
Telephone & Internet	39,000	33,727	(5,273)	36,000
Training and Development	50,000	22,434	(27,566)	50,000
TransUnion	-	4,342	4,342	33,885
TOTAL EXPENDITURE	7,789,488	7,072,680	(716,808)	8,295,285
SURPLUS	4,995,461	6,150,455		5,624,709



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 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 & Co. be appointed Auditors of the Trintoc (Penal) Credit Union Co-operative Society Limited for the financial year ending December 31st 2021.

Resolution 2 – Distribution of Surplus

Whereas the Credit Union has realized a net surplus for the financial year ended December 31st 2020; and whereas Bye-law 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% be declared on members' shares as at December 31st 2020 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. Bye law 12 c.

Resolution 3 – Dividend Equalization Fund

Whereas the uncertain economic environment is likely to adversely impact future earnings, the Board of Directors established a dividend equalization fund Bye-law 12 (g) to safeguard payment of dividends for future years.

And whereas the proposed amount of one million dollars (\$1,000,000) from the 2019 was not used, it is proposed that the one million dollars (\$1,000,000) be carried forward to future years.

Be it resolved the that the sum of one million dollars (\$1,000,000) from the 2019 net surplus be carried forward to safeguard dividend payment for future financial years.

Resolution 4 - 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 \$480,000 be transferred from the retained earnings to this building fund which represents a portion of the surplus for 2020.

Resolution 5 – Group Life Insurance

Whereas Byelaws 22(l) of the Trintoc (Penal) Credit Union states: - Powers and duties of annual general meeting shall be: To deal with any other business duly brought forward.

Be it resolve that The Trintoc (Penal) Credit Union has entered into a contractual agreement with TRINRE Insurance to provide a Life Insurance of fifty thousand dollars (50,000) per member.

And be it resolved that the annual premiums of two hundred and ninety-four dollars (\$294) shall be deducted from the members dividends/shares. Effective June 2021.

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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
- 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 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
PLAN B	\$79.20 monthly	\$15,000
PLAN C	\$105.60 monthly	\$20,000
PLAN D	\$158.40 monthly	\$30,000
PLAN E	\$211.20 monthly	\$40,000
PLAN F	\$343.20 monthly	\$65,000

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

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a crucial time.

NEW PRODUCT 2021

Group Life Insurance

This life insurance replaces the previous plan held under CUNA Caribbean Insurance

Provider: TRINRE Insurance

Effective: June 2021

Coverage: **\$50,000.00**

Premiums per member: **\$294.00 (annually)**

Payment method: to be deducted once per year from the members share account

The Life coverage **guarantees** the benefit to all eligible Trintoc (Penal) Credit Union members, the criteria for eligibility will be based on the requirements decided upon by the Credit Union Board.

At the commencement of this plan all members between the ages of 1-90 are eligible for coverage.

Thereafter, any new credit union member must enroll before the age of 65.