

Annual Report | 2013

unlocking
NEW
frontiers



Annual Report | 2013

unlocking
NEW
frontiers

READY TO ROLL? ROLL WITH A TCU AUTO LOAN!



**New or Used
Lowest Rates
From 0.65% ...
7 Years to Repay**

LOAN REQUIREMENTS

- Most Recent Pay slip • Job Letter • Insurance Quotation • Invoice • Utility Bill
 - Certified Copy and Valuation Report** • Letter of Intent **
- (** Only for Used Vehicles)



CALL OR EMAIL US TODAY
625-1364 Ext. 340/341/573
loans@tranquillitycu.com



Tranquillity Credit Union
www.tranquillitycu.com



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 pardoning that we are pardoned;
And it is in dying that we are born to eternal life.



VISION

To be the best managed, full service financial
Co-operative in Trinidad and Tobago.

MISSION

To become an efficient and professional
financial cooperative; committed
to improving the economic and
social well-being of our members,
delivering superior products and services.

OUR COMMITMENT

- Improving the quality of life of our members
- Providing Quality service
- Ensuring continuous quality Loan growth
- Sustainability
- Empowering members



Annual Report | 2013

CONTENTS

04	Notice of Meeting
05	Standing orders
06	Minutes of the 62nd AGM
17	Board of Directors & Committees
18	Board of Directors
19	Board of Directors Report
26	Credit Committee
27	Credit Committee Report
31	Supervisory Committee
32	Supervisory Committee Report
33	Education Committee
34	Education Committee Report
38	Nomination Committee
39	Nomination Committee Report
	Financials
	Projections
	Resolutions

notice of MEETING

NOTICE IS HEREBY GIVEN that the Sixty Third (63rd) Annual General Meeting of the Tranquillity Credit Union Co-operative Society Limited. Meeting will be held at:

**RADISSON HOTEL (formerly Capital Plaza), Wrightson Road, P.o.S.,
On SATURDAY MAY 17th 2014 commencing at 9:30 a.m.**

Registration begins at 9:00a.m.

Members are requested to be on time in order that the meeting may begin promptly and in accordance with **BYE-LAW 19**.

Agenda

1. National Anthem
2. Credit Union Prayer
3. Moment of Silence for the Deceased.
4. Reading of the Notice convening the 63rd A.G.M.
5. Adoption of Standing Orders
6. President's Address
7. Minutes of the 62nd Annual General Meeting
8. Reports for the 2013/ 2014 Term
 - Board of Directors' Report
 - Credit Committee's Report
 - Education Committee's Report
 - Supervisory Committee's Report
 - Auditor's Report
 - Financial Statements
9. Special Presentation
10. Budget
11. Resolutions
12. Amendments to the Bye Laws #2
13. Nominations Committee's Report
14. Election of Officers
15. Election Results
16. Other Business
17. Closing Prayer

BY ORDER OF THE BOARD OF DIRECTORS

ANNA-LISA ARLEN-BENJAMIN
Hon. Secretary

standing ORDERS

1. (a) A Member shall stand when addressing the Chair.
(b) Speeches are to 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, he/she shall immediately take his/her seat.
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) He/she rises to object or to explain (with the permission of the Chair).
5. The mover of a "Procedural Motion" (Adjournment, Lay on the table, Motion to Postpone) shall have no right to reply.
6. No speeches are to be made after the "Question" has been put and carried or negated.
7. A Member rising on a "Point of Order" is to state the point clearly and concisely. (A "Point of Order" must have relevance to the "Standing Orders".)
8. (a) A Member shall not "Call another Member to order" but may draw the attention of the Chair to a "Breach of Order".
(b) In no event can a Member call the Chair to order.
9. A "Question" shall not be put to the vote if a Member desires to speak on it or move an amendment to it, except that a "Procedural Motion: The Previous Questions", "Proceed to the Next Business" or the Closure: "That the Question be Now Put" may be moved at any time.
10. Only one amendment shall be before the meeting at one and the same time.
11. When a motion is withdrawn, any amendment to it fails.
12. The Chairman shall have the right to a "casting vote".
13. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
14. Provision is to be made for protection by the Chairman from vilification (personal abuse).
15. No member shall impute improper motives against another Member.



minutes of 62nd AGM

**“CELEBRATING THE PAST – EMBRACING THE FUTURE”
HELD ON SATURDAY 11TH MAY, 2013
AT THE BALLROOM OF THE CAPITAL PLAZA HOTEL
WRIGHTSON ROAD, PORT OF SPAIN**

CALL TO ORDER

The President, Mrs. Kerlina Niles, called the meeting to order at 10.10 a.m.; there were Seventy-four (74) members present.

NATIONAL ANTHEM

The National Anthem was played on the steel pan by Mr. Aaron Smart.

CREDIT UNION PRAYER

Director, Mrs. Sheryl Strachan, led the Meeting in the recitation of the Credit Union Prayer.

MOMENT OF SILENCE FOR THE DECEASED

One minute of silence was observed in memory of members who died during the year.

NOTICE OF AGM

The Hon. Secretary, Mrs. Anna-Lisa Arlen-Benjamin, read the Notice of the Annual General Meeting.

STANDING ORDERS

The Hon. Secretary read the Standing Orders as stated in the AGM Brochure.

The Standing Orders were adopted on a motion moved by the President and seconded by Ms. Marlene Goddard.

ACKNOWLEDGEMENT OF GUESTS

Mr. Ralph Wharton - *General Manager, Caribbean Confederation of Credit Unions*

Mr. Joseph Remy - *President, Co-operative Credit Union League of Trinidad and Tobago*

Ms. Dianne Joseph - *Chief Operating Officer, Co-operative Credit Union League of Trinidad and Tobago*

Ms. Shelly-Ann Charles - *Co-operative Development Officer, Co-operative Development Division, Ministry of Labour and Small & Micro Enterprise Development*

Mr. Wayne Estrada - *CUNA Mutual Insurance Company Limited*

Mr. Edward King - *President, North West Regional Chapter, Co-operative Credit Union League of Trinidad and Tobago*

PRESIDENT'S ADDRESS

The President, Mrs. Kerlina Niles, highlighted the achievement of the following goals by the Credit Union:

- A Redefined Vision and Mission;
- The completion of the Policy Planning process;
- The reinforcement of timely receipt of Reports – achieved as at end January, 2013;
- Image Enhancement and a commitment to the acquisition of our own building by year's end;
- The continued emphasis on good governance - Monitoring and Control;
- The encouragement of Member Growth by 25% - Strive to include Youth membership;
- Institutional Strengthening – the promotion of two members of staff, and the employment of three new staff members;

The President introduced the following Members of Staff:-

Mr. Sherwin Cambridge	- General Manager
Mrs. Marcia Quammie	- Operations Manager (promoted)
Mrs. Lindiwe Mason	- Loans Officer
Ms. Marcia Moses	- Business Development Officer (new hire)
Ms. Natasha Olliviere	- Accounting Officer (new hire)
Mr. Vickash Reemaul	- Accounting Assistant
Ms. Silvana Flores	- Administrative Assistant (promoted)
Ms. Athalia Clarke	- Teller (new hire)

FEATURE ADDRESS

Mr. Ralph Wharton, General Manager of the CCCU, was invited to deliver his Feature Address. The highlights of this address were:-

- Congratulations to TCU on Sixty-second Anniversary;
- An overview of CCCU Membership;
- An examination of age demographics – he advised TCU to make the Credit Union more attractive to younger members and Retirees;
- Advice to TCU to make a determination as to reasons for non-attraction by younger/older potential members;
- Encouragement to become a leader at the national level;

- Advice to TCU to use examples of best practices in the Jamaican Credit Union Movement;
- Summary of the Challenges – to become more visible in the market; to pursue global strategies; to strive to become Number One in the market place; to be an advocate for change.

A presentation of a token of appreciation was made by the Vice President, Mr. Reuben Elias, to Mr. Wharton.

GREETINGS

Greetings were brought by the following guests, from their various organisations:-

Mr. Edward King - *President, North West Regional Chapter*

Mr. Wayne Estrada - *CUNA Mutual Insurance Company Limited*

Mr. Joseph Remy - *President of the Co-operative Credit Union League of Trinidad and Tobago*

Mr. Colin Bartholomew - *Business Development Officer, Co-operative Development Division*

MINUTES OF THE 61ST ANNUAL GENERAL MEETING

Corrections:

Page 5 – “President’s Address” 2nd paragraph, line 5 – after the words “the first 50%”, insert the word “has” and after the word “already” insert the word “been”.

Page 10, 2nd to last paragraph, line 7 – after the words “informed members that there” , delete “ws” and replace with “was”.

In response to a query, the President assured members that the original Minutes of the 61st AGM had been signed. However, the signature did not appear in the brochure because of an omission by the printer.

Matters Arising:

- Mr. Noel Maxwell enquired with regard to the Clico investment, whether the second 50% payment had been received. The President responded that the second payment was not received in 2012; however, it was received in 2013.

- Mr. Joseph Ross enquired why the list of attendees was not contained in the brochure. The President responded that the list was often very long and sometimes contained errors when printed. However, she stated that the information would be available for perusal at the Office. She also noted that most Credit Unions no longer print this information.
- Mr. Ross also enquired why the Credit Union continued to maintain the Royal Skandia account. The President reported that there was some encouraging movement during the last quarter of 2012.
- Mr. Hugh Howard asked if the Board knew when the Credit Union Bill would become Law. He expressed the view that the Bill would have Credit Unions akin to Commercial Banking. He wondered if these concerns were addressed and whether the Board was comfortable with the response.

The League’s President, Mr. Joseph Remy, with the permission of the Chair, responded by saying that the Executive of the League had been in discussions with the Central Bank in conjunction with the Co-operative Development Division. He stated that the League’s position had always been that there should be Legislation which should enhance the Co-operative Development Act. He also assured that the Executive would be attending meetings with the Central Bank and the Ministry of Labour during the coming week.

Mr. Remy also stated that the League was of the view that the Co-operative Development Division should be re-tooled so that they would be able to deal effectively with problems such as those experienced by the Hindu Credit Union.

There being no further questions or comments, a motion to adopt the Minutes of the 61st Annual General Meeting was moved by Mr. Enos Reid and seconded by Mr. Michael McLean. The motion was unanimously accepted.

BOARD OF DIRECTORS’ REPORT

Members of the Board of Directors were re-introduced to the AGM by the President. She also explained that there were two Directors who were excused - Mrs.

Claudette Gomez, who was ill, and Mr. Edwin Ian Reid, who was out of the country.

Corrections:

Page 15 – correct the spelling of the Vice President’s first name – delete “Ruben” and replace with “Reuben”.

Page 19 – correct the Administrative Assistant’s title – delete “Mr.” and replace with “Ms.”.

Matters Arising:

- Mr. Howard referred to Mortgage Loans – he stated that he had examined the figures listed for both 2011 and 2012 and wondered if the appropriate precautions were being taken to ensure that lending was not going sub-prime, and lending was at levels where members could not repay. He also enquired whether there were any defaults so far.

The President responded that the Credit Committee had been diligent in determining those who qualified for such loans and its reporting to the Commissioner’s Office. She assured that to date, there were no Mortgage Loans in default.

- Mr. Ross referred to Page 16 – line 2 “Loans to Members” – and asked if the correct interest rate was stated.

The President responded that it was the correct rate and that it is calculated on the reducing balance.

- Ms. June Abbott enquired whether the dates stated at Page 18 on the last paragraph were correct.

The President confirmed that the dates were in fact correct.

- Mr. Howard referred to Page 18 and congratulated the Board; he stated that widening of the Bond was an excellent move which would eliminate stagnation, and provide an opportunity for new thinking.

There being no further queries or comments, a motion to adopt the Report of the Board of Directors was moved by Mr. Aubyn Holder and seconded by Mr. Noel Maxwell. This motion was unanimously accepted.

CREDIT COMMITTEE’S REPORT

The report of the Credit Committee was presented by its Chairman, Mr. Kendal Charles.

Corrections:

Mr. Charles apologised for the graphic on page 25 which was not properly aligned.

Matters Arising:

- Mr. Joseph Ross referred to the Table at the top of Page 25 and to the last figure for 2012 and enquired why there was such a decline.

The Chairman responded that this figure related to the Debt Servicing Ratio (DSR) Loans and stated that perhaps not many members were in need of this type of Loan, or that it was not heavily marketed during the period.

The President drew Members’ attention to the two vehicles parked outside of the Ballroom. These represented the prizes to be won for the Share Builder Loan.

There being no further questions or comments, a motion to adopt the Report of the Credit Committee was moved by Mr. Raymond John and seconded by Mrs. Janelle Archie-Alleyne. This motion was unanimously accepted.

SUPERVISORY COMMITTEE’S REPORT

The report of the Supervisory Committee was presented by its Chairman, Mr. Enos Reid. Mr. Reid referred to the relative youth of the other members of the Committee, and thanked them for the diligence, hard work and enthusiasm in the performance of their duties.

He also noted that the major challenge was staff turnover which affected the timeliness of reporting. He stated that he was happy to see that the Board had improved the staffing, thereby having more resources available.

Matters Arising:

- Mr. Howard enquired whether it was part of the remit of the Committee to look at efficiency in staffing, and whether the Committee could be sure of the Staff’s efficiency and effectiveness. The Chairman responded that it was not the remit of

the Committee but the relevance to the Committee was the issue of the turnover of staff and reporting. He stated that they recognised the need to support the Board for that purpose and improve general efficiency. They were, however, concerned with looking at the growth of Asset values, etc.

The President also responded by saying that the best fit had been recruited, and in addition, the technology upgrade was allowing the staff to function more effectively.

There being no further questions or comments, a motion to adopt the Report of the Supervisory Committee was moved by Mrs. Kathlene Lalman and seconded by Ms. Tessa Drayton. This motion was unanimously accepted.

EDUCATION COMMITTEE'S REPORT

The report of the Education Committee was presented by its Chairman, Mrs. Sheryl Strachan. Mrs. Strachan reported on the sessions held as follows:

- Estate Planning - Sessions were held both in Trinidad and in Tobago. There was good attendance by members in Tobago, and by the Retiree members at the Trinidad session. She encouraged the ordinary members (in Trinidad) to attend the next session.
- Financial Planning - The facilitator for this programme had died in 2012 and as a result, it will be re-scheduled for a new date in 2013.
- Mortgage Lending - This detailed assessment training is specific to the Credit Committee. A facilitator is still to be sourced.

Matters Arising:

- Miss Shachia Strachan stated that the ideas for activities for Youth members were usually geared towards the SEA students. She recommended that there should be sessions geared towards the CXC, CAPE and University students, eg. Career Day, Share Drives and appropriate prizes.

The Chairman stated that the recommendation was noted and the Committee was considering a session "Preparation for Interviews" aimed at this age group.

There being no further queries or comments, a motion to adopt the Report of the Education Committee was moved by Mrs. Ingrid Harris-Dick and seconded by Mr. David Cameron. The motion was unanimously accepted.

AUDITOR'S REPORT

The Auditor's Statement was read by Mr. Ronald V. Hogan, Auditor, and was unanimously accepted.

FINANCIAL STATEMENTS

The President invited the General Manager to present the Financial Statements.

The General Manager stated that the Credit Union had a very successful 2012, and that the last time there was such a good performance was 2006. The high points were as follows:

- Overall growth of 20% was achieved - \$14.5M
- Shares grew by 17% - \$5.8M
- Members' Savings Deposits increased by 22% - \$7M
- Members' Loans grew by 21% - \$9.2M
- Short Term Investments grew by 35% - \$3.9M

Statement of Comprehensive Income

The General Manager indicated that a Net Surplus of \$2.7M was achieved in 2012, as opposed to \$1.54M in 2011.

Interest on Loans grew due to aggressive promotional efforts – especially for motor vehicle loans (which had not always been competitive). The interest rates were reduced for two months, after which the reduced rate was permanently adopted.

Statement of Appropriated Funds and Undivided Earnings

The highlight was the upward movement experienced on Equity Investments – an improvement over 2011 performance.

Statement of Cash Flows

The General Manager stated that the Board of Directors had proposed a Dividend of 5.5% for 2012, as opposed to 4% paid in 2011.

- Mr. Howard referred to Page 46 and asked for an explanation as to the investment named "First Line Securities" and the earnings from this investment.

The General Manager explained that it is a Fixed Deposit instrument comprised of Receivables from Energy Based Industries, which was packaged and sold to Credit Unions; and backed by an FCB Trust Deed. He stated that the interest rate was 5% for an investment of one year.

- Mr. Howard also referred to Page 48 – “Long Term Investments”, and enquired if there were investments in other Unit Trust (UTC) accounts. The General Manager responded that the investment was only in the Money Market account.

Mr. Howard suggested that Capital should be protected by investing further with the UTC since there was no risk.

- Mr. Howard next enquired about the return on the Guardian Life investment.

The General Manager responded that Equity was between 4.5% and 4.7% and that the Capital appreciation, Front Loaded charge, was about 3% between the Bid and Offer prices.

- Mr. Orett Campbell enquired whether the Institutional Capital was contained in the Reserve Fund, and if not, where was it shown.

The General Manager, by way of explanation, stated that normally Institutional Capital is considered to be owned by the Credit Union; however, no member has a stake. He further explained that in calculating Institutional Capital, account is taken of the Reserve Fund, the Building Fund, Undivided Earnings and the Investment Re-measurement. The acceptable standard is 8% and our rate is currently approximately 7.5%.

- Mr. Kendall Charles commented on Mr. Howard’s statement about investment in secure funds and recommended that the Credit Union should continue to invest in its membership by providing additional productive loans.
- Mrs. Edith Howell-Smith Robinson enquired why the Credit Union continued to hold on to shares from National Flour Mills.

The General Manager noted her comment and replied that the investment was only a small portion of the portfolio.

- Mr. Gerald Fernandes enquired what methodology was used for the calculation of the Dividend.

The General Manager responded that it was the “Weighted Average” method as explained on Page 44 – Notes to Financial Statements – Item 2 – Statement of Significant Accounting Policies, Item (g) Dividends payable to members.

There being no further queries or comments, a motion to adopt the Auditor’s Report and the Financial Statements was moved by Ms. Marlene Goddard and seconded by Ms. Marsha Smith. The motion was unanimously accepted.

Budget 2013

The General Manager stated that in 2012, the Back Pay received by employees of National Petroleum helped to propel growth.

However, the 2013 Budget was much more conservative than previous years, with Projected Growth estimated at 13.88% or \$5M.

One Milestone was to achieve \$100M in Total Assets. The aspects which were expected to fuel this growth are:-

- (1) Loans – 16% or \$8.6M; and
- (2) Deposits – Members’ Deposits;

Comments/Recommendations

- Mr. Maxwell stated that he noted the investments in the UTC and Guardian Life, etc. However, National Petroleum has an Employee Co-operative that is functioning poorly. He suggested that the Credit Union could bring its Management skills towards improved performance or have a financial investment in the Co-operative.
- Mr. Charles stated that this was a new year focussing on Loans. The budget for Marketing Expenses was increased by \$15,000.00. However, if Loans are to be the growth engine for 2013, then the budget for Marketing Expenses should be further increased.

The General Manager stated that the recommendation would be considered.

There being no further comments or recommendations, a motion to adopt the Budget was moved by Ms. Ursha Hector and seconded by Ms. June Abbott. The motion was unanimously accepted.

RESOLUTIONS

The Hon. Secretary presented the following five (5) Resolutions and was the Mover of each Motion:

1. Dividend

Be it resolved that in accordance with Bye-Law 54, a dividend of 5.5% be approved and that 2% be credited to members' Share Accounts consistent with Bye-Law 54(a) for the year ended 31st December 2012 and be it further resolved that dividends due to members whose accounts have become delinquent be credited to their outstanding loans and interest balances.

A motion to adopt this Resolution was moved by the Hon. Secretary and seconded by Mr. Michael McLean. The motion was unanimously accepted.

2. Honorarium

Be it resolved that in accordance with Bye Law 54 (d), the 62nd AGM approves honorarium in the sum of \$40,000.00 to be distributed among the Board of Directors, Credit Committee and the Supervisory Committee for the period under review.

A motion to adopt this Resolution was moved by the Hon. Secretary and seconded by Ms. Marlene Goddard. The motion was unanimously accepted.

3. Maximum Liability

Whereas in accordance with the Regulations (14) of the Co-operative Societies Act which states that "every society shall fix at a General Meeting the maximum liability it may incur in respect of Loans and Deposits from members or non-members".

And Whereas our present maximum liability stands at \$40Million as approved by the 59th Annual General Meeting of this Credit Union.

And Whereas at December 31st 2012 the Credit Union's Total Deposits stood at \$39.2Million.

Be it resolved that the maximum liability of the Tranquillity Credit Union Co-operative Society Limited be fixed at \$60Million.

A motion to adopt this Resolution was moved by the Hon. Secretary and seconded by Mr. Danny Adam. The motion was unanimously accepted.

4. Appointment of an Auditor

The President informed the Meeting that Mr. Ronald Hogan had been appointed as the Credit Union's Auditor, by the Annual General Meeting, over the past Twenty-Five (25) years. She also informed the Meeting that Mr. Hogan was retiring, as he would usually do at the end of each financial year.

However, on this occasion, the Board of Directors was of the opinion that best practices in the Auditing industry should be considered in the conduct of the 2013 annual Audit. Therefore, by mutual agreement with Mr. Hogan, the Board of Directors took the decision to request proposals from new Auditing firms.

The President stated that proposals were received, evaluations done and a decision was made, which was now being put to the Meeting for approval by way of the following resolution:

"Whereas Mr. R.V. Hogan has been the Auditor for the Tranquillity Credit Union for the past Twenty-five (25) years.

"And Whereas he has always performed his duties without fear or favour in accordance with International Standards on Auditing.

And Whereas it was mutually agreed that Mr. R.V. Hogan would retire as the Auditor for the Tranquillity Credit Union with effect from the close of the 62nd Annual General Meeting of the Credit Union.

"And Whereas the proposed new Auditor is compliant with the Commissioner of Co-operative Development's approved list of Auditors.

"And Whereas the proposed new Auditors have the required auditing experience in Credit Union Information Systems and operations, including a cadre of staff with professional qualifications in the field of Accounting and Auditing.

“Be it resolved that the firm, Hardy’s Chartered Accountants, be appointed Auditors of the Tranquillity Credit Union for the fiscal year 2013”.

The President gave this brief profile of Hardy’s Chartered Accountants:

- The firm had absorbed all operations of another firm - Ramcharan Chadee Chartered Accountants;
- The firm qualified for placement on the approved list of Auditors of the Co-operative Development Division and the Credit Union League;
- At present the firm has, as part of its client base, Thirteen (13) Credit Unions and Co-operative Societies.

The President went on to report that the Board had also contacted References provided by the firm and responses proved acceptable. She also mentioned that Hardy’s had previously done some work for the Credit Union.

The President confirmed that Hardy’s will conduct the audit in house, and that the exercise should take four (4) weeks for completion.

- Ms. Marlene Goddard enquired about the cost of the Audit and the President responded that the Audit Fee was Fifteen Thousand Dollars (\$15,000.00) plus VAT.
- Mr. Felix Seebrath enquired whether any credit unions audited by Hardy’s had collapsed.

The President responded that there was no such record, and she mentioned the names of some credit unions audited by Hardy’s:- SECU Credit Union, Consolidated Telephone Workers Credit Union, and also the League. She said that their client list was available for perusal at the Office.

- Mr. Noel Maxwell enquired about the list of Directors of Hardy’s.

The President replied that the Directors on record are Mr. Ranjit Chadee, Mr. A. Bridgelal, Mr. Kareem Legall, and Mr. S. Sudama.

In considering this Resolution, there was considerable discussion about use of the word “retire” in the first line of the third paragraph. The following recommendations for amendments were made:

- Mr. Adam suggested that the first line should read: - “... Mr. Hogan has retired and is no longer available for appointment ...”
- Ms. Goddard recommended the words “would retire” should be deleted, and the paragraph should read as follows:- “And Whereas it was mutually agreed that Mr. R.V. Hogan will no longer be available as the Auditor for the Tranquillity Credit Union with effect from the close of the 62nd Annual General Meeting for the Credit Union”

A motion to adopt the Resolution, with the amendment to the third paragraph recommended by Ms. Marlene Goddard, was moved by the President and seconded by Mr. Hugh Howard. The motion was unanimously accepted.

5. *Amendment to Bye-Law 4*

Whereas Bye-Law 4 (a) Qualification states “All persons (including non-permanent persons) 16 years and over and within the employ of Shell Trinidad Limited, Petroleum Company of Trinidad and Tobago Limited, the Trinidad & Tobago National Petroleum Marketing Company Limited and its subsidiaries, the Tranquillity Credit Union, and the NP Employees Consumer Co-operative Limited shall be eligible for membership.”

Whereas the Board of Directors has identified that there is an over-concentration of our membership base linked to one company poses in a period of economic downturn and rationalisation.

Whereas the Board of Directors cognizant of its fiduciary responsibility to ensure the safety, soundness and survival of the Credit Union.

Be it resolved that Bye-Law 4 (a) Qualification – be amended to include all persons (including non-permanent persons) 16 years and over and within the employ of the companies listed and registered as official “Energy Companies” with the Government of Trinidad and Tobago, shall be eligible for membership

in the Tranquillity Credit Union Co-operative Society Limited:

BP Trinidad and Tobago Limited
 BHP Billiton Trinidad and Tobago
 BG Trinidad and Tobago
 PetroCanada
 Atlantic LNG
 Yara Trinidad Limited
 The National Gas Company Limited
 Phoenix Park Gar Processors Limited
 PCS Nitrogen Limited
 The National Energy Corporation

A motion for the adoption of the Resolution was moved by the President and seconded by Mr. David Cameron. The motion was put to the vote by show of hands – One Hundred and Twenty-Eight (128) members voted In Favour and 0 members voted against. The motion was therefore unanimously adopted.

NOMINATIONS COMMITTEE'S REPORT

This report was presented by the Committee Chairman, Mr. Danny Adam.

Mr. Adam stated that there were only a small number of members who were willing to serve. This year only 18 out of 1,866 members volunteered. He further stated that perhaps the Committee should receive an early appointment in order to canvas the Membership to improve the numbers being received.

Mr. Adam also recommended that the Credit Union should start preparing for the provisions of the new Legislation regarding nominations for service on the Boards and various Committees. He suggested that the forms should be re-designed so as to present a comprehensive profile of the member to be nominated.

With regard to the current report, Mr. Adam asked members to note that Mrs. Claudette Gomez had withdrawn her nomination because of illness.

Matters Arising:

- Mr. Richard Evelyn enquired whether the Committee examines the performance of those who are nominated and elected.

Mr. Adam responded that the Committee does not have the power to do so.

- Ms. Erica George enquired whether Proxy Voting was allowed.

Mr. Adam replied that the Bye Laws do not provide for voting in this manner.

Corrections:

Ms. Jenelle Richards asked that the spelling of her name be corrected in the Report under the Nominations for the Supervisory Committee, from Janelle to "Jenelle".

A motion to move for the adoption of the Report of the Nominations Committee was moved by Mr. Michael McLean and seconded by Mr. Andy Collins. The motion was unanimously accepted.

ELECTIONS

At 12.55 p.m. the meeting turned over to the Co-operative Development Officer, Ms. Shelley Charles, for the conduct of the Elections.

Ms. Charles informed the Meeting that Mr. Robert Fortune had been nominated to serve on both the Board of Directors and the Credit Committee. As a result, he was requested to make a choice as to which he preferred. Mr. Fortune indicated that he would prefer to be nominated for the Credit Committee.

Credentials Report

Upon the request by Ms. Charles, the Registration Desk informed that there were Ten (10) members of the Board of Directors, and One Hundred and Sixty Two (162) Members present.

Nominations for the Supervisory Committee

The following candidates had been previously nominated:-

Richard Trim	Dianna Joseph
Ravi Suratsingh	Enos Reid
Jenelle Richards	

Ms. Charles then requested further nominations from the Floor and no other nominations were received. A motion to close nominations was moved by Ms. Angela Edwards and seconded by Mr. Royds Williams. The motion was unanimously accepted.

Nominations for the Credit Committee

The following candidates had been previously nominated:-

Robert Fortune	Kathlene Lalman
Kendal Charles	Royds Williams
Marsha Smith	Azam Ameerali

Ms. Charles requested further nominations from the Floor and the following members were nominated:-

- Mr. Garth FitzCharles
*Nominated by Mr. Ricky Codrington;
Seconded by Mr. Marcelle Johnson*

A motion to close nominations was moved by Ms. Pamela McLean and seconded by Ms. Marlene Goddard. The motion was unanimously accepted.

Nominations for the Board of Directors

The following candidates had been previously nominated:-

Kenrick Jarvis	Michael Codrington
Noel Maxwell	Reuben Elias
Elizabeth Rawlins	Sheryl Strachan

Ms. Charles requested further nominations from the Floor and the following members were nominated:-

- Mr. Orett Campbell
*Nominated by Mr. Hemant Ramdial;
Seconded by Mrs. Cindy-Ann Roache-Charles*
- Ms. Tessa Drayton
*Nominated by Ms. Ursha Hector;
Seconded by Ms. Modlyn Parsons*

A motion to close nominations was moved by Mrs. Kathlene Lalman and seconded by Mr. Kassim Hosein.

Upon completion of this process at 1.26 p.m., Members were invited to cast their Ballots in the Voting Boxes provided and then proceed to have Lunch.

RESUMPTION OF MEETING

The meeting was recalled to order at 2.30 p.m., and since the Ballots were still being counted, the Hon. Secretary announced the draw for Door Prizes which were won by the following members:

- Mr. Michael De Verteuil
- Ms. Mary Lawrence

Also, the Hon. Secretary announced that in recognition of Mother's Day, which was to be celebrated the next day, the floral arrangements on the tables were gifted to the Mothers.

ELECTION RESULTS

The counting of the Ballots having been completed, Ms. Charles announced the results of the Elections as follows:-

Supervisory Committee – 3 Members

Enos Reid	- 116 Votes
Dianna Joseph	- 106 Votes
Richard Trim	- 90 Votes
Ravi Suratsingh	- 60 Votes – 1st Alternate
Jenelle Richards	- 51 Votes – 2nd Alternate

Credit Committee – 5 Members

Kendal Charles	- 132 Votes
Kathlene Lalman	- 125 Votes
Marsha Smith	- 98 Votes
Royds Williams	- 95 Votes
Azam Ameerali	- 88 Votes
Robert Fortune	- 66 Votes – 1st Alternate
Ursha Hector	- 40 Votes – 2nd Alternate
Garth Fitz-Charles	- 34 Votes

Board of Directors – 4 Members

Sheryl Strachan	- 107 Votes
Reuben Elias	- 106 Votes
Elizabeth Rawlins	- 98 Votes
Kenrick Jarvis	- 83 Votes
Orett Campbell	- 71 Votes – 1st Alternate
Tessa Drayton	- 51 Votes – 2nd Alternate
Noel Maxwell	- 37 Votes
Michael Codrington	- 29 Votes

A Motion for the Destruction of the Ballots was moved by Mrs. Joy Simmons-Elias and seconded by Mr. Michael McLean. The motion was unanimously accepted.

The voting process having been completed, Ms. Charles returned the conduct of the Meeting to the President, who directed Members' attention to the next item on the Agenda.

OTHER BUSINESS

There were no items of Other Business raised for discussion.

VOTE OF THANKS

The Vice President, Mr. Reuben Elias, acknowledged the presence of Mrs. Edith Howell-Smith, a member for the last Sixty (60) years. Mrs. Howell-Smith in response, paid tribute to the founding members and in particular Mr. Teddy Figuera, who had set up the first Accounting system, and who had passed away in England earlier during the week.

The Vice President also expressed appreciation to our Guests - Messrs. Wharton, Remy, King and Estrada and to Ms. Dianna Joseph and Ms. Gloria Rollingson – for representing their various organisations.

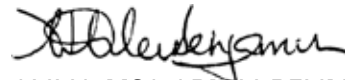
Appreciation was also expressed to Ms. Shelley Charles and her team from the Commissioner's Office for the conduct of the Election Process.

In addition, the Vice President also recognised the staff of the Cipriani Labour College and the Trinidad & Tobago Association of Responsible People (TTARP) who had set up Information Booths.

Finally, gratitude was expressed to Mrs. Joan Wilson for her beautiful floral and other decorations in the Ballroom and to Ms. Maria Wellington as the Recording Secretary.

The Vice President once again conveyed Mother's Day greetings to all Mothers present.

The Annual General Meeting was declared closed at 2.45 p.m. with the prayer being said by newly elected Director, Mrs. Elizabeth Rawlins.



ANNA-LISA ARLEN-BENJAMIN
Hon. Secretary

board of DIRECTORS

Term of Office

BOARD OF DIRECTORS	POSITION	TERM
Mrs. Kerlina Niles	President	2012 - 2015
Mr. Reuben Elias	Vice President	2013-2016
Mrs. Anna-Lisa Arlen-Benjamin	Secretary	2011 - 2014
Mr. Douglas Williams	Director	2012 - 2015
Mr. Kenrick Jarvis	Director	2013-2016
Ms. Sheryl Strachan	Director	2013-2016
Mrs. Kathy Ragoobarsingh	Director	2011 -2014
Mr. Edwin Reid	Director	2011 - 2014
Mrs. Esther Pariag	Director	2011 - 2014
Mr. Ronald Fraser	Director	2012 - 2015
Mr. Jason Matoram	Director	2012 - 2015
Mrs. Elizabeth Rawlins	Director	2013-2016



board of DIRECTORS

From Left to Right:

Reuben Elias, Sheryl Strachan, Kenrick Jarvis, Elizabeth Rawlins, Edwin Reid
Kerlina Niles, Ronald Fraser, Esther Pariag, Jason Matooram, Anna-Lisa Arlen-Benjamin
Kathy Ragoobarsingh, Douglas Williams.

board of DIRECTORS Report

Your Board of Directors of Tranquillity Credit Union for the review period comprised of the following members:

- Mrs. Kerlina Niles - President
- Mr. Reuben Elias - Vice President
- Mrs. Anna-Lisa Arlen-Benjamin - Secretary
- Mr. Douglas Williams - Assistant Secretary
- Mr. Kenrick Jarvis - Director
- Ms. Sheryl Strachan - Director
- Mrs. Esther Pariag - Director
- Mr. Ronald Fraser - Director
- Mr. Jason Matooram - Director
- Mrs. Kathy Ragoobarsingh - Director
- Mr. Edwin Reid - Director
- Mrs. Elizabeth Rawlins - Hon. Director
- Mr. Orett Campbell - 1st Alternate
- Ms. Tessa Drayton - 2nd Alternate

1.0 INTRODUCTION

During the review period of 2013 and according to the provisional estimates of Central Bank, the Trinidad and Tobago economy grew by a modest 1.6%, following an overall growth of 1.2 per cent in 2012.

The Repo rate after being kept at 3 per cent for fourteen months was lowered by 25 basis points to 2.75 per cent by Central Bank. In response, the median prime lending rate of the commercial banks also declined by 25 basis points to end the year at 7.50 per cent. According to the latest Monetary Report of the Central Bank excess liquidity in the financial sector was recorded at TT\$6 Billion.

The Banking Sector of the financial system of T&T remained resilient in 2013 despite being faced with the following challenges:

- Subdued economic activity
- Low interest rates
- Sluggish credit growth
- Excess liquidity within the financial system

2.0 SUMMARY OF OUR 2013 PERFORMANCE

The Credit Union's performance for the year 2013 resulted in a net surplus of \$2.5 Million, a decline of 7% when compared to \$2.7 Million in 2012. This decline was mainly due to increases in Bad Debt Provision and some unanticipated operating cost.

The Credit Union's gross loan base grew from \$54.1 Million to \$58.1 Million while similar growth was also experienced in Other Investments, which grew from, \$14 Million to \$19.6 Million and Fixed Assets which grew from \$156,635 to \$6.9 Million in 2013.

Despite the continued challenges associated with the suspension and subsequent termination of some sixty-eight workers from the employ of NP in October 2013; the Credit Union's funding source increased from \$79.1 Million to \$87.4 Million in 2013.

ASSETS AND LIABILITIES

Total Assets were \$97.8 Million as at December 2013, up by \$9.8 Million or 11% over 2012. This increase is primarily as a result of increases in other investment, member's deposits, member's shares and fixed assets.

The Board of Directors following last years' Annual General Meeting embarked on a mission to purchase a home for the Credit Union with the objective of affording the membership an improved service delivery. In December

2013, and after having visited and examined a number of buildings in and around the Port of Spain environs, the Board took a decision to purchase 5 Maraval Road, New Town at cost of \$6.2Million to accommodate the Credit Union. The Credit Union also entered into a three year lease agreement with TTPost for the land right adjacent to the Credit Union building. The property would be used for members' parking.

THE LOAN PORTFOLIO

As at December 31, 2013 the net loan portfolio increased by \$3.7Million to \$57.4Million. The major contributors were Motor Vehicle, Mortgage and Share Builder loans. The focus of the Credit Union in the coming period as it relates to loans would be to ensure that a comprehensive suite of loan products is available to members and which lends itself to a system of quick and easy approval and disbursements.

The Credit Union is currently in discussions with Trinidad and Tobago Mortgage Finance Corporation (TTFM) with the aim of becoming an agent. Under the agreement, the Credit Union will act as an agent for TTFM by interviewing prospective applicants and accepting mortgage loan applications. This partnership will facilitate the widening of TCU's distribution channel for the convenience of members of the Credit Union.

The termination of some sixty-eight (68) workers by NP in October 2013 did have a negative impact on the level of non-performing loans. Consequently, the loan loss expense was increased from \$50,000 to \$200,000 in 2013. Total provision for the Credit Union at the end of December 2013 amounted to \$693,000. As at December 31, 2013, Shares and Deposits totaling \$5.1Million were held against the Non-performing loans balances totaling \$7.7Million. As a result, the net exposure of Shares/Deposits held against Non-performing loans amounted to \$2.5Million. The Board upon the recommendations of the Assets and Liabilities Committee has agreed to set up a Delinquency Committee for the ensuing period.

INVESTMENT PORTFOLIO

Long Term Investment increased significantly during the year to \$19.4Million from \$14Million in 2012. The major significant contributor to the increase in the investment portfolio was the Unit Trust (Growth and Income Fund) with an investment of \$3.5Million. Similar to the stock and primary bond markets, the mutual fund industry because of strong performances in both the equity and income experienced increased activity in 2013.

The Credit Union faced with limited viable investment options took advantage of the launch of First Citizens IPO in July 2013 and was allocated 40294 Shares valued at \$886,468.

SAVING DEPOSITS PORTFOLIO

At the end of December 2013, member deposits stood at \$43.9Million, an increase of \$4.7Million or 12 per cent over 2012 \$39.2Million. As in previous years, the Credit Union concentrated its energies towards making the Fixed Deposit Portfolio the flagship deposit account in the Credit Union.

Total Fixed Deposits were \$24.8Million for the review period an increase of \$5.1Million or 26 per cent over 2012. Premium Deposit decreased marginally during the year to \$17.9Million from \$18.5Million.

MEMBERS SHARE CAPITAL

The Total Share Savings of the Credit Union stood at \$43.4Million as at December 31, 2013, representing an increase of \$3.6Million or 9 per cent over the total shareholdings of \$39.8Million as at December 31, 2012.

The Cash for Cars Share Drive Promotion provided the platform for the increase in share savings experienced by Credit Union in 2013. The promotion ran from July 2012 – June 2013. The promotion attracted 172 members and a share savings of \$3.9Million. The two (2) luxury sedans raffled were Hyundai Elantra and Hyundai Accent and were won by Lloyd Wiggins and Marcia Dottin-Fraser respectively.

LOAN INTEREST INCOME

Loan Interest Income has continued to grow notwithstanding an increase in non-performing loans and the low interest rate environment.

Loan Interest Income was the leading contributor to the Credit Union's total income as it accounted for 89 per cent of the Credit Union's total income for 2013. When compared to December 2012, loan interest income increased by \$448,801 or 7per cent to \$6.3Million.

INCOME FROM MEMBERS LOANS:	IOTE:	Jan-Dec 2013	Jan-Dec 2012	Variance 2013/2012
INTEREST ON GENERAL LOANS		3319,351	3097,006	222,344
INTEREST ON LONG TERM LOAN		575,534	496,648	78,885
INTEREST ON APPLIANCE LOAN		4,138	11,976	(7,837)
INTEREST ON VEHICLE LOANS		1217,123	1048,686	168,437
INTEREST ON SPECIAL LOANS		114,500	158,392	(43,892)
INTEREST ON COMPUTER LOANS		52,577	51,673	904
INTEREST ON PROMOTION LOANS		7,088	8,338	(1,250)
INTEREST ON SMALL BUSINESS LOAN		35,110	30,028	5,082
INTEREST ON LINE OF CREDIT LOAN		352,546	339,753	12,793
INTEREST ON APPLIANCE (SPECIAL)		103,222	130,454	(27,231)
INTEREST ON STAFF LOAN		36,794	29,372	7,421
INTEREST ON DSR LOAN		217,827	332,264	(114,437)
INTEREST ON SHARE BUILDER LOAN		283,384	118,761	164,623
FOOD VOUCHER SERVICE CHARGE		55,075	71,825	(16,750)
FUTURE CASH INVESTMENT INTEREST		79	371	(292)
TOTAL INTEREST ON LOANS		6374,349	5925,548	448,801
Interest on loans/Total Income		88.74%	91.44%	

INVESTMENT INCOME

Investment income increased by 67 per cent to \$568,943, reflecting the investment made of \$5.5Million in 2013. This increase in investment income was achieved due to new investments made by the Credit Union in 2013.

NON-INTEREST INCOME

In the year 2013, non-interest income increased marginally by 12 per cent to \$240,203. The major contributor to this growth was the FIP Administrative Fees paid to the Credit Union by CUNA Caribbean Insurance Limited.

EXPENDITURE

As at December 31, 2013 Total Expenditure totaled \$4.8Million, representing an increase of \$1.1Million or 29.5 per cent when compared to the December 2012 figure. This increase was primarily due to the strong volume growth in fixed deposit portfolio and unexpected administrative expenses incurred in 2013.

Board and Management of the Credit Union would continue aggressively to control costs relative to the income growth of the Credit Union as we seeks to unlock the new frontier of our journey.

	Jan-Dec 2013	Jan-Dec 2012	Variance 2013/2012
			-
PERSONNEL COST:	1055,776	869,411	186,366
ADMINISTRATIVE COST:	1237,309	1012,854	224,455
CO-OPERATIVE COST:	231,176	138,902	92,274
COMMITTEE EXPENSES:	361,826	349,249	12,577
FINANCIAL COST:	1972,180	1380,362	591,818
TOTAL EXPENSES	4858,267	3750,777	1107,490

SURPLUS

At the end of the fiscal year ended December 31, 2013, Tranquillity Credit Union Co-operative Society is pleased to announce a surplus of \$2.5 Million before statutory allocations of Reserve Fund 10% or \$232,523 and Education Fund 5% or \$116,261.

DIVIDEND

In accordance with Bye-Law 54 (a), a Dividend payment of 5.5% is recommended for the fiscal year ended December 31, 2013.

MEMBERSHIP

Tranquillity Credit Union increased its membership by 3% over 2012, moving the membership from 1779 to 1837, reflecting an increase of 58 new members.

OBITUARIES

The Board extends its sincerest condolences to the bereaved families of members who passed away, and also to members who suffered the loss of their loved ones during the period under review. May the souls of all the dearly departed rest in peace.

INFORMATION SYSTEMS

The Credit Union in January 2014, upgraded its information system to the "Emortelle" system. It is expected to allow Tranquillity to improve the efficiency of member transactions and improve the overall service delivery to members.

Some of the features that will be available to members from August 2014 are:

- TCU E-banking solution provides real-time, on-line management of your account that allows members to transact business safely from the comfort of their home or anywhere in the world. Members can

check their balances, transfer funds, receive e-statements as well as loan status updates. E-banking is fast, free and convenient 24 hours service worldwide.

- TCU Mobile Banking offers a simple solution for your daily Credit Union needs. Members can use a mobile device to access our Mobile Text or Mobile Web Application. Members can also check account balances, request transfers, receive alerts and important messages on Credit Union promotions. TCU Mobile Banking promises to be convenient, time saving and can be accessed anywhere at any time.

TCU VISA DEBIT CARD

The Board is pleased to announce that after two and half years of waiting, the Credit Union's Logo was finally approved by the Ministry of Legal Affairs. This approval is a requirement of VISA. As a result, the Credit Union is now in a position to finalize the Debit Card partnership with Intercommercial Bank Limited.

The Tranquillity VISA Debit Card benefits include:

- No transaction fee to the user at all local automated banking machines (ABM), and at both local and international point of sale/merchant purchases which is ideal for members studying abroad.
- Convenience of not standing in line at the office for withdrawals and cheques
- Free insurance coverage when you travel abroad
- Safer to use than carrying around cash

CONFERENCES/SEMINARS

The Credit Union was represented at the CCCU Annual Conference by President Kerlina Niles,

Vice President Reuben Elias and the Operations Manager Marcia Quammie. The Conference was held in Panama City, Panama from the June 22 – 26, 2013.

Directors Edwin Reid, Esther Pariag and the General Manager Sherwin Cambridge attended the World Credit Union Conference from July 14-17, 2013, Ottawa, Canada.

Directors Sheryl Strachan, Jason Matoram, Credit Committee Member Royds Williams and Loans Officer Lindiwe Mason attended the Trinidad & Tobago Credit Union League Leadership Conference, from May 30-1 June, 2013, in Suriname.

FINANCIAL INTELLIGENCE UNIT (FIU)

During the year and continuing into 2014, the Board has continued to provide training opportunities for members of staff, officers and committees and is assiduously working towards satisfying Financial Intelligence Unit (FIU) Anti-money Laundering and Combating the Financing of Terrorism (AML/ CFT) mandates.

Your Credit Union has a legal obligation to gather information on every member and this is fulfilled through a process termed “Know Your Member”. Towards this end, we encourage every member to supply the requested data that will be used to update members’ records in the Credit Union’s information system.

REPRESENTATION

Our Assistant Secretary Douglas Williams was appointed for one year to the Board of Directors of the North West Regional Chapter of Credit Union League of Trinidad and Tobago.

Our Director Sheryl Strachan who served on the Board of Directors of both the Credit Union League of Trinidad and Tobago and North West Regional Chapter was recognize for her sterling contribution and commitment to the local Credit Union Movement by the North West Regional Chapter and the South West Regional Chapter at their 2014 Annual General Meetings.

OUTGOING MEMBERS OF THE BOARD

In accordance with Bye-Law 22-C, the outgoing

officers are Esther Pariag, Anna-Lisa Arlen-Benjamin, Kathleen Ragoobarsingh and Edwin Reid. We wish thank these outgoing Directors for their services to the Credit Union over the past three years. All outgoing members are eligible for re-election.

OUTLOOK FOR 2014

The Credit Union Board of Directors, Committee Officers and the Management conducted a strategic planning exercise in January 2014, which focused on building clarity, commitment and consensus. The Four Perspectives of the Balanced Scorecard were adopted and aligned to our objectives to strategies.

1. Membership Perspective,
2. Efficiency/Process Perspective,
3. People/Employees Perspective
4. Financial Perspective.

The aim of the strategic plan 2014-2016 is geared towards improving the quality of life by empowering our members through access to high quality services, continuous loan growth and sustainability of the Credit Union.

Acknowledgements

The Board of Directors of the Credit Union continues to express its deep gratitude and appreciation to the Board and Management of Trinidad & Tobago National Petroleum Marketing Company Limited for the use of its premises, and for all the courtesies which they have extended to the Credit Union during the year.

We also express sincere appreciation to the following stakeholders:-

- Co-operative Development Division of the Ministry of Labour and Small and Micro-Enterprises Development;
- Co-operative Credit Union League of Trinidad and Tobago;
- CUNA (Caribbean) Insurance Society Limited;
- North West Regional Chapter of the Co-operative Credit Union League of Trinidad and Tobago;

- Shell (Trinidad) Limited;
- NATPET Investments Limited;
- Petroleum Company of Trinidad and Tobago Limited;
- NP Employees Consumer Co-operative Society Limited;
- Micro Software Designs Limited;

We acknowledge and indeed recognize the enormous contribution from the members of our Supervisory Committee, Credit Committee,

Education/Marketing Committee, Assets & Liabilities Committee and Nomination Committee.

Above all, we thank each member of Tranquillity Credit Union for your support.



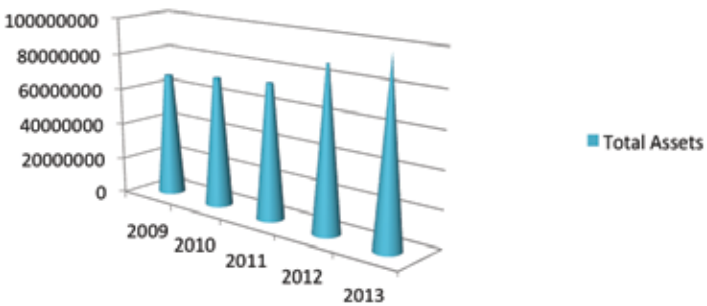
Kerlina Niles

President, Board of Directors

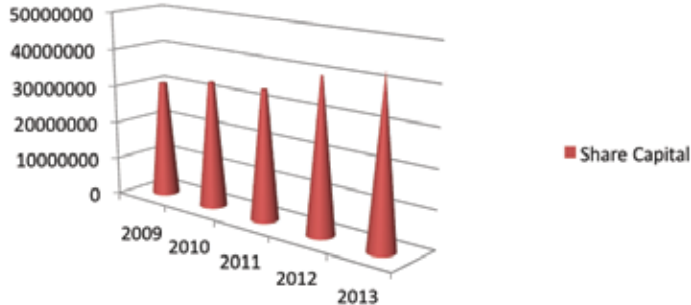
BOARD ATTENDANCE 2013-1014

DIRECTORS	BOARD MEETING (12)	SPECIAL BOARD MEETING (1)	EXECUTIVE COMMITTEE MEETING (12)
KERLINA NILES	11	1	12
REUBEN ELIAS	12	1	11
ANNA-LISA-ARLEN-BENJAMIN	12	1	11
DOUGLAS WILLIAMS	8	0	11
SHERYL STRACHAN	12	0	-
RONALD FRASER	9	1	-
EDWIN REID	12	1	-
ESTHER PARIAG	9	1	-
KATHLEEN RAGOOBARSINGH	6	1	-
RONALD FRASER	9	1	-
JASON MATOORAM	12	1	-
ELIZABETH RAWLINS	9	0	-

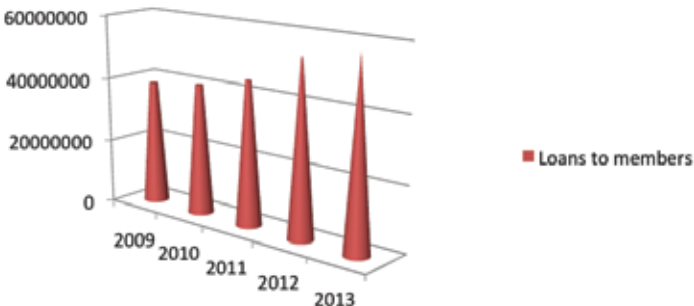
Total Assets 2009 - 2013



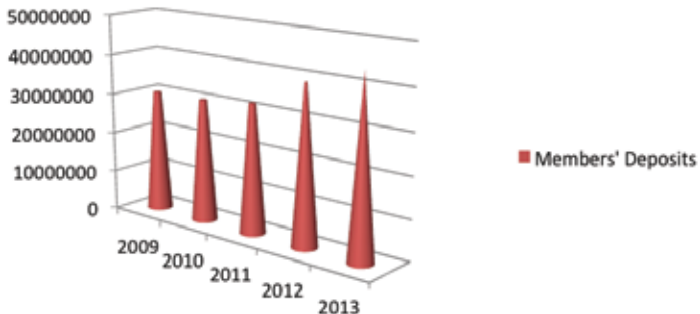
Share Capital 2009 - 2013



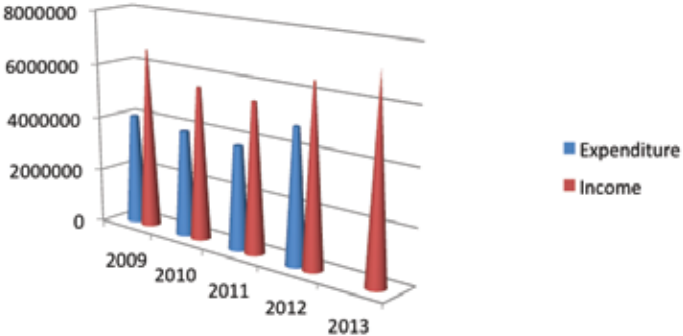
Loans To Members 2009 - 2013



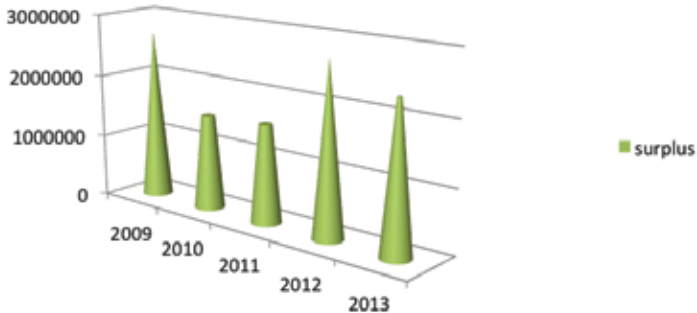
Members' Deposits 2009 - 2013



Income & Expenditure 2009- 2013



Surplus 2009 - 2013





credit COMMITTEE

From Left to Right: Royds Williams, Marsha Smith, Kendal Charles, Kathlene Lalman
(Missing: Azam Ameerli)

credit COMMITTEE Report

Introduction

The Credit committee is statutorily charged as outlined in Section 34 of the Co-operative Societies Act, that is, ensuring that the Credit Administration Policy is adhered to at all times. For the financial year ended December 31, 2013, the Credit Committee is pleased to report on its performance of this function.

Composition

At the 61st Annual General Meeting held on April 26, 2012 the following were elected to serve:

*Azam Ameerli Kathlene Lalman Royds Williams
Kendal Charles Marsha Smith*

At the Committee's first meeting, Mr. Kendal Charles and Mr. Royds Williams were elected as Chairman and Secretary respectively.

Meetings

The Credit Committee convened weekly meetings for consideration of loans presented to the Credit Union. Interviews were also conducted at both the Committee's and members' request to discuss members' financial needs and to ascertain how the Credit Union could assist in these matters.

Credit Supervision

The year under review was faced with challenges as uncertainty lurked within the environment the overall portfolio declined by \$3,542,359.97 even though the number of loans increased by 345 applications when compared to 2012. The Committee noticed that people were apprehensive to borrow, given the Industrial Relations climate of the host company. Despite the noted decline, you the membership continued to keep Tranquillity Credit Union as your premium choice, which afforded us the opportunity to assist you in achieving your goals for your domestic, business, investment, mortgage and education needs. Those

categories increased by and this shows migration of the membership to more productive loans than consumer loans.

As you continue to make Tranquillity Credit Union your prime option for handling your financial matters, you were responsible through your commitment to share savings which utilized the loan products offered augers well for maintaining a robust asset base in taking Tranquillity Credit Union forward into 2014. The interest income earned on loans is as follows:

Interest Income From Loans

DESCRIPTION	Year		
	2013	2012	2011
Interest on			
General	3,319,351	3,097,006	2,837,467
Long Term	575,534	496,648	404,826
Appliance	4,138	11,976	29,935
Vehicle	1,217,123	1,048,686	681,045
Special	114,500	158,392	189,341
Computer	52,577	51,673	52,610
Promotion	7,088	8,338	16,144
Small Business	35,110	30,028	20,616
Line of Credit	352,546	339,753	306,013
Staff Loan	36,794	29,372	19,870
Appliance Promo	103,222	130,454	134,930
D S R	217,827	332,264	207,053
Share Builder	283,384	118,761	102,663
Future Cash Investment Interest	79	371	8,703
Food Voucher Service Charge	55,075	71,825	78,075
	\$ 6,374,349	\$ 5,925,548	\$ 5,089,291

Committee participation

For the period under review the credit committee was called upon to:

- Attend strategic planning workshop
- Sit on the Assets and Liabilities and Marketing committees
- Attend training seminars locally and abroad

Recommendations

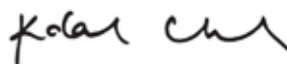
The Credit Union movement operates in an ultra-competitive environment and continues to achieve financial success thus far as a result of innovative ideas with membership fulfillment at the forefront. The membership is reminded that complacency is not an option because TCU belongs to us. We must always strive to make Tranquillity Credit Union the best managed, full service financial co-operative in Trinidad and Tobago. It is in this vein, we the Credit Committee, would like to make the following recommendations:

- Professional development and training for Management, Staff and Officers
- Education of the membership on the importance of investing wisely
- Global sensitization of the membership to the importance of building Tranquillity Credit Union for sustained growth and competitiveness.
- The need to aggressively market the Credit Union's products and services to the existing membership and future prospects.
- Increasing the staff assigned to the loans Department.
- The introduction of Equity loans
- Implementation of the FIU requirements of submission of forms of Identification, Utility Bills and Job letter
- The increase of signature authority for loans for to quicken service to members
- The next committee increase its meeting time in light of TCU's move into their own building

Conclusion

As Tranquillity Credit Union remains innovative amidst the changing environment committed to improving the economic and social well-being of our membership, be reminded that this cannot be achieved without your input. As it grows it must continue to be seen as the ultimate choice when decisions on investing and borrowing are to be made. We commend the Board of Directors and its Sub Committees for their continuous review of the Credit Administration Policy to position Tranquillity Credit Union to achieve the growth in the upcoming years. The Credit Committee wishes to thank the Board of Directors, Management and Staff and our valued members for their support and providing us with the opportunity to serve in 2013.

Respectfully Submitted,



Kendal Charles



Marsha Smith



Azam Ameerli



Royds Williams



Kathlene Lalman

loan

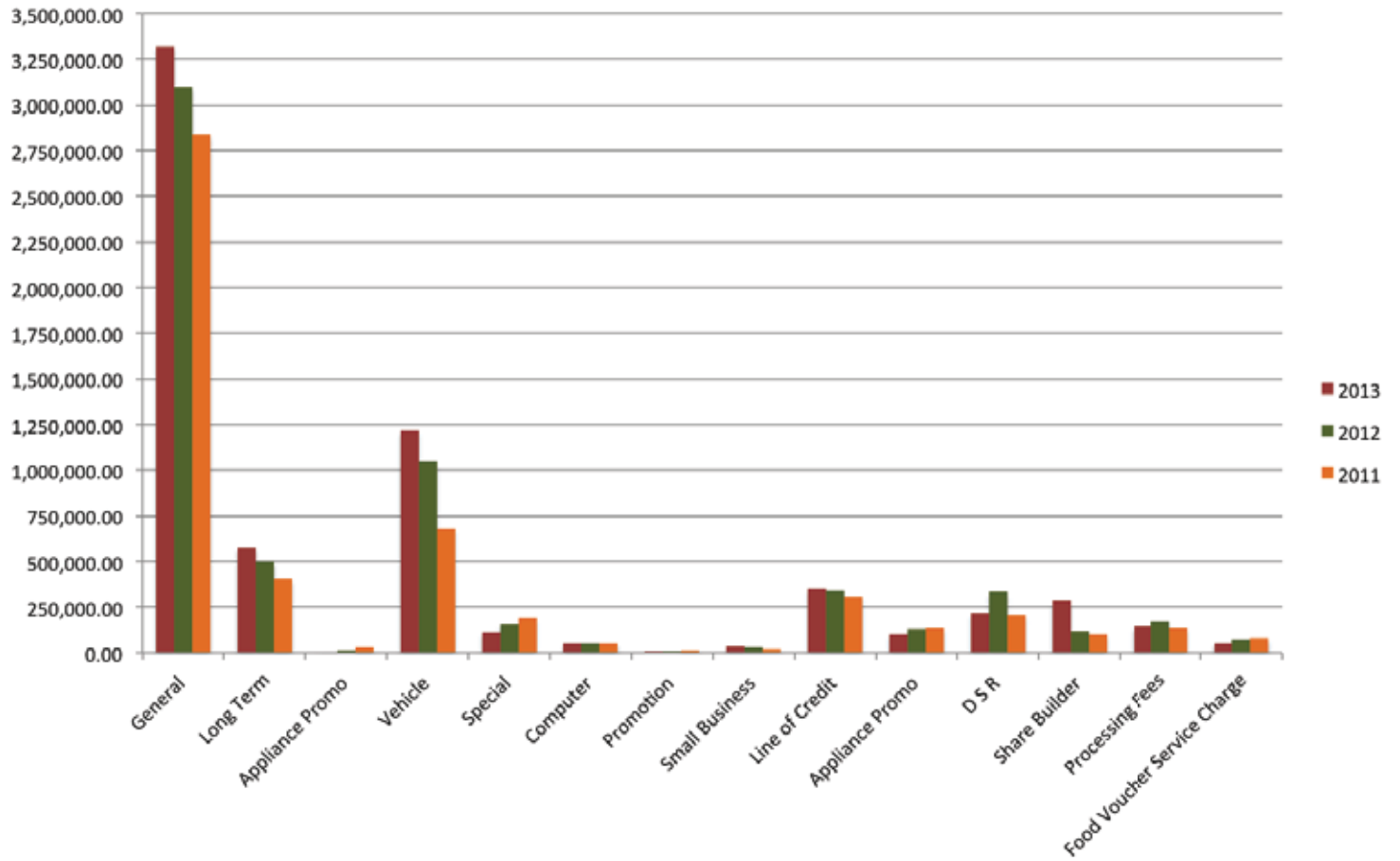
ANALYSIS

Credit Report

LOAN ANALYSIS FOR THE YEAR ENDED DECEMBER 2013

	Year to Date Jan-Dec'13	No. of Loans	%	Year to Date Jan- Dec'12	No. of Loans	%	Variance	%
HOUSING/HOUSE REPAIRS	\$2,881,246.76	104	13%	\$3,384,342.00	121	13%	\$(503,095.24)	-17%
MORTGAGE	\$2,078,821.26	36	9%	\$1,167,850.96	18	5%	\$910,970.30	44%
LAND	\$42,000.00	1	0%	\$665,000.00	5	3%	\$(623,000.00)	-1483%
MEDICAL	\$226,500.00	15	1%	\$322,737.72	30	1%	\$(96,237.72)	-42%
EDUCATION	\$740,923.21	49	3%	\$401,722.00	37	2%	\$339,201.21	46%
FURN./APPL.	\$205,586.75	25	1%	\$267,078.98	35	1%	\$(61,492.23)	-30%
VAC./TRAVEL	\$834,462.43	54	4%	\$474,667.14	37	2%	\$359,795.29	43%
CONS. DEBTS	\$628,471.86	52	3%	\$1,255,802.77	79	5%	\$(627,330.91)	-100%
MOTOR VEHICLE	\$5,899,006.31	71	26%	\$9,229,137.42	133	36%	\$(3,330,131.11)	-56%
CEREMONIAL/BURIAL	\$192,188.48	12	1%	\$199,486.48	7	1%	\$(7,298.00)	-4%
DOMESTIC/PERSONAL	\$4,454,990.86	1792	20%	\$3,254,721.23	1922	13%	\$1,200,269.63	27%
MOTOR VEHICLE REPAIRS	\$496,626.50	55	2%	\$756,727.37	65	3%	\$(260,100.87)	-52%
LEGAL/PROF.	\$69,400.00	6	0%	\$308,000.00	3	1%	\$(238,600.00)	-344%
INSURANCE	\$191,275.78	25	1%	\$161,164.49	22	1%	\$30,111.29	16%
INVESTMENT	\$403,250.00	7	2%	\$217,000.00	5	1%	\$186,250.00	46%
INVESTMENT LOAN	\$-	0	0%	\$-	0	0%	\$-	
COMPUTER	\$228,091.37	29	1%	\$328,207.12	46	1%	\$(100,115.75)	-44%
BUSINESS	\$675,391.69	20	3%	\$336,000.00	18	1%	\$339,391.69	50%
FOOD VOUCHER	\$559,175.00	301	3%	\$729,900.00	397	3%	\$(170,725.00)	-31%
CHRISTMAS EXPENSES	\$126,200.00	14	1%	\$346,900.00	25	1%	\$(220,700.00)	-175%
APPLIANCE PROMOTION	\$430,532.86	34	2%	\$277,124.54	38	1%	\$153,408.32	36%
SHAREBUILDER	\$975,000.00	91	4%	\$1,571,623.92	66	6%	\$(596,623.92)	0%
ON D GO	\$-	0	0%	\$79,338.00	17	0%	\$(79,338.00)	
DSR LOAN	\$-	0	0%	\$146,967.95	12	1%	\$(146,967.95)	
	\$22,339,141.12	2,793	100%	\$25,881,500.09	3,138	100%	\$(3,542,358.97)	-16%

Interest Income from Loans for 2011-2013





supervisory COMMITTEE

From Left to Right: Dianna Joseph, Enos Reid, Richard Trim

supervisory COMMITTEE Report

The Supervisory Committee is pleased to report on its stewardship for the year 2013/2014. Our team comprised of Richard Trim, Dianna Joseph and Enos Reid. The Committee directed its efforts towards reviewing key areas of TCU's operations, processes and procedures to ensure acceptable level of compliance to established regulations and the general reporting framework.

The Activities of the Committee were as follows:

- Cash and Treasury Counts
- Review the Status of Officers
- Review of Fixed Assets Register
- Review of Bank Reconciliations
- Review of Loans Applications and Disbursements
- Review of Minutes of Board of Directors
- Verification of Financial Statements
- Review of any other matters arising for the period

Comments

The Committee's mandate is to ensure that TCU conducts its business in a manner that safeguards and adds value to our members' assets. We were generally satisfied with the overall operations of the Credit Union and its Management Team.

The Committee is pleased to report; that Recommendations made from the 2012/2013 report regarding HR Staffing was successfully implemented by the Board of Directors. New staff members have been added to the TCU's Family. In addition, the Credit Union has also upgraded its Computer Software Systems. This should certainly enhance

the efficiency and productivity levels and services provided to our members.

Recommendations

We recommend that a comprehensive review of the Fixed Asset Register be undertaken by Management. This will ensure that obsolete assets are properly disposed and recorded and the coding of assets should be implemented for easier reference.

Conclusion

The Committee thanks the general membership for granting us the opportunity to serve and also, thank the Management and Staff for their kind co-operation in facilitating us in the executions of its functions. We believe that TCU is heading in the right direction and can only move from strength to strength.

Respectfully Submitted



Enos Reid
Chairman



Dianna Joseph
Secretary



Richard Trim
Member



education COMMITTEE

Reuben Elias, Chairman

education

COMMITTEE Report

The members of the Education Committee for the period May 2013 to April 2014 were as follows:

Mr. Reuben Elias	- Chairman
Ms. Sheryl Strachan	- Member
Mr. Kenrick Jarvis	- Member
Mrs. Marcia Quammie	- Member

The Committee's responsibility is to provide educational and developmental programmes, correspondence and other material for the Tranquillity Credit Union member.

Activities for this period were at a minimal mainly because of challenges faced in conducting meetings and using certain facilities to host events.

However, our signature event, the Secondary Entrance Assessment Awards was a success.

SEA AWARDS

The ceremony was held on Thursday 15th August, 2013 and the children were taken to Digicel IMAX Theatre for an educational movie entitled "The Reef" Games on

preserving the environment and Craft Session with the group Create Future Good.

Following this everyone headed to Pizza Hut Roxy, for lunch and distribution of tokens and Awards.

While the group was small because some children were unable to attend, they all had a great time!

Students:

GIRLS

Maia Salandy
Kerchelle Williams
Afeiya Johnson
Priya Bhagan
Jermeiah Phillip

BOYS

Darion Mc Letchie
Jaydon Matooram
Matthew Harewood
Justin Khan-Ali
Aaron Joseph
Josiah Quammie
Kemuel Williams
Derron Dookie
Rajiv Bhagan





CREDIT UNION DAY ACTIVITIES

Observation of International Credit Union Day was on October 17, 2013 and the theme for 2013 was "Credit Unions Unite for a Better Way" and as is customary, activities for the day included competitions for the members and giveaways.

We look forward to bigger, better celebrations in 2014.



SHARE DRIVE COMPETITION

The "TCU SHARE DRIVE COMPETITION" ended with the exciting draw in July 2013. The Board Report will give all the details but here are some pictures of the event.

Winners were Marcia Dottin-Fraser and Mr Lloyd Wiggins!



UPCOMING ACTIVITIES

Arising out of your comments and feedback at our last AGM, the Education Committee has responded by considering these suggestions and seeking the approval of the Board of Directors to implement these ideas.

Milestone Awards

Tranquillity Credit Union has been in existence for 63 years. We must acknowledge that this milestone has been achieved as a result of the vision, planning, execution and commitment of all the boards, committees and senior members that went before us. Consequently, we propose that from this year and at every subsequent AGM to acknowledge and appreciate two categories of members.

The first will be those members who have served on the Boards of Directors, committees, management and staff. The second category will be those persons who have been continuous and loyal member of the Society for over 40 years.

Youth Awards

As a result of our conversations with the younger membership, we propose to expand the Educational Award Scheme beyond the SEA level to include CXC and CAPE students.

It is our hope that this outreach together with other initiatives and changes in the way we do business will stimulate and encourage participation and growth at the youth level. Our goal is to become their first choice for financial services.

Youth Development / Training

To compliment the previous proposal, Tranquillity Credit Union will offer limited employment to selected members who are pursuing studies between CAPE and second year of tertiary education during the July to August period. At the end of the employment period they will be required to submit one idea to improve the way we do business and service our members.

CONCLUSION

At the conclusion of last year's report the Education Committee undertook to facilitate sessions on Financial Planning and training for the Credit Committee in the area of Mortgage Lending. The Financial Planning sessions did not come off in 2013 but will take place in 2014. Training in Mortgage Lending did take place in the context of the Credit Union's decision to conduct interviews with applicants who are interested in this type of loan and refer the application to the Trinidad and Tobago Mortgage Finance Company.

I wish to thank members of the Education Committee for their contributions and special thanks to Shachia Strachan for her input. We continue to work to improve the lives of all our members through education.



Reuben Elias

Education Committee - Chairman



nominations COMMITTEE

Maria Wellington, Chairman

nominations

COMMITTEE Report

The Nominations Committee for the 63rd Annual General Meeting accepted the resignation of its former Chairman, Danny Adam, and welcomed member, Cecil Paul. The Committee was therefore comprised of the following:

- Maria Wellington - Chairman
- Joseph Ross - Member
- Cecil Paul - Member

The primary function of the Committee is to ensure that the candidates submitted for election at the Annual General Meeting are in compliance with the General Rules for the Board and Committees as contained in the Bye-Laws of the Credit Union.

The Committee received its appointment letters in January, 2014 and the completed Nomination forms in

March, 2014. The documents were accepted and the evaluation process was undertaken. During the process, we were pleased to note that the Candidates provided sufficient information so as to be considered for election to the various positions.

The Committee noted once again an improvement in the number of persons contesting the elections. Twenty (20) members accepted nominations for the Eighteen (18) positions to be filled. All nominations received were in compliance with the Bye Laws and have been included in the list of candidates.

Training was organized for all nominees on their Roles and Responsibilities and was conducted on May 1st and 2nd, 2014 by Ms. Shelley Charles and her team from the office of the Co-operative Division of the Ministry of Labour and Small and Micro Enterprise Development.

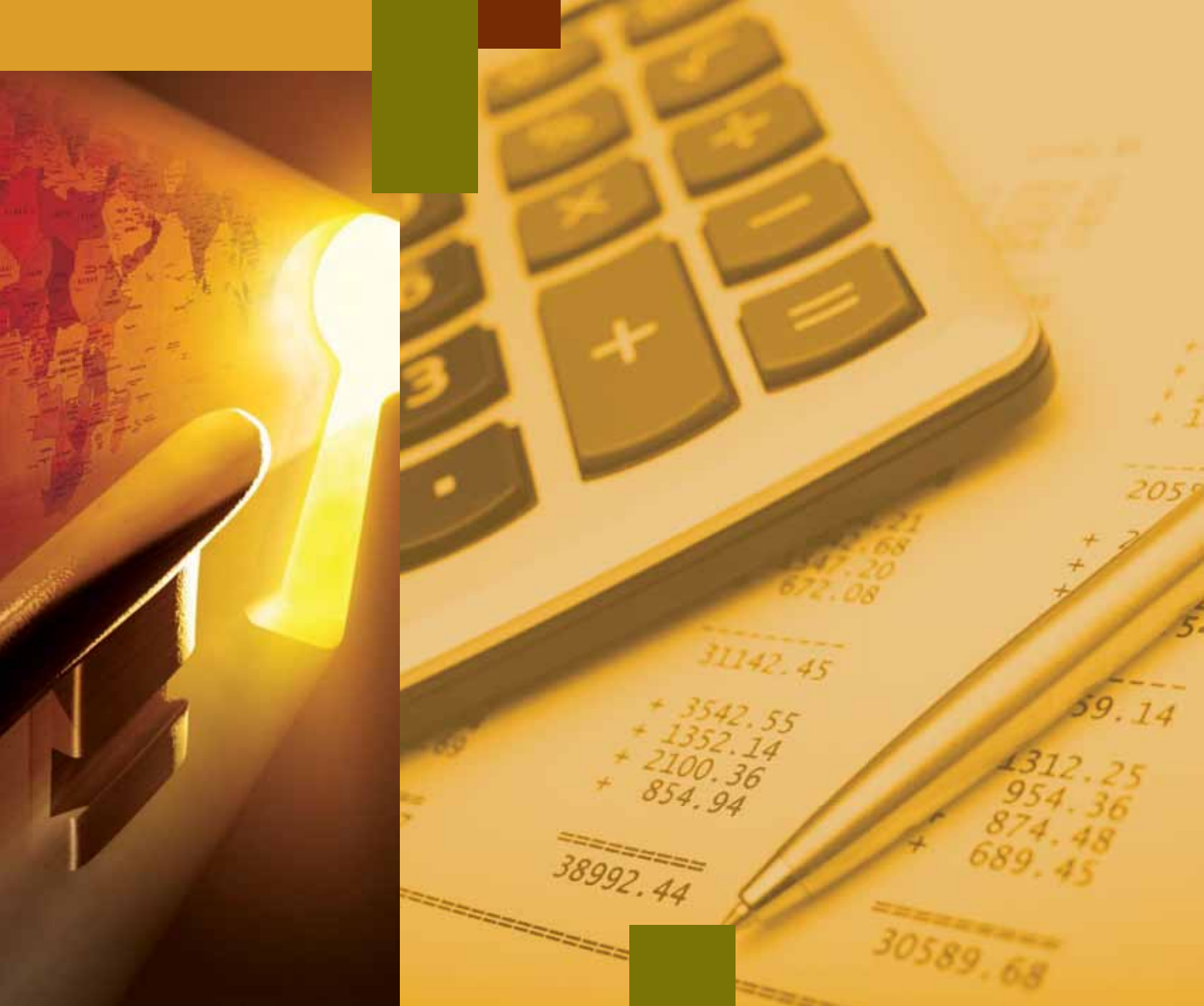
COMMITTEE	CANDIDATE	NOMINATED BY	SECONDED BY	TRAINING ATTENDED (2014)
Board of Directors	Kathleen Ragoobarsingh Esther Pariag Edwin Ian Reid Anna Lisa Arlen Benjamin Allison Khan-Ali Noel Maxwell Robert Fortune	Kerlina Niles Kerlina Niles Beverly-Ann Cruickshank Sheryl Strachan Chester BEEPUP Ronald Fraser Nicole Pierre	Douglas Williams Reuben Elias Hemant Ramdial Kendal Charles Angelique Balbosa-Philip Fareed Adam Dianna Joseph	May 2nd May 1st & 2nd May 1st & 2nd May 1st & 2nd May 1st & 2nd May 1st & 2nd May 1st
Credit Committee	Dexter Hosein Ursha Hector Garth Fitz-Charles Sue Ann Duberry Patrick Azam Ameerali Kathlene Lalman Kendal Charles Marsha Smith Royds Williams	Dexter Nathaniel Kethleen Joseph Ricky Codrington Don Lynch Jeanne Blaize Carlton Reid Andrew Nurse Nadine Whiskey-Ottley Ainka Charles-David	Charles Burke Modlyn Glasgow-Parsons Marcelle Johnson Lecia Harripersad Babita Beeray Hemant Ramdial Raegan Bernard Ainka Charles-David Harold Rajnauth	May 1st & 2nd May 1st & 2nd May 1st & 2nd May 2nd May 1st May 1st & 2nd May 1st & 2nd May 1st May 2nd
Supervisory Committee	Enos Reid Dianna Joseph Richard Trim Kethleen Joseph	Dianna Joseph Enos Reid Beverly-Ann Cruickshank Ursha Hector	Renée Garcia Renée Garcia Cathleen Frank Dianna Joseph	May 1st & 2nd May 1st & 2nd May 1st & 2nd May 1st & 2nd

Respectfully Submitted


Maria Wellington


Joseph Ross


Cecil Paul



financial REPORT

Tranquillity Credit Union Co-operative Society Limited
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

TABLE OF CONTENTS

CONTENTS	PAGE
AUDITORS' REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF COMPREHENSIVE INCOME	3-4
STATEMENT OF CHANGES IN EQUITY	5
STATEMENT OF CASH FLOWS	6
RECEIPTS AND PAYMENTS ACCOUNT	7-10
NOTES TO THE FINANCIAL STATEMENTS	11-24





AUDITOR'S REPORT

To the Members of Tranquillity Credit Union Co-operative Society Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of Tranquillity Credit Union Co-operative Society Limited, which comprise the Statement of Financial Position at December 31, 2013, the Statement of Comprehensive Income, the Statement of Cash Flows, Receipts and Payments Account for the year then ended and incorporating a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these Financial Statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Financial Statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

The Society accounts for income on a cash basis, which is the acceptable standard practice for this industry and acceptable under the Co-operative Societies Act. This basis is a departure from IAS 1 which requires that an entity prepare its financial statements, except for the cash flow information, using the accrual basis of accounting.

Opinion

In our opinion, except for the effects of the preceding paragraph, the accompanying Financial Statements present fairly, in all material respects, the financial position of Tranquillity Credit Union Co-Operative Society Limited at December 31, 2013, and its Financial Performance and its Statement of Cash Flows, for the year then ended in accordance with the Co-operative Societies Act and with International Financial Reporting Standards.



Hardys
CHARTERED ACCOUNTANTS

April 29, 2014
San Fernando, Trinidad, W.I.


Hardys
CHARTERED ACCOUNTANTS

Tranquillity Credit Union Co-operative Society Limited
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2013

ASSETS	NOTES	2013	2012
Non-Current Assets			
Property, Plant and Equipment	5	\$ 6,964,094	\$ 156,635
Members' Loans	6	57,440,247	53,660,298
Long-Term Investments	7 (a)	19,644,717	14,076,452
Total Non-Current Assets		<u>84,049,058</u>	<u>67,893,385</u>
Current Assets			
Inventory		1,150	6,900
Cash at Bank and in Hand	8	4,755,767	2,664,998
Accounts Receivable and Prepayments	9	1,784,984	2,259,019
Short-Term Investments	7 (b)	7,262,760	15,147,926
Total Current Assets		<u>13,804,661</u>	<u>20,078,843</u>
TOTAL ASSETS		<u>\$ 97,853,719</u>	<u>\$ 87,972,228</u>
MEMBERS' EQUITY AND LIABILITIES			
Members' Equity			
Investment Re-measurement Reserve		\$ 882,779	\$ 26,617
Reserve Fund		5,076,827	4,844,304
Education Fund		745,808	656,803
Building Fund		150,770	150,770
Undivided Earnings		2,866,754	2,849,091
Total Members' Equity		<u>9,722,938</u>	<u>8,527,585</u>
Non-Current Liabilities			
Members' Share Balances		43,488,645	39,883,076
Current Liabilities			
Members' Savings and Deposit Accounts	14	43,938,620	39,228,163
Accounts Payable and Accruals	10	703,516	333,404
Total Current Liabilities		<u>44,642,136</u>	<u>39,561,567</u>
Total Liabilities		<u>88,130,781</u>	<u>79,444,643</u>
TOTAL MEMBERS' EQUITY AND LIABILITIES		<u>\$ 97,853,719</u>	<u>\$ 87,972,228</u>

These Financial Statements were approved by the Board of Directors on April 29, 2013.


President


Treasurer


Chairman,
Supervisory Committee



The attached notes and comments form an integral part of these Financial Statements.

Tranquillity Credit Union Co-operative Society Limited
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
INCOME		
Interest on Members' Loans	\$ 6,374,349	\$ 5,925,548
Investment Income	568,943	340,482
Other Income	240,203	214,107
	7,183,495	6,480,137
EXPENDITURE		
Annual General Meeting	214,404	160,243
Audit Fees	17,250	12,000
Bad Debts	200,000	50,000
Bank Charges	22,523	22,894
Conference Costs	199,403	44,726
Computer Services	11,139	7,911
Co-operative Activities	15,171	77,575
Cuna Insurance Premiums	291,847	307,705
Depreciation	32,019	35,361
Directors' Expenses	271,883	251,660
Donation	9,190	19,335
Ex Gratia Payment	41,619	45,031
Fixed Assets Write-Off	23,478	-
Insurance	24,465	29,559
League Dues	16,601	16,601
Legal and Professional Fees	67,749	51,473
Loss on Clico Investment	-	3,918
Marketing Expenses	243,486	264,457
Members' Fixed Deposit Interest	1,313,544	756,470
Members' Premium Deposit Interest	636,113	600,998
Miscellaneous	31,945	4,552
Office Supplies	5,597	3,138
Postage	1,800	1,000
Printing and Stationery	29,531	38,634
Repairs and Maintenance	8,159	5,475
Salaries and Wages	856,551	711,707
Security Courier	6,440	-
Staff Benefits	91,473	89,159
Staff Training and Development	66,135	23,512
Sundry Committees	89,943	97,590
Telephone Expenses	18,809	18,094
	4,858,267	3,750,778
SURPLUS OF INCOME OVER EXPENDITURE	2,325,228	2,729,359



The attached notes and comments form an integral part of these Financial Statements.

Tranquillity Credit Union Co-operative Society Limited
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2013

OTHER COMPREHENSIVE INCOME		
Unrealised Gain on available for sale Financial Assets	211,201	-
TOTAL COMPREHENSIVE INCOME	<u>2,536,429</u>	<u>2,729,359</u>
APPROPRIATIONS		
Transfer to Reserve Fund (10%)	232,523	272,936
Transfer to Education Fund (5%)	116,261	136,468
TOTAL APPROPRIATIONS	<u>348,784</u>	<u>409,404</u>
NET SURPLUS AFTER APPROPRIATIONS	<u>\$ 1,976,444</u>	<u>\$ 2,319,955</u>



The attached notes and comments form an integral part of these Financial Statements.

Tranquillity Credit Union Co-operative Society Limited

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2013

YEAR ENDED DECEMBER 31, 2013

Particulars	Investment Re-measurement Reserve	Reserve Fund	Education Fund	Building Fund	Undivided Earnings	Total
Balance at January 1, 2013	\$ 26,617	\$ 4,844,304	\$ 656,803	\$ 150,770	\$ 2,849,091	\$ 8,527,585
Adjustments						
Net Surplus for the Year					2,325,228	2,325,228
Other Comprehensive Income	211,201					211,201
Transfer to the Reserve Fund		232,523			(232,523)	
Transfer to the Education Fund			116,261		(116,261)	
Entrance Fees to Reserve Fund						-
Education Expenses			(27,258)			(27,258)
Prior Year Adjustment					(664)	(664)
Diminution in value of Investments	644,961					644,961
Honorarium					(40,000)	(40,000)
Dividends Paid - 2012					(1,918,117)	(1,918,117)
Balance at December 31, 2013	\$ 882,779	\$ 5,076,827	\$ 745,806	\$ 150,770	\$ 2,866,754	\$ 9,722,936

YEAR ENDED DECEMBER 31, 2012

Particulars	Investment Re-measurement Reserve	Reserve Fund	Education Fund	Building Fund	Undivided Earnings	Total
Balance at January 1, 2012	\$ (178,150)	\$ 4,571,368	\$ 563,793	\$ 150,770	\$ 1,858,513	\$ 6,966,294
Adjustments						
Net Surplus for the Year					2,729,359	2,729,359
Transfer to the Reserve Fund		272,936			(272,936)	
Transfer to the Education Fund			136,468		(136,468)	
Entrance Fees to Reserve Fund						-
Education Expenses			(43,458)			(43,458)
Diminution in value of investments	204,767					204,767
Honorarium					(40,000)	(40,000)
Dividends Paid - 2011					(1,289,377)	(1,289,377)
Balance at December 31, 2012	\$ 26,617	\$ 4,844,304	\$ 656,803	\$ 150,770	\$ 2,849,091	\$ 8,527,585



The attached notes and comments form an integral part of these Financial Statements.

Tranquillity Credit Union Co-operative Society Limited

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
Operating Activities		
Net Surplus Before Appropriations	\$ 2,525,228	\$ 2,729,359
Adjustment For:		
Depreciation	32,019	35,361
Fixed Assets Written-Off	23,478	-
Less: Prior Year Adjustment	(664)	-
	2,580,061	2,764,720
Operating Surplus Before Changes in Working Capital and Reserves Components		
Decrease in Inventory	5,750	2,400
(Increase) in Loans to Members	(3,979,949)	(9,221,652)
Decrease/(Increase) in Accounts Receivable and Prepayments	474,036	(1,346,093)
Increase in Members' Savings and Deposit Accounts	4,710,457	7,078,586
Increase in Accounts Payable and Accruals	370,113	73,229
	4,160,468	(648,810)
Net Cash Generated From/(Used In) Operating Activities		
Investing Activities		
(Increase)/Decrease in Long Term Investments	(5,568,265)	600,448
Fixed Assets Additions	(6,862,957)	(24,189)
	(12,431,222)	576,259
Net Cash (Used In)/Generated From Investing Activities		
Financing Activities		
Net Movement in the Investment Re-measurement Reserve	856,162	204,767
Education Fund Expenses	(27,258)	(43,458)
Increase in Members' Shares	3,605,569	5,862,441
Honarium Paid	(40,000)	(40,000)
Dividends Paid	(1,918,117)	(1,289,377)
	2,476,356	4,694,373
Net Cash Generated From Financing Activities		
Net Change For The Year	(5,794,398)	4,621,822
Cash and Cash Equivalents at the Beginning of the Year	17,812,924	13,191,102
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 12,018,526	\$ 17,812,924
Represented By:-		
Cash at Bank and in Hand	\$ 4,755,767	\$ 2,664,998
Short-Term Investments	7,262,759	15,147,926
	\$ 12,018,526	\$ 17,812,924



The attached notes and comments form an integral part of these Financial Statements.

Tranquillity Credit Union Co-operative Society Limited

RECEIPTS AND PAYMENTS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2013

RECEIPTS	2013	2012
AGM Expenses	\$ 49,515	\$ 6,599
Appliance Loan Receipts	3,695	99,849
Appliance Promo Loan	32,730	-
Accrued Interest on Oil Not	32,514	-
Bank Charges	9	-
Board Allowances	5,598	-
Building - Maraval	813	-
CLICO	-	9,870,363
Co-operative Activities Refunds	-	13,014
CUNA - FIP Deposits	-	49,244
CUNA - FIP Receivables	-	218,268
DSR Loans	93,194	40,436
Education	-	1,035
First Citizens I.P.O	3,106,532	-
First Line Securities Oil	2,100,000	-
F.I.P Death Benefit Receivables	352,043	-
F.I.P Deposits	42,909	-
Food Voucher Loan Receipts	48,511	79,172
Food Voucher Service Charge	23,875	56,225
Future Cash Investment Loan	1,343	4,417
General Loans Receipts	2,623,361	2,414,525
Interest on Members' Loans Receipts	937,410	810,408
Interest on Roytrin	-	2,925
Legal and Professional Fees	3,985	6,321
Line of Credit Receipts	294,746	198,698
Marketing	19,823	1,964
Members' Fixed Deposit Interest	895	-
Members' Shares Receipts	1,615,323	2,083,234
Mortgage Loan Receipts	31,479	29,429
Naipaul's Supermarket	-	153,600
National Petroleum Company	22,056,627	-
Natpet Receipts	600,375	580,601
NFM Dividend	1,600	-
NPMC Receipts	-	19,383,871
NPMC Employees Consumer Co-op Ltd	27,490	24,716
NPMC Computer Loans	24,061	42,067
NIS Payable	8,997	4,902
Other Accrued Expenses	57,727	-
Other Income Receipts	332,755	71,799
Other Receivables	-	2,364,076
Overages/Shortages	526	720
Pension Payable	-	585
Petrotrin Limited	219,765	203,535
Promotion Loan	7,709	17,020
Regular Savings Receipts	292,685	1,720,559
Salaries Payable	-	12,589
Share Builder Loan Receipts	101,221	28,528
Share Drive Promotion	606,378	1,129,***
Shell Chemicals and Services Limited	87,387	55,
Sing Chong Supermarket	1,700	-



The attached notes and comments form an integral part of these Financial Statements.

Tranquillity Credit Union Co-operative Society Limited
 RECEIPTS AND PAYMENTS ACCOUNT
 FOR THE YEAR ENDED DECEMBER 31, 2013

Small Business/Demand Loans	38,954	3,632
Special Deposits Receipts	17,886,322	15,074,585
Special Loans	4,130	121,958
Staff Loans Receipts	4,020	1,449
Stale/Lost Cheques Payable	56,479	-
Standing Order Deposits	23,125	10,444
Tru Valu Supermarket	-	140,000
Other Loan Repayments	-	293,104
UTC Money Market Fund	6,000,000	3,000,000
Vehicle Loan Receipts	760,619	1,320,253
Total Receipts	<u>\$ 60,620,955</u>	<u>\$ 61,745,840</u>
Opening Balance	\$ 2,664,998	\$ 1,982,078
Total Receipts	60,620,955	61,745,840
Less Payments	58,530,186	61,062,920
Closing Balance	<u>\$ 4,755,767</u>	<u>\$ 2,664,998</u>
Represented By:		
Opening Balance		
Cash at Bank and in Hand	<u>\$ 4,755,767</u>	<u>\$ 2,664,998</u>



The attached notes and comments form an integral part of these Financial Statements.

Tranquillity Credit Union Co-operative Society Limited

RECEIPTS AND PAYMENTS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2013

PAYMENTS	2013	2012
AGM Expenses	\$ 264,969	\$ 162,542
Appliance Loans	-	247,623
Appliance Promo Loans	465,844	-
Audit Fees	12,000	12,000
Bank Charges	23,337	22,894
Board Allowances	45,101	16,685
Building - Maraval	6,221,822	-
Computer (Additions)	49,758	4,287
Computer Services	10,702	-
Co-operative Activities	12,671	81,089
Credit Committee Expenses	700	633
CUNA - F.I.P. Payable	357,254	412,984
Donations	9,190	19,335
DSR Loans	20,000	59,747
Education Expenses	16,511	34,842
Equipment (Cost)	-	2,295
Education Fund	5,570	1,150
Ex Gratia Payments	41,619	45,031
F.I.P. Death Benefits	238,152	204,608
F.I.P. Deposits	27,717	15,694
Food Voucher Loans	60,000	63,500
Furniture and Fixtures (Additions)	34,052	6,495
First Citizens ^o - I.P.O.	3,993,000	-
First Line Securities Oil	-	4,000,000
General Insurance	41,299	27,004
General Loans	10,361,203	10,183,144
Guardian Life IPI Fund	-	5,000,000
Health Surcharge	3,028	3,218
Hi Lo Foodstores Limited	114,900	158,300
League Dues	16,601	16,601
Legal and Professional Fees	86,583	55,025
Line of Credit	954,629	935,713
Loan Clearing Account	-	39,000
Marketing Expense	81,709	108,393
Medical (Employer's Contribution)	22,450	11,973
Members' Legal Fees	-	21,815
Members' Shares	1,502,835	1,020,831
Members' Fixed Deposits	970,077	800
Members' Fixed Deposit Interest	28,267	-
Miscellaneous Payments	26,821	20,758
Mortgage Loans	1,455,585	1,185,000
NIS Payable (Employer's Contribution)	2,697	-
NIS Payable	79,370	67,941
Naipaul's Supermarket	77,600	311,600
Non Statutory Committees	353	7,590
NP Employees' Consumer Co-operative Ltd	-	1,254
NPMC Computer Loans	224,391	319,860
NPMC Consumer Co-op	-	3,100
Office Equipment	2,728	-
Office Supplies	9,137	18,537
Other Accrued Expenses	400,851	342,543
Other Income	22,425	665
Other Payables	-	6,947



The attached notes and comments form an integral part of these Financial Statements.

Tranquillity Credit Union Co-operative Society Limited
 RECEIPTS AND PAYMENTS ACCOUNT
 FOR THE YEAR ENDED DECEMBER 31, 2013

Other Receivables	279,214	10,000
Overages/Shortages	145	800
PAYE Payable	81,219	55,687
Pension (Employer's Contribution)	25,500	7,202
Pension Payable	1,948	20,562
Postage	-	1,000
Prepayments	49,424	-
PriceMart Supermarket Limited	98,000	150,000
Printing and Stationery	29,531	38,460
Promotion Loan	-	81,037
Regular Savings	1,695,206	3,219,989
Repairs and Maintenance	4,918	1,725
Roytrin Mutual Fund	-	4,000,000
Salaries Payable	207,436	190,686
Security Courier	4,600	-
Share Builder Loans	542,872	1,401,528
Share Drive Promotion	219,570	11,604
Share Drive Payable	100,000	-
Sing Chong Supermarket Limited	17,700	17,200
Small Business/Demand Loans	42,000	120,000
Special Deposits	20,139,463	18,324,049
Special Loans	75,000	515,333
Staff Incentives	12,798	5,207
Staff Loans	154,485	225,189
Staff Training and Development	66,135	24,961
Staff Travelling	1,800	300
Standing Order Deposits	114,681	115,350
Standing Orders Payable	371,264	360,165
Sub-Account Rental	14,000	-
Supervisory Expenses	389	-
Telephones	18,809	18,094
Tru Valu Supermarket Limited	39,600	220,000
Unit Trust (Income & Growth Fund)	3,500,000	2,800,000
Unallocated Receipts	-	4,400
Vehicle Loans	2,027,685	3,796,620
WOCCU/CCCU Conference Costs	199,286	44,726
	\$ 58,530,186	\$ 61,062,920



The attached notes and comments form an integral part of these Financial Statements.



Tranquillity Credit Union Co-operative Society Limited

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

1 REGISTRATION AND PRINCIPAL ACTIVITIES

The Society is registered under the Co-operative Societies Act Chapter 81:03 on November 7, 1952 [No. 127]. Its objectives are to promote the economic welfare of its members, self-help and co-operation and to promote the development of co-operative ideas.

2 ACCOUNTING POLICIES

a) Basis of Accounting

These Statements have been prepared on the historic cost basis and in accordance with International Financial Reporting Standards and the requirements of the Co-operative Societies Act.

b) Use of Estimates

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

c) Property, Plant and Equipment and Depreciation

PPE are recorded at cost and depreciation is computed on the reducing balance basis at rates which are considered sufficient to write off the cost of the assets over their estimated useful lives.

Upon disposal or retirement of assets, the cost and related depreciation are removed from the accounts and the gain or loss, if any, is reflected on the Statement of Comprehensive Income.

The depreciation rates are as follows:

Computer	- 25%
Furniture & Fixtures	- 12.5%
Equipment	- 20%
Building	- 10%

d) Investments

The Society has classified all investments into the following category:

Available-for-sale

These securities are intended to be held for an indefinite period of time but may be sold in response to the needs for liquidity or changes in interest rates, exchange rates or equity prices. After initial recognition, available-for-sale investments are measured at a fair value with unrealized gains or losses recognized in the Investment Re-measurement Reserve.

For actively traded investments, fair value is determined by reference to the Stock Exchange quoted market prices at the Statement of Financial Position date, adjusted for transaction cost necessary to realize the investment. For investments where there is no quoted market price, the carrying value is deemed to approximate fair value.





Tranquillity Credit Union Co-operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

e) Financial Instruments

Financial instruments are contracts that give rise to financial asset of one entity and a financial liability or equity instruments of another entity.

Financial assets and financial liabilities are recognized on the Society's Balance Sheet when the Society becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are recognized or derecognized on the trade date, that is, the date on which the Society commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

Financial assets are derecognized when the contractual rights to receive the cash flows expire or where the risk and rewards of ownership of the assets have been transferred.

f) Impairment of Financial Assets

The Society assesses at each Statement of Financial Position date, whether there is objective evidence that a financial asset or a group of financial assets are impaired. Impairment Losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the recognition of the asset and that the loss event(s) has an impact on the future of the financial asset or group of financial assets. Observable data used to determine that there is objective evidence of an impairment loss are;

- i. Significant financial difficulty of the borrower.
- ii. A breach of contract, such as delinquency in contractual payments.
- iii. It's becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- iv. The disappearance of an active market for that financial asset because of financial difficulties.

If there is objective evidence that an impairment loss on loans and other financing has been incurred, the amounts of the loss is measured as the difference between the asset's carrying amount and the estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of income.

When a loan is uncollectable, it is written off against the related provision for impairment loss. Such loans are written off after all the necessary procedures have been completed and the amounts of the loss have been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for impairment loss in the statement of income.

Impairment losses are recorded in an allowance account and are measured and recognized as follows:

i.) Financial assets measured at amortized cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate is recognized in the Statement of Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as improvement in the debtor's credit rating), the previously recognized loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortized cost.





Tranquillity Credit Union Co-operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

would have been had the impairment not been recognized at the date that the impairment is reversed. The amount of the reversal is recognized in the Statement of Income.

ii.) Financial assets measured at cost

The difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the current market's rate of return for similar financial assets is recognized in the Statement of Income. These losses are not reversed.

iii.) Financial Liabilities

When financial liabilities are recognized initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-valued at amortized cost using the effective interest method.

Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognized in the Statement of Income.

Cash and Cash Equivalents

Cash and cash equivalents comprise of deposits held on call with Banks and investment units held with Unit Trust Corporation. These are short term liquid instruments, that are readily convertible to known amounts of cash and are so near to maturity, that they present insignificant risk of changes in value due to changing interest rates.

Accounts Receivable

Accounts receivable are initially measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognized in the Statement of Income and Undivided Earnings when there is objective evidence that the asset is impaired.

Loans to Members

Loans to members are stated at principal amounts outstanding net of allowances for loan losses. Specific provisions are made for potential losses on non-performing loans on the basis of net realizable value. Periodic portfolio reviews are conducted during the course of each year to determine the adequacy of provisions. Loans are secured by various forms of collateral, including charges over tangible assets certificates of deposit, and assignment of funds held with other financial institutions.

Accounts Payable

Accounts payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.





Tranquillity Credit Union Co-operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Members' Deposits

Members' deposits are stated at the principal amounts invested by members together with any capitalised interest.

Members' Shares

Members' shares are classified as equity and stated at fair value. In accordance with the Society's bye-laws each member, not being a minor, shall purchase at least one [1] ordinary share valued at five dollars [\$5.00] each.

g) Revenue Recognition

Loan Interest

Interest charged on all loans to members is calculated at 0.75% and 1.5% per month on the outstanding balance at the end of each month on the outstanding balance at the end of each month, these are in accordance with Section 51 of the Bye-laws and the Loan Policy. Loan interest is accounted for on the cash basis.

Interest on non-performing loans is not accrued or taken into income on an ongoing basis because there is doubt as to the recoverability of the loans. Income from non-performing loans is taken into income on a cash basis, but only after specific provisions for losses have been made.

For non-performing loans, specific provisions are made for the unsecured portion of the loan. The amount of the provision is dependent upon the extent of the delinquency.

Investment Income

Income from investments is accounted for on the accruals basis except for dividends, which are accounted for on a cash basis, consistent with International Accounting Standard (IAS) #18.

h) Dividends payable to Members'

Dividends are calculated using the weighted average method, which presumes that the Society had the benefit of the smallest share month value for the longest period. Thus the highest weight is applied to the lowest and vice versa. Dividends that are proposed and declared after the Statement of Financial Position date are not shown as a liability in accordance with IAS #10.

i) Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad & Tobago dollars at rate of exchange ruling at the Statement of Financial Position date. All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in Statement of Income.



Tranquillity Credit Union Co-operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

j) 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.

k) Comparative Figures

Where necessary, comparative amounts have been adjusted to conform with changes in presentation in the current year.

3 FINANCIAL RISK MANAGEMENT

The Society's activities expose itself to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or a combination of risks. Taking risks is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Credit Union's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Credit Union's financial performance.

The Credit Union's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risk and adherence to limits by means of reliable and up-to-date information systems. The Credit Union periodically reviews its risk management policies and systems to reflect changes in products and emerging best practice.

Risk Management is carried out by the Credit Committee under policies approved by the Board of Directors.

The Credit Committee identifies and evaluates financial risks in close co-operation with the Credit Union's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate and credit risk. In addition, the Supervisory Committee is responsible for the independent review of risk management and the control environment. The most important type of risks are credit risks and other operational risks.

i. Credit Risk

The Credit Union takes on exposure to credit risk, which is the risk that a member(s) will cause a financial loss for the Credit Union by failing to discharge an obligation.

Management of Risk

Credit risk is the most important risk for the credit union's business which principally arises in lending activities that lead to loans and other financing. The credit risk management and control are reported to the Board of Directors regularly. In order to effectively manage credit risk, the following are considered;

- a) Proper judgement of the creditworthiness of the member when analyzing the loan application
- b) Adequate collateral held as security for funds advanced





Tranquillity Credit Union Co-operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

- c) Maintenance of a strict and aggressive collection policy
- d) Monthly review of the risk ratios for the management of credit risk
- e) Maintenance of a prudent loan provisioning policy
- f) Monitor exposures against limits to any one member
- g) The Credit Committee to be informed of any large exposures to any one borrower or borrower group in default
- h) The information technology system for reporting, monitoring and controlling risks is properly maintained and updated
- i) Regular reporting to the Board of Directors on the performance of the loan portfolio

ii. **Interest Rate Risk**

The interest rate risk arises from the possibility that changes in market rates will affect future cash flows or the fair values of financial instruments externally and held internally by its members. The credit union is exposed to interest rate risks on annuity, fixed deposits and money market investments that can experience fluctuations on interest rates currently or upon reinvestment after maturity.

Management of Risk

The credit union should mitigate interest risk by setting interest rates on loans and other financing facilities taking into consideration the effects of an increase in funding cost during the short to medium term. Management is expected to monitor interest rate risks on these financial instruments and report on changes in the statements of financial position and income.

iii. **Liquidity Risk**

Liquidity Risk is the risk where the Credit Union will be unable to meet its payment obligations when they fall due under normal and stressed circumstances.

Management of Risk

Through experience and monitoring, the Credit Union is able to maintain sufficient liquid resources to meet current obligations. The current asset ratio which compares current asset to current liabilities is 0.33 to 1. The largest of the current liability is Members' Deposits which has shown a consistent increase over the years suggesting that there is a greater tendency of members to save using this facility. This trend suggests a lesser possibility of any extraordinary call by the overall membership for these savings which can lead to undue stress on the Credit Union's Liquidity.

iv. **Market Risk**

The Credit Union is exposed to market risk, which is the risk that the fair values or future cash flows of invested financial instruments will fluctuate because of changes in market prices. Market risks arise from open positions in interest rates, equity prices, currency exchange rates and other market factors.

Management of Risk

Management is entrusted with the responsibility to monitor this risk, however, no formal system is in place to effectively and specifically report on market changes and do sensitivity analysis on investments, considering future impact on cash flows on a systematic basis.



Wardys
CHARTERED ACCOUNTANTS



Tranquillity Credit Union Co-operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

v. **Foreign Currency Exchange Risk**

The credit union is exposed to foreign exchange risk as a result of fluctuations in exchange rates, since it has financial assets that are denominated in the US dollar currency.

Management of Risk

Management is responsible to monitor and report on changes that impacts on these financial assets.

vi. **Operational Risk**

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

vii. **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 Inspector of Financial Institutions at Central Bank of Trinidad & Tobago, as well as by the monitoring controls applied by the Society.

viii. **Reputation Risk**

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

4. **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the Society's accounting policies. See Note 2 (b)

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The Society 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 recognized in the Statement of Income in the period 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 recognized in the financial statements, are as follows:





Tranquillity Credit Union Co-operative Society Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

- i) Whether investments are classified as held-to-maturity investments, available-for-sale or loans and receivables.
- ii) Whether leases are classified as operating leases or finance leases.
- iii) Which depreciation method for plant and equipment is used.

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Statement date (requiring management's most difficult, subjective or complex judgement(s) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Impairment of Assets

Management assesses at each Statement of Financial Position 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 over the future cash flows. Provisions are made of the excess of the carrying value over its recoverable amount.

ii) Plant and Equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalized and in estimating the useful lives and residual values of these assets.



Tranquillity Credit Union Co-operative Society Limited
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2013

5 PROPERTY, PLANT AND EQUIPMENT

(i) Year Ended December 31, 2013 - The sum of \$ 6,964,094 is made up as follows:-

	Computers	Furniture & Fixtures	Equipment	Land	Building	Total
Cost						
At Jan. 1, 2013	\$ 460,819	\$ 183,290	\$ 110,557	\$ -	\$ -	\$ 754,666
Additions	121,122	27,345	6,095	2,500,000	4,208,395	6,862,957
Write-offs	(22,474)	-	(1,004)	-	-	(23,478)
At Dec. 31, 2013	559,467	210,635	115,648	2,500,000	4,208,395	7,594,145
Depreciation						
At Jan. 1, 2013	392,287	113,419	92,326	-	-	598,032
Charge	14,614	10,443	4,159	-	2,803	32,019
At Dec. 31, 2013	406,901	123,862	96,485	-	2,803	630,051
Net Book Value						
At Dec. 31, 2013	\$ 152,566	\$ 86,773	\$ 19,163	\$ 2,500,000	\$ 4,205,592	\$ 6,964,094

(ii) Year Ended December 31, 2012 – The sum of \$156,635 is made up as follows:-

	Computers	Furniture & Fixtures	Equipment	Total
Cost				
At Jan. 1, 2012	\$ 456,229	\$ 163,691	\$ 110,557	\$ 730,477
Additions	4,590	19,599	-	24,189
At Dec. 31, 2012	460,819	183,290	110,557	754,666
Depreciation				
At Jan. 1, 2012	370,527	104,376	87,768	562,670
Charge	21,760	9,043	4,558	35,361
At Dec. 31, 2012	392,287	113,419	92,326	598,031
Net Book Value				
At Dec. 31, 2012	\$ 68,532	\$ 69,871	\$ 18,231	\$ 156,635



Tranquillity Credit Union Co-operative Society Limited
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2013

6 MEMBERS' LOANS

Members' loans are stated at principal outstanding, net of a provision for loan losses. The provision for loan losses is based on the Board of Directors' evaluation of the performance of the loan portfolio under current economic conditions and past loan loss experience.

		2013	2012
Loans to Members	(i) below	\$ 58,133,547	\$ 54,153,598
Less: Provision for loan losses		(693,300)	(493,300)
		<u>\$ 57,440,247</u>	<u>\$ 53,660,298</u>
<u>Provision for loan losses:</u>			
Balance, beginning of the year		493,300	493,300
Charge for the year		200,000	-
Balance, end of year		<u>\$ 693,300</u>	<u>\$ 493,300</u>

(i) LOANS TO MEMBERS

The sum of \$57,440,247 is made up as follows:-

		2013	2012
General Loans		\$ 31,801,629	\$ 30,634,580
Mortgage Loans		5,637,076	4,552,360
Appliance Loans		47,707	731,648
Vehicle Loans		12,564,603	11,091,442
Food Voucher Loans		574,046	728,145
Special Loans		712,694	-
NPMC Computer Loans		362,511	362,623
Promotion Loans		36,895	105,832
Small Business Demand Loans		167,691	249,763
Line of Credit		2,159,800	2,087,648
Staff Loans		665,885	566,821
Future Cash Investment Loans		6,192	7,535
Appliance Promo		726,924	-
DSR Loans		861,803	1,505,256
Share Builder Loans		1,808,091	1,529,945
Provision for Bad Debts		(693,300)	(493,300)
		<u>\$ 57,440,247</u>	<u>\$ 53,660,298</u>



Tranquillity Credit Union Co-operative Society Limited
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2013

7 (a) LONG-TERM INVESTMENTS

The sum of \$19,644,717 is made up as follows:-

	2013	2012
T&T Unit Trust Corporation- Income and Growth Fund	\$ 3,500,000	\$ -
T&T Unit Trust Corporation - North American Fund	47,001	39,140
Guardian Life IPI Fund	7,000,000	7,000,000
Shares- Co-operative CU League	10,000	10,000
Roytrin Mutual Fund	5,196,492	4,863,124
Shares- National Flour Mills	9,500	14,000
Royal Scandia (E.W.B)	50,625	50,625
Republic Bank (Income & Growth)	2,209,264	2,099,562
Laqtel Limited	1	1
First Citizens Bank - I.P.O	1,621,834	-
	<u>\$ 19,644,717</u>	<u>\$ 14,076,452</u>

(b) SHORT-TERM INVESTMENTS

The sum of \$7,262,760 is made up as follows:-

	2013	2012
Money Market Fund:		
- Trinidad and Tobago Unit Trust Corporation	\$ 5,204,840	\$ 11,090,583
- Republic Bank Limited	57,920	57,343
First Line Securities Oil Note	2,000,000	4,000,000
	<u>\$ 7,262,760</u>	<u>\$ 15,147,926</u>

8 CASH AT BANK AND IN HAND

The sum of \$4,755,767 is made up as follows:-

	2013	2012
Cash in Transit	\$ 841,253	\$ 320,505
Republic Bank Limited – Current Account	3,914,514	2,344,493
	<u>\$ 4,755,767</u>	<u>\$ 2,664,998</u>



Tranquillity Credit Union Co-operative Society Limited
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2013

9 ACCOUNTS RECEIVABLE AND PREPAYMENTS

The sum of \$1,784,984 is made up as follows:-

	2013	2012
National Petroleum Marketing Company	\$ 1,519,162	\$ 1,976,453
Shell Chemicals and Services Limited	10,717	-
Petrotrin Limited	21,786	890
NP Employees Consumer Co-operative Limited	1,254	1,254
NATPET	61,801	34,997
NATSTAR	16,500	16,500
Other Receivables	58,239	22,625
CUNA- FIP Death Benefit Receivable	-	69,924
CUNA- Family Indemnity Plan Receivable	6,866	6,866
Accrued Interest on Oil Notes	25,000	41,257
Accrued Interest on Other Investments	36,894	88,330
Computer Loan Interest- NP Staff	(77)	(77)
Prepayments	26,842	-
	<u>\$ 1,784,984</u>	<u>\$ 2,259,019</u>

10 ACCOUNTS PAYABLE AND ACCRUALS

The sum of \$703,516 is made up as follows:-

	2013	2012
CUNA Family Indemnity Plan	\$ 55,327	\$ 29,357
Other Accrued Expenses	527,549	78,405
Audit Fees	17,250	-
CUNA Beneficiary Account	43,924	43,924
Roytrin Mutual Fund	-	12,000
Standing Order Payable	(13,013)	7,847
Share Drive Payable	-	141,570
Sing Chong Supermarket	11,400	17,300
NP Consumer Co-operative Ltd	4,600	2,000
Tru Value Supermarket	-	1,000
Stale/Lost Cheques Payable	56,479	-
	<u>\$ 703,516</u>	<u>\$ 333,404</u>



Tranquillity Credit Union Co-operative Society Limited
PROJECTIONS 2014
BALANCE SHEET

ASSETS	Budgeted 2014	Audited 2013
CASH RESOURCES:		
Cash in Hand	\$ 447,740	\$ 842,403
Cash at Bank	1,374,658	3,914,514
Short-Term Investments	7,467,470	7,262,760
	<u>9,289,868</u>	<u>12,019,677</u>
OTHER ASSETS:		
Accounts Receivable and Prepayments	\$ 1,802,834	\$ 1,784,984
Loans to Members (net)	66,150,032	57,440,247
Long Term Investments	21,785,293	19,644,717
Property, Plant and Equipment	\$ 10,790,119	\$ 6,964,094
	<u>100,528,278</u>	<u>85,834,042</u>
TOTAL ASSETS	<u>\$ 109,818,146</u>	<u>\$ 97,853,719</u>
 LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES:		
Accounts Payable and Accruals	\$ 809,043	\$ 703,516
Members' Savings and Deposit Accounts	49,518,215	43,938,620
	<u>50,327,258</u>	<u>44,642,136</u>
MEMBERS' EQUITY:		
Members' Share Balance	49,142,169	43,488,645
Reserve Fund	5,374,805	5,076,827
Undivided Earnings	3,075,568	2,866,754
Education fund	864,797	745,808
Building Fund	150,770	150,770
Investment Re-measurement Reserves	882,779	882,779
	-	
TOTAL MEMBERS' EQUITY	<u>59,490,888</u>	<u>53,211,583</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 109,818,146</u>	<u>\$ 97,853,719</u>

Tranquillity Credit Union Co-operative Society Limited

PROJECTIONS 2014

INCOME AND EXPENDITURE

INCOME:	Budgeted 2014	Audited 2013
Interest on Members' Loans	\$ 7,117,273	\$ 6,374,349
Investments Income	266,637	568,943
Other Income	605,010	240,203
Total income	7,988,920	7,183,495

GENERAL & ADMINISTRATIVE EXPENSES:

Annual General Meeting	126,515	214,404
Audit Fees	17,550	17,250
Car Park Lease	110,400	-
Bad Debts Provision	200,000	200,000
Bank Charges	25,000	22,523
Conference Cost	-	199,403
Computer Services	20,000	11,139
Co-branded VISA Debit Card	48,400	-
Co-operative Activities	42,000	15,171
Cuna Insurance Premiums	290,000	291,847
Depreciation	60,000	32,019
Directors Expenses	270,000	271,883
Donation	20,000	9,190
Electricity	14,000	-
Equipment Rental	6,000	-
Ex Gratia Payment	50,000	41,619
Fixed Assets Write-Off	-	23,478
Insurances	46,249	24,465
janitorial Services	20,000	-
League Dues	16,601	16,601
Legal and Professional Fees	156,340	67,749
Marketing Expenses	319,557	243,486
Members' Fixed Deposits Interest	1,116,001	1,313,544
Members' Premium Deposits Interest	639,815	636,113
Miscellaneous	4,000	31,945
Office Supplies	20,000	5,597
Postage	4,000	1,800
Printing and Stationery	40,000	29,531
Rates & Taxes	8,300	-
Relocation Expenses	15,000	-
Repairs and Maintenance	15,000	8,159
Salaries and Wages	1,019,228	856,551
Security Courier	24,000	6,440
Storage Expenses	6,000	-
Staff Benefits	216,783	91,473
Staff Training and Development	80,000	66,135
Sundry Committees	98,400	89,943
Non Statutory Committee	12,000	-
Telephone Expenses	32,000	18,809
Total expenses	5,209,139	4,858,267
Net surplus for the year	\$ 2,779,781	\$ 2,325,228



Tranquillity Credit Union Co-operative Society Limited

PROJECTIONS 2014 INCOME AND EXPENDITURE

CAPITAL EXPENDITURE:	Budgeted 2014
Computer Equipment	116,025
Furniture & Fixtures	500,000
Equipment PBX System	30,000
Building	3,200,000
	<hr/>
Total Capital Expenditure	3,846,025
	<hr/> <hr/>

RESOLUTIONS

Dividend

“Be it resolved” that in accordance with Bye-Law 54 a dividend of 5.5% be approved and that 2% be credited to members’ Share Account consistent with Bye-Law 54. (a) for the year ended 31st December 2013 and be it further resolved that dividends due to members whose accounts have become delinquent be credited to their outstanding loans and interest balances.

Board of Directors Honorarium

“Be it resolved” that in accordance with Bye-Law 54 (d) the 63rd AGM approves honorarium is the sum of \$40,000.00 to be distributed among the Board of Directors, Credit Committee and the Supervisory Committee for the period under review.

Appointment of Auditor

Be it resolved that the firm Hardy’s Chartered Accountants be retained as Auditors of the Tranquillity Credit Union for the fiscal year 2014.

Building Fund

Whereas Tranquillity Credit Union has a Building Fund to be used for the purchase of its own premises and whereas the total in this fund is One Hundred and Fifty Thousand Dollars (\$150,000.00).

Whereas Tranquillity Credit Union has purchased property on #5 Maraval Road, Newtown, Port of Spain for occupation.

Be it resolved that the sum of One Hundred and Fifty Thousand Dollars (\$150,000.00) be transferred from the Building Fund to the Reserve Fund.

which would you prefer?



a penny for
your thoughts...



or dollars for
your dreams?

Make your dreams reality by preparing now for
your future, with a
TCU PREMIUM ACCOUNT or FIXED DEPOSIT!

PREMIUM ACCOUNT

SAVINGS	INTEREST RATE
\$ 100 – 100,000	3.00%
\$ 100,001 – 250,000	3.25%
\$ 250,001 – 350,000	3.50%
\$ 350,001 and OVER	4.00%

FIXED DEPOSIT

AMOUNT	1 YEAR	2 YEARS
\$ 500 – 100,000	3.25 %	3.50 %
\$ 100,001 - 250,000	3.50 %	4.00 %
\$ 250,001 – 350,000	3.75 %	4.50 %
\$ 350,001 – 999,999	4.25 %	5.00 %
\$ 1M and over	4.50 %	5.50 %



At TCU, it's all about you!



CALL OR EMAIL US TODAY

625-1364 Ext. 340/341/573 • loans@tranquillitycu.com



Tranquillity Credit Union

www.tranquillitycu.com



NP House
Sea Lots, Port-of-Spain, Trinidad & Tobago
Tel: (868) 624-1364 Ext: 340/341 • Fax: (868) 627-4339



www.tranquillitycu.com