



# Annual Report 2 0 1 4



**Repositioned  
for Excellence**



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**Repositioned  
for Excellence**



*Live your*  
**Passions**

*Drive in Confidence and Pride  
with a loan from Tranquillity Credit Union*



#5 Maraval Road, Newtown, Port of Spain  
Phone:(868) 628-9266/6466 • Fax: (868) 628-1847

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# 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 we  
May not so much seek  
To be consoled as to console  
To be understood as to understand  
To be loved as to love;  
For it is in giving that we receive,  
It is in pardoning that we are pardoned  
And it is in dying that we are born to eternal life.



Annual Report  
2014



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Annual Report  
2014

A photograph of the Tranquillity Credit Union building, featuring a yellow facade and blue accents. The name 'TRANQUILLITY CREDIT UNION' is visible on the building. The image is partially obscured by purple and blue geometric overlays.

# notice of MEETING

NOTICE IS HEREBY GIVEN that the Sixty Fourth (64th) Annual General Meeting of the Tranquillity Credit Union Co-operative Society Limited. Meeting will be held at:

**RADISSON HOTEL, Wrightson Road,  
Port of Spain**

on

**THURSDAY MAY 28th 2015**

**commencing at 5:00 p.m.**

**Registration begins at 4:30 p.m.**

Members are requested to be on time to allow the meeting to 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 64th A.G.M.
5. Adoption of Standing Orders
6. President's Address

7. Minutes of the 63rd Annual General Meeting
8. Reports for the 2014/ 2015 Term

- *Board of Directors' Report*
- *Credit Committee's Report*
- *Education Committee's Report*
- *Supervisory Committee's Report*
- *Auditor's Report*
- *Financial Statements*
- *Budget*

9. Resolutions
10. Amendments to Bye Law 2
11. Nominations Committee's Report
12. Election of Officers
13. Election Results
14. Other Business
15. Closing Prayer

BY ORDER OF THE BOARD OF DIRECTORS

**ANNA-LISA ARLEN-BENJAMIN**  
Hon. Secretary

A photograph of the Tranquillity Credit Union building, featuring a yellow facade and blue accents. The name 'TRANQUILLITY CREDIT UNION' is visible on the building. The image is overlaid with a purple and blue geometric pattern.

# 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.



greetings  
from the office  
of the  
**PRESIDENT**  
Kerlina Niles

When I took the office of President in 2012, I had a dream. My dream was to reposition Tranquillity Credit Union (TCU) to a platform of excellence which would:

- a) provide greater national reach
- b) create improved efficiency
- c) increase our asset base to \$100M; and
- d) allow us to acquire our own building

These undoubtedly, were very ambitious goals. As such, after the Board established its strategic direction, the committees were subsequently engaged to discuss the key areas of our strategic plan, as it related to the ambit of authority of each committee. We redefined our Mission Statement to read as follows:

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

Notwithstanding the challenges which arose, the experience gained was invaluable.

As I conclude my three-year term as President, it gives me great pleasure to report that over the period under review, the following was accomplished:

- a) *The infrastructure of the Credit Union was fortified*
- b) *An overhaul of our operational processes to facilitate improved efficiency and economies of scale*
- c) *Approval was received from the Commissioner of Credit Unions to expand our bond to 13 other energy companies*
- d) *Our asset base increased from \$70M in 2012 to \$102M in 2014. This represented a 68.6% increase*
- e) *We acquired our own building in 2014 after 63 years of existence, and renovated it debt free. Our Head Office now proudly stands at #5 Maraval Road, Newtown.*
- f) *We received approval from VISA international to introduce our TCU Debit Card*

Ladies and Gentlemen, I am reminded of a song which became popular through the movie, the Sound of Music. The song, entitled “Climb Every Mountain” ends with the words “Follow every rainbow, till you find your dream”. My dream for TCU became reality. We are - “Repositioned For Excellence”!

Thank you for your support, and for affording me the honour to serve as your President.





*Serving  
you  
with a*

# *Smile*

- *Share Savings*
- *Family Indemnity Plan*
- *Standing Orders*
- *TTARP Membership*
- *Premium Savings Account*
- *Savings Insurance*
- *e-Banking*
- *Loan Protection Life*
- *Fixed Deposit Accounts*
- *Standing Orders*



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# minutes of 63rd AGM

**“UNLOCKING NEW FRONTIERS ” HELD ON SATURDAY 17TH MAY, 2014  
AT THE BALLROOM OF THE RADISSON HOTEL, WRIGHTSON ROAD, PORT OF SPAIN**

### Call to Order

The President, Mrs. Kerlina Niles, having been informed by the Registration Desk that there were Sixty-three (63) Members present, called the Meeting to order at 9.45 a.m.

### National Anthem

Members sang, accompanied by a recorded version of the National Anthem.

### Opening Prayer

The Opening Prayer was delivered by Director, Mrs. Sheryl Strachan.

### Credit Union Prayer

The Hon. Secretary, Mrs. Anna-Lisa Arlen-Benjamin, 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 and Agenda

Mrs. Arlen-Benjamin read the “Notice of the Annual General Meeting” as contained in the AGM brochure.

Next, Mrs. Arlen-Benjamin referred Members to the Agenda, and indicated that Item 12 “Amendments to the Bye Laws #2” was to be deleted.

Finally, Mrs. Arlen-Benjamin informed Members of correspondence received from Director Mrs. Kathleen Ragoobarsingh, (who was eligible for re-election) stating that she was unable to attend the AGM because of a previously scheduled compulsory event organised by her employer.

### Adoption of the Standing Orders

Mrs. Arlen-Benjamin read the Standing Orders as stated in the AGM Brochure.

The Standing Orders were adopted on a motion moved by Mr. Michael Mc Clean and seconded by Mrs. Nadine Whiskey-Ottley.

### PRESIDENT’S ADDRESS

The President, Mrs. Kerlina Niles, commenced her address by drawing Members’ attention to the AGM brochure entitled “Unlocking New Frontiers”. She stated that the cover depiction of a large key about to unlock the door to the world, was specifically chosen to give an indication of the new direction on which the Credit Union was about to embark.

Mrs. Niles then touched on the following achievements attained during the past year:

#### Technology

- Upgrade of the Accounting Software - Emortelle 9;
- Final stage of upgrade of the Website;

#### Training

The Board, Staff, and Committees attended training on the use of the upgraded Accounting software, and other current financial services topics including Anti-Money Laundering.

#### Focus groups

In addition, during the year, Member focus groups considered the re-branding of the Credit Union. The Marketing Plan was being developed as a result of these deliberations and will be presented at a later date.

#### A Home for TCU!

Mrs. Niles proudly announced that the Credit Union had purchased its own building in the sum of \$6M. This announcement was received with rousing applause from Members. Once the building was ready for occupation, the Credit Union would permanently move out of the offices located at NP House.

Mrs. Niles went on to state that the building was

located at #5 Maraval Road, Newtown, Port of Spain and that adequate parking facilities would be available. She also said that the design for re-model was completed, and the selection process for the Contractor to do the renovation works would take place in June 2014.

She also informed Members that the Board had agreed to limit the expenses associated with this AGM in order to cater for a Grand Opening when the renovation was completed.

In conclusion, the President acknowledged the presence of the following Guests:-

**Mr. Gary François**

*Director, Credit Union League of Trinidad and Tobago*

**Mr. Edward King**

*President, North West Regional Chapter of the Credit Union League of Trinidad and Tobago*

**Ms. Petra Cooper**

*Hon. Secretary, North West Regional Chapter of the Credit Union League of Trinidad and Tobago*

**Mrs. Marcia Goodridge-Constantine**

*President, South East Regional Chapter of the Credit Union League of Trinidad and Tobago*

**Mrs. Shelley Charles**

*Co-operative Officer, Co-operative Development Division, Ministry of Labour and Small and Micro Enterprise Development*

**Mr. Carlyle Gaskin**

*Co-operative Officer, Co-operative Development Division, Ministry of Labour and Small and Micro Enterprise Development*

**Ms. Miranda Barthol**

*Co-operative Officer, Co-operative Development Division, Ministry of Labour and Small and Micro Enterprise Development*

**Mrs. Cassiann George Cowie**

*Co-operative Officer, Co-operative Development Division, Ministry of Labour and Small and Micro Enterprise Development*

**Mr. Wayne Estrada**

*Relationship Manager, CUNA Caribbean Insurance Society Limited*

**Mr. Kareem Legall**

*Auditor, Hardy's Chartered Accountants*

**Mr. Sanchish Sudama**

*Auditor, Hardy's Chartered Accountants*

**Mr. Marlon Moore**

*Attorney-at-Law, Destiny Chambers*

**Mr. Nigel Matthew**

*CEO, NEM Leadership Consultants*

**SALUTATIONS FROM GUESTS**

At the conclusion of the President's address, the Hon. Secretary invited the following guests to bring Greetings from their respective organisations:-

**Mr. Gary François**

*Director, Credit Union League of Trinidad and Tobago*

**Mrs. Shelley Charles**

*Co-op Officer, Co-operative Development Division*

**Mr. Wayne Estrada**

*Relationship Manager, CUNA Caribbean Insurance Society Limited*

**Mr. Edward King**

*President of the North West Regional Chapter*

**Mrs. Marcia Goodridge-Constantine**

*President of South East Regional Chapter*

## MINUTES OF THE 62nd ANNUAL GENERAL MEETING

The Hon. Secretary then directed Members' attention to the Minutes of the last AGM. A motion to have the Minutes taken as read was moved by Mr. Kassim Hosein and seconded by Mr. Michael Mc Clean.

Corrections were noted as follows:

Page 11 – 1st column, last paragraph – delete the word “Robinson” from the name of Member “Edith Howell-Smith”.

Page 14 – top of the page – delete the word “Gar” and replace with “Gas” – Phoenix Park Gas Processors Limited.

Page 15 – 5th paragraph – correct the name spelling - from “Mc Lean” to “Mc Clean”.

Page 15 – 8th paragraph – delete the name “Roache-Charles” and replace with “Rowe-Charles”.

### *Matters Arising:*

- With regard to a query raised by Mr. Joseph Ross at the last AGM regarding the Royal Skandia investment, Ms. Beverley-Ann Cruickshank enquired whether the account was still maintained. The Manager responded that the investment was still maintained as it continued to show growth, especially during the last year.

There being no further questions or comments, a motion to adopt the Minutes of the 62nd Annual General Meeting was moved by Mr. Michael Mc Clean and seconded by Mr. Royds Williams. The motion was unanimously accepted.

## BOARD OF DIRECTORS' REPORT

The President, Mrs. Niles, directed the meeting's attention to the Report of the Board of Directors.

Corrections were noted as follows:

Page 24 – Board of Directors Attendance – delete the 10th name listed as “Ronald Fraser” and replace with “Kenrick Jarvis”. Also delete the number of meetings attended from “12” and replace with “11”.

### *Matters Arising:*

- Miss Shachia Strachan referred to the “loan loss expense” (page 20) and enquired how the Credit Union dealt with this expense in relation to the sixty-eight Members whose employment was terminated.

The President responded that arising out of one-on-one meetings with each of these members, special arrangements were made together with counselling in financial matters, and other relevant advice and support were offered.

- Mr. Aubin Holder requested further explanation about those arrangements. The President responded that since those employees were not allowed on the NP compound, they could not access the Credit Union's offices. Therefore, office facilities were rented on Frederick Street to allow members to transact their business comfortably.
- Mr. Royce Rawlins commented that there were in fact sixty-nine Members whose employment was terminated. The President replied that initially there were sixty-eight; however, the Board was also cognizant of the sixty-ninth Member.

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

At 10.50 a.m., the Agenda was temporarily suspended to allow a representative of the Hotel

to do the HSE Briefing. The meeting resumed at 10.55 a.m.

## CREDIT COMMITTEE'S REPORT

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

One correction was noted as follows:

Page 28 – 8th bullet point – after the word “loans” delete the word “for”.

The Committee Chairman requested that Members specifically take note of the 7th bullet point on page 28 - compliance with the new FIU regulations which set out the identification documents that Members must produce during the application process for a Loan.

There being no questions/comments, a motion to adopt the Report of the Credit Committee was moved by Dr. Kenneth Niles and seconded by Mrs. Claudette Gomez. This motion was unanimously accepted.

## EDUCATION COMMITTEE'S REPORT

The report of the Education Committee was presented by its Chairman, Mr. Reuben Elias, who reported on its activities as follows:

- **Milestone Awards**

A proposal to honour Members in two categories: (a) those who have served on the Board, Committees, Management and Staff; and (b) other Members who have had continuous and loyal membership for up to 40 years.

- **Youth Educational Awards**

To expand the educational awards beyond SEA students, and offer awards to students at the CXC, Cape and Tertiary levels.

- **Youth Development Training**

A proposal to offer limited employment with the Credit Union, during the July-August vacation. Youth Members selected to participate will be requested to submit one idea to improve business processes.

- **Financial Planning**

This session did not come off in 2013 but is being scheduled for 2014.

- **Mortgage Lending**

This session did not take place either since it was agreed to request expert training to be provided by the Trinidad & Tobago Mortgage Finance Company Limited.

Mr. Elias expressed thanks on behalf of the Committee to Miss Shachia and Miss Sofia Strachan for their contributions during the year.

### **Matters Arising:**

- Dr. Kenneth Niles enquired whether the Committee intended to repeat the awareness session on Estate Planning, and how Members were to be informed if it is organized.

The Chairman responded that the session could be repeated, and that Members would be so informed via the Credit Union's website and circulars advising of same.

- Dr. Niles also enquired whether the Credit Union had any plans to empower the Members who had recently lost their jobs.

The Chairman replied that there was a loan provision for Small Businesses, and that the Committee would also consider providing relevant Training.

- Ms. Beverly-Ann Cruickshank commented that the Youth/Work aspect is necessary for students

about to enter tertiary-level education. She suggested that the Committee should develop some programmes to assist these students.

The Chairman responded that the programme of limited employment with the Credit Union to selected Members had already been approved.

- Mr. Noel Maxwell observed that there were not many programmes catering to Retirees.
- Mr. Reginald Williams referred to page 37, line 6 of the penultimate paragraph – Mortgage Lending, and requested further clarification.

The Chairman replied that the Loans Officer was trained to assess Mortgage Loans, and those loans were then referred to the TTMF for further evaluation.

There being no further queries/comments, a motion to adopt the Report of the Education Committee was moved by Ms. Marlene Goddard and seconded by Dr. Kenneth Niles. The 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 comment that he had made at the last AGM, that the Committee's major challenge had been staff turnover. He stated that on this occasion, he was pleased to report that the staff members had settled into their positions, and that the Committee expected continued improvement.

There being no questions/comments, a motion to adopt the Report of the Supervisory Committee was moved by Mrs. Michelle Cumming-Bart Morales and seconded by Mr. Noel Maxwell. This motion was unanimously accepted.

## AUDITOR'S REPORT

The Auditor's Statement was read by Mr. Kareem Legall of the firm, Hardy's Chartered Accountants, serving its first term as Auditors, having been appointed at the last AGM.

A motion to accept the Auditor's Report was moved by Mrs. Janelle Archie-Alleyne and seconded by Ms. Marlene Goddard.

## FINANCIAL STATEMENTS

The President invited the General Manager, Mr. Sherwin Cambridge, to present the Financial Statements.

The General Manager highlighted the following:

- *Achievement of 11% growth;*
- *Auditors' advice to account for Loan Interest on a "Cash" basis rather than "Accrual";*
- *The purchase of the building and the lease of a car park property for 3 years from TT Post;*
- *The expense of the monthly rental of office space to accommodate the 69 Members terminated from their employment;*

### **Matters Arising:**

- Ms. Beverley-Ann Cruickshank asked for information about the Royal Skandia investment.

The General Manager responded that it is a Fixed Instrument which pays dividends and has Capital Gains.

Ms. Cruickshank stated that she would prefer to see a listing of all Investments.

The General Manager replied that there was such a list on page 21, Item 7 (a) Long Term Investments.

- Mr. Noel Maxwell referred to the Loan Limit of \$300,000.00 and wondered if there was a constraint in moving to \$500,000.00.

The General Manager responded that \$300,000.00 represents 2.5% of total Assets.

- Mr. Aubin Holder enquired about the CLICO figure of \$813.00 listed in the Receipts and Payments Account.

The President responded that the figure represented the final balance due to the Credit Union (the final 50% of the investment of \$9.8M having been received in November, 2013). She confirmed that the total investment plus interest had been returned to the Credit Union by the Government.

There being no further queries/comments, a motion to adopt the Financial Statements was moved by Mrs. Pamela Mc Clean and seconded by Mr. Harold Raghunanan. The motion was unanimously accepted.

### **Special Video Presentation**

At this juncture, the President informed the meeting that in lieu of a Feature Speaker, the Board of Directors had agreed to the production of a video entitled “Unlocking New Frontiers”, the theme of this year’s AGM. This video was to be shown to Members.

The 8-minute documentary covered the Credit Union’s history, current status, future goals, the re-branding of the Credit Union, and also testimonials from Members.

The feature was well received, and the President commended Member Nadine Whiskey-Ottley for the production of the video.

Mr. Noel Maxwell commented that the concept of “Web Co-operative Banking” should have been included in the presentation.

In addition, he recommended that the Credit Union’s Web Page should be updated frequently with important matters affecting Members.

### **Budget 2014**

The General Manager stated that 2014 would be an important year for the Credit Union, and that the Marketing Plan 2014/2016 and the Strategic Plan both formed the backbone of the projected 2014 Statements. The following points were drawn to Members’ attention:

- *The budget for the Marketing thrust for 2014 was \$319,557.00 or 3% of Total Projected Assets.*

It was expected that:

- *Total Income would increase by \$805,425.00;*
- *Members’ Loans would increase by 15% to \$66.1M;*

Mr. Cambridge also listed some of the objectives proposed for achievement:

- *The expansion of the Membership Bond;*
- *The staff trained to be more Customer centric;*
- *Empowerment of the Youth Members;*
- *The achievement Net Capital Growth of 8% of total Assets; and*
- *An increase in Retained Earnings;*

### **Strategies for Loans:**

- *Loan limits would be increased for the Credit Committee and the General Manager;*
- *Same day disbursements would be introduced;*
- *Loan limit for the Appliance Loan would be increased;*
- *An additional Loans Officer would be employed when the Office moves to the new building;*

### **Matters Arising:**

- Mrs. Kathlene Lalman noted lower returns on Fixed Deposits in 2013.

The General Manager responded that the interest rates were reviewed downwards in 2013.



- Mrs. Lalman also enquired about the increase in value of asset for the Building from \$6M.

The General Manager responded that the Building was purchased for \$6.2M, and the cost to outfit and repair was estimated at \$3.2M. Therefore when added to \$6.2M, costs increased to approximately \$10M.

- Dr. Kenneth Niles enquired whether an amount for Public Relations was included in the budget for Marketing expenses.

Mr. Cambridge responded in the affirmative.

Dr. Niles enquired whether research was done in targeting new members, and also how the capacity for financial growth was to be increased.

Mr. Cambridge responded that research had indeed been done before the Resolution to expand the Bond by the 10 companies which were submitted at last year's AGM, for approval by Members.

Mr. Cambridge also pointed out that these companies have similar cultures and are confined to the same Industry as our previous member companies, and because of their success and sustainability, new Members could now be targeted.

- Mr. Richard Evelyn suggested the acquisition of a vehicle for use by the Credit Union.

Mr. Cambridge replied that a vehicle was not budgeted; however, it would be considered in 2015 if the need arises.

- Ms. Marsha Smith referred to the car park at the new building, and enquired how many spots were available and whether there were plans to rent any of them to third parties.

Mr. Cambridge stated that there were Twenty-one spots available; however, the Board would wait until the move was completed to establish the requirements.

- Mrs. Jennifer Modeste-Jarvis enquired whether there was a plan to have part of the rent allocated towards the purchase of the car park.

Mr. Cambridge replied that perhaps Members could spearhead those discussions with the owners of the property, TT Post.

- Mrs. Jacqueline Craig-Andall enquired about the plan for LONG TERM INVESTMENT preservation.

Mr. Cambridge responded that the primary investments considered were Bonds and Fixed Deposits etc. For example, he stated that the FCB IPO investment had gained \$22.00, the current price being \$38.00.

There being no further queries/comments, a motion to adopt the Budget was moved by Mr. Noel Maxwell and seconded by Mr. Reginald Williams. The motion was unanimously accepted.

## **NOMINATIONS COMMITTEE'S REPORT**

The President directed Members' attention to the Report of the Nominations Committee and invited the Committee Chairman, Miss Maria Wellington, to present the Report.

Miss Wellington stated that Mr. Danny Adam had asked to be excused from serving on the Committee, and Mr. Cecil Paul was welcomed to take his place.

The Committee noted a slight improvement in the number of members who offered themselves for

election – there were twenty (20) members who accepted nominations for the eighteen (18) positions to be filled.

In addition, training for all nominees on their Roles and Responsibilities was conducted on 1st and 2nd May, 2014 by Ms. Shelley Charles and her team from the Co-operative Development Division.

### **ELECTION OF OFFICERS**

The President then turned the meeting over to Co-operative Development Officer, Ms. Shelley Charles, for the conduct of the Election of Officers.

### **Credentials Report**

Upon request, the Registration Desk informed that there were one hundred and forty-five (145) Members present.

### **Nominations for the Supervisory Committee**

The following four (4) candidates were previously nominated to form the Committee of three Members:-

*Dianna Joseph  
Enos Reid*

*Kethleen Joseph  
Richard Trim*

Ms. Charles enquired whether there were nominations from the Floor, and Mr. Hemant Ramdial was nominated by Mrs. Kathleen Lalman and seconded by Mr. Edmund Griffith.

Since there were no further proposals, a motion to close nominations was made by Ms. Crystal Boland and seconded by Mr. Michael Mc Clean. The motion was unanimously accepted.

### **Nominations for the Credit Committee**

The following nine (9) candidates had been previously nominated to form the Committee of five (5) Members:-

*Azam Ameerli  
Garth Fitz-Charles  
Dexter Hosein  
Sue-Ann Patrick-Duberry  
Royds Williams*

*Kendal Charles  
Ursha Hector  
Kathlene Lalman  
Marsha Smith*

Ms. Charles enquired whether there were nominations from the Floor, however, no other Members were proposed from the Floor.

A motion to close nominations was moved by Ms. Dorna Maillard and seconded by Mrs. Claudette Gomez.

### **Nominations for the Board of Directors**

The following candidates had been previously nominated to fill the four (4) vacant positions on the Board:-

*Anna-Lisa Arlen-Benjamin  
Robert Fortune  
Esther Pariag  
Edwin Ian Reid*

*Allison Khan-Ali  
Noel Maxwell  
Kathleen Ragoobarsingh*

Ms. Charles informed the AGM of a letter received from Mrs. Allison Khan-Ali withdrawing her candidacy because of her pressing work schedule. Ms. Charles also reminded the meeting of the letter from Mrs. Ragoobarsingh asking to be excused from the AGM.

Ms. Charles enquired whether there were nominations from the Floor, however, no other Members were proposed from the Floor.

A motion to close nominations was moved by Mr. Michael Mc Clean and seconded by Mr. Reginald Williams.

This Nomination process having been completed, Voting Slips were distributed and Members were invited to cast their Ballots. Voting was subsequently declared closed at 12.35 p.m.

The team of Co-operative Development Officers removed the locked voting boxes, and were accommodated at a separate location to count the ballots contained therein.

## **RESOLUTIONS**

While the votes were being tallied, the President presented the following Resolutions:

### **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 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.

This motion was moved by Ms. Lisa-Marie Foster and seconded by Mr. Dereck Branche. The motion was unanimously accepted.

### **2. 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 Dollars (\$150,000.00). Whereas Tranquillity Credit Union has purchased the 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.

This motion was moved by Mr. Michael Mc Clean and seconded by Ms. Antoinette Charles.

### **3. Honorarium**

Be it resolved that in accordance with Bye Law 54 (d) the 63rd 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.

This motion was moved by Ms. Nicole Pierre and seconded by Ms. Marlene Goddard. The motion was unanimously accepted.

### **4. 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.

This motion was moved by Mrs. Claudette Gomez and seconded by Mr. Michael Mc Clean. The motion was unanimously accepted.

## **OTHER BUSINESS**

- Mr. Gerald Fernandes referred to the recent Share Drive and stated that his Account statement showed those Shares as being separate from the General Shares. He enquired whether Dividends would be paid on both sets of Shares.

The President gave full assurance that the Dividend had been calculated on the total value of both Share accounts.

- Ms. Beverley-Ann Cruickshank enquired why the List of Attendees was not included in the Brochure.

The President replied that the practice was discontinued by many Credit Unions, and suggested that the List of Attendees would be uploaded to the website in future.

## **Draw for Door Prizes**

The Business Development Officer, Ms. Marsha Moses, hosted the draw for the Hamper Door Prizes.

**First Prize**

Mrs. Kathlene Lalman drew for the first prize, won ticket #180 held by Master Jordan Wells.

**Second Prize**

Mr. Wayne Estrada drew for the second prize, won by ticket #235 held by Ms. Nalini Sukdeo.

**Third Prize**

Ms. Marlene Goddard drew for the third prize, won by ticket #251 held by Mr. Clive Babb.

**Fourth Prize**

Miss Nicola Williams drew for the fourth prize, won by ticket #72 held by Mr. Carlton Manswell.

Special Presentations were made to the following:

- Mrs. Nadine Whiskey-Ottley for the production of the special Video Presentation “Unlocking New Frontiers”.

This award was presented to Mrs. Whiskey-Ottley by Mr. Cambridge.

In addition, the Operations Manager, Mrs. Marcia Quammie, presented awards to the following:

- Ms. Elizabeth Woods in appreciation of her being the liaison for our Tobago Members;
- Mr. Allister Baird for delivery services provided to and from the Members in Tobago;

These awards were collected by Mr. Marlon Murray on behalf of Ms. Woods and Mr. Baird.

**VOTE OF THANKS**

The Vice President, Mr. Reuben Elias, expressed appreciation to Mrs. Petra Cooper, Mrs. Marcia

Goodridge-Constantine, and Messrs. Gary François, Edward King, Wayne Estrada, Kareem Legall, Sanchish Sudama, Marlon Moore, and Nigel Matthew for representing their various organisations.

Appreciation was also expressed to Ms. Shelley Charles and her team from the Commissioner’s Office for the efficient 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 Persons (TTARP) who set up Information Booths.

Gratitude was also expressed to Ms. Renée Garcia – Photography, and to Messrs. Kevin Greaux – Graphic Artist, Jason Hudson – Website Developer, Felix Seebrath – Audio & Video services, and Osric Bacchus – assistance with Building renovation.

**ELECTION RESULTS**

Ms. Charles returned to announce the results of the Elections as follows:-

**Supervisory Committee - 3 Members**

Richard Trim	- 111 Votes
Dianna Joseph	- 108 Votes
Enos Reid	- 90 Votes
Kethleen Joseph	- 83 Votes (1st Alternate)
Hemant Ramdial	- 35 Votes (2nd Alternate)

**Credit Committee - 5 Members**

Kendal Charles	- 128 Votes
Kathlene Lalman	- 100 Votes
Royds Williams	- 100 Votes
Marsha Smith	- 83 Votes
Azam Ameerli	- 81 Votes
Ursha Hector	- 61 Votes (1st Alternate)
Sue-Ann Patrick-Duberry	- 53 Votes (2nd Alternate)

**Board of Directors - 4 Members**  
 Anna-Lisa Arlen-Benjamin - 135 Votes  
 Esther Pariag - 130 Votes  
 Edwin Ian Reid - 129 Votes  
 Noel Maxwell - 81 Votes  
 Kathleen Ragoobarsingh - 73 Votes (1st Alternate)  
 Robert Fortune - 42 Votes (2nd Alternate)

The voting process having been concluded, a motion for the Destruction of the Ballots was moved by Mr. Michael Mc Clean and seconded by Mr. Richard Trim. The motion was unanimously accepted.

Ms. Charles handed the conduct of the Meeting back to the President, Mrs. Niles.

Since there was no further business to be discussed, the President declared the AGM closed and Director Mrs. Elizabeth Rawlins said the Closing Prayer at 1.15p.m. Members were then invited to avail themselves of the buffet luncheon provided by the Hotel.



**ANNA-LISA ARLEN-BENJAMIN**  
 Hon. Secretary

## board of directors & TERM OF OFFICE

BOARD OF DIRECTORS	POSITION	TERM
Mrs. Kerlina Niles	Director	2012/2015
Mr. Jason Matoram	Director	2012/2015
Mr. Ronald Fraser	Director	2012/2015
Mr. Douglas Williams	Director	2012/2015
Mr. Reuben Elias	Director	2013/2016
Mr. Kenrick Jarvis	Director	2013/2016
Ms. Sheryl Strachan	Director	2013/2016
Mrs. Elizabeth Rawlins	Director	2013/2016
Mr. Edwin Ian Reid	Director	2014/2017
Mr. Noel Maxwell	Director	2014/2017
Mrs. Esther Pariag	Director	2014/2017
Mrs. Anna-Lisa Arlen- Benjamin	Director	2014/2017



# board of **DIRECTORS**

**From Left to Right:**  
Jason Matooram, Noel Maxwell, Anna-Lisa-Arlen-Benjamin, Ronald Fraser, Kerlina Niles, Reuben Elias, Sheryl Strachan, Kenrick Jarvis, Esther Pariag, Edwin Reid, Douglas Williams, Elizabeth Rawlins



# 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. Ann-Lisa Arlen- Benjamin	- Secretary
Mr. Jason Matooram	- Assistant Secretary
Mr. Kenrick Jarvis	- Director
Ms. Sheryl Strachan	- Director
Mr. Edwin Ian Reid	- Director
Mrs. Esther Pariag	- Director
Mr. Douglas Williams	- Director
Mrs. Elizabeth Rawlins	- Director
Mr. Ronald Fraser	- Director
Mr.Noel Maxwell	- Honourary Director
Mrs. Kathleen Ragoobarsingh	- 1st Alternate
Mr. Robert Fortune	- 2nd Alternate

## SUMMARY OF OPERATIONS & ANALYSIS

The economic environment that existed during the fiscal year 2014, though stable, provided challenges for Tranquillity Credit Union Co-operative Society (TCU) especially in the respect to the high levels of liquidity in the domestic market, contraction in the energy sector and the on-going legal battle between Trinidad & Tobago National Petroleum Marketing Company Limited and OWTU on the issue of the sixty-eight (68) terminated workers.

Notwithstanding the challenges Tranquillity Credit

Union Co-operative Society was able to surpass One Hundred Million Dollars in Total Assets and register growth in all core areas except net surplus. At the end of the financial year ended 31st December 2014, Total Assets were \$102.4M representing an increase of \$4.5M or 5% from the previous year. Growth in assets was primarily due to increases in fixed assets, net loans to members and long term-investments.

In terms of profitability, TCU reported a net surplus of \$2.1M, which represents a reduction from that reported in 2013 of \$2.3M. This decrease was driven by new operating expenses associated with the acquisition of TCU House.

## Cash Resources

The Credit Union continues to hold comfortably sufficient levels of cash to meet deposit /share withdrawals requests and liquidity reserve requirements. Cash and cash equivalents held to meet TCU's liquidity needs stood at \$6.8M as at 31st December 2014.

## Securities

The Credit Union's long term-investment portfolio closed 2014 at \$23.3M, an increase of \$3.6M or 18.7% over the previous year. This increase was consistent with the continued excess liquidity within the system, coupled with a deliberate strategy by the Credit Union to minimize the amount of idle funds held.

## Loans

Net Loans to members were \$62M, representing an increase of \$4.5M or 8% over the prior year. Both general and motor vehicle loans experienced the largest increases in dollar value with a \$3.6M and \$964,748.00 respectively in 2014. Our mortgage portfolio also experienced a significant increase of \$481,771. This growth represents the diverse needs of our membership.

The Credit Union in 2014 prudently made a provision of \$200,000 to cater for the inherent risk within the loan portfolio. Total Bad Debt Provision stood at \$893,300 as at 31 December 2014. TCU with an expansion in both Information Technology and Human Resources is now better equipped to monitor and intensify recovery efforts on non-performing loans.

## Deposits

The total members' deposits portfolio grew by \$4.1M or 9% in 2014. This growth is consistent with the changing savings portfolio mix of our members, with a greater weighting to fixed and premium deposits, as against traditional share savings. It should, however, be noted that interest rates on savings in Trinidad and Tobago have remained relatively flat over the past years. As a result of being housed at NPMC, TCU was spared the liability of paying some significant operating expenses. To this end, TCU was able to pass on this benefit by rewarding members with a higher rate of interest on their savings deposits. However, under this new dispensation of increased operating cost, the Credit Union is now compelled to adjust the rates in line with current market rates.

Total Savings Deposits as at 31 December 2014 were \$48M, as such it continues to demonstrate members' confidence in the governance and management of Credit Union.

## Share Capital

TCU's share capital base was boosted during the year with an injection of \$1.2M, representing an increase of 3% over the previous year. Total share capital as at 31 December 2014 stood at \$44.7M.

## Fixed Assets

Following the acquisition of the building on 5 Maraval Road, Newtown, Port of Spain, the Board appointed a Tenders Committee to ensure the implementation of and compliance with the Credit Union's tendering policy. The Board approved the use of selective tendering for the building renovation, security and fire equipment and office furniture. On the recommendation of the Tenders Committee, the following companies were chosen:

- **Nugen Projects Limited**  
Building Renovation and Project Management
- **Cole and Associates**  
Supply & Installation of Fire & Life Safety System
- **Massy Technologies**  
Supply & Installation of Furniture
- **MDCUM**  
Supply & Installation of Furniture
- **The Security Zone Limited**  
Supply and Installation of CCTV, Security Access

## Total Income

Total revenue which comprises Interest on Members' Loans, Investment Income and Other Income recorded an increase of \$446,603 or 6.22% over the previous year, moving from \$7.1M in 2013 to \$7.6M in 2014. Growth in our core revenue areas was achieved



despite excess liquidity and weak demand for loans from our members. Due to increased competition in the market and to maintain its competitive advantage, TCU had no choice but to reduce interest rates on motor vehicle loans. However, the strong member relationships built in the past and our continued focus on member satisfaction have assisted to mitigate the impact of contracting margins.

Also, the impact of the interest reduction was offset by the strong performance of investment income and other income together increased by \$408,441 or 50.48% to \$1.2M for the year ended 31 December 2014. TCU has begun to focus on initiatives aimed at diversifying our income base to offset the effects of shrinking margins on our loans.

### Total Expenses

The total expenses of TCU increased by 10.97% to \$5.4M during the fiscal year 2014.

Staff costs amounted to \$1.2M and accounted for 23% of total expenses, registering an increase of \$198,541 or 15.57%. Personnel costs include salaries, staff benefits, staff training and development and uniforms.

Financial costs include bank charges, members fixed and premium interest. This amounted to \$2.2M, which accounted for 41% of total expenses, an increase of \$291,773 or 12.89% over the previous year.

Committee expenses include board, supervisory and credit committee, and other non-statutory committees related expenses. Amounted to \$39,650, which accounted for 7% of total expenses, an increase of \$34,674 or 8.75% in 2014.

Operating expenses amounted to \$1.5M and accounted for 27.90% of total expenses, registering

an increase of \$52,395 or 3.6% over the previous year.

These increases represent approximately 85% of the full impact of TCU's growth and expansion program. As a result, the Credit Union's core operating efficiency and profitability were affected. However, we expect this metric to improve in the new fiscal year through growth and a greater level of efficiency in our service delivery.

### Dividend

In accordance with Bye-Law 54 (a), a Dividend payment of 4% or \$1.7M is recommended for the fiscal year ended 31 December 2014.

### Membership

We welcomed a total of Sixty Five (65) new members to the TCU family. Membership in the Credit Union, which stood at 1,902 as at 31 December 2014 is expected to increase significantly in 2015. As the Credit Union embarks on marketing initiatives targeted towards the new companies who now fall under our bond.

### Marketing

During the period under review, the credit union experienced some challenges in hosting events and promotions on the NP compound. However, we were still able to introduce some new loan products and host our annual Credit Union Day celebrations. The Credit Union officially opened for business on Tuesday 28th April 2015, at its new headquarters on 5 Maraval Road, Newtown, Port of Spain. The location of TCU will present new opportunities to the credit union and enhance the member experience.

Additionally, we held our first Football competition for all the Energy sector companies within our bond. National Energy were the eventual winners of the day. TCU plans to host this event annually.

## Staff

During the period 2014, the Business Development Officer, Mrs. Marcia Moses resigned.

We hired four persons:- Mr. Nkosi Wright-Alexis-Teller; Mr. Omari Waldron – Teller; Mr. Wayne Charles – Loans Officer and Ms. Keisha Edwards – Business Development Officer (Contract).

We welcome them warmly to the staff and trust that they will have a long and productive stay with us.

Staff also participated in a two-day Team Building and Customer Service Intervention Programme facilitated by Madonna Doyle and Associates in November 2014. Our President conducted the first part of the workshop which gave an overview of TCU's Critical Success Factors, among other things. This programme was indeed beneficial and provided an opportunity to solidify team TCU and sharpen customer service skills.

Additional staff training and development was conducted in FIU regulations and Immortelle Software training by our service provider, MSD.

## Strategic Focus for TCU 2015/2016

For Tranquillity Credit Union, the national financial landscape is marked by fast-paced technological advances and an increase competition that have brought about greater levels of demands from members. While these factors may pose challenges for the Credit Union, they also bring with them opportunities for TCU to become innovative with its products, services and systems. It is against this backdrop that TCU's strategic focus for the next two (2) years will be centered on the main areas that we deem critical to the Credit Union's long-term success:

- Roll-out TCU's VISA Debit Card in conjunction with Intercommercial Bank Limited

- Roll-out of E-banking and Mobile Banking solutions
- Establish skills bank amongst the membership
- Establish a financial planning unit
- Implementation of the Marketing Plan 2015-2016
- Improvement of our Operational Efficiency by:
  1. Review of Human Resource Policy
  2. Implementation of Operations Procedure Manual
  3. Establish TCU's Brand Champions Programme amongst the Membership

## Representation

Our Director Douglas Williams was re-appointed to serve on the Board of Directors of the North West Regional Chapter of the Co-operative Credit Union League of Trinidad and Tobago.

## Outgoing Members of the Board

In accordance with Bye-Law 22-C, the outgoing officers are Kerlina Niles, Douglas Williams, Ronald Fraser and Jason Matoram. We wish to thank these Directors for their service to the Credit Union over the past three years. All outgoing members are eligible for re-election.

## Acknowledgements

We place on record our gratitude and appreciation to the Board of Directors and Management of Trinidad and Tobago National Petroleum Marketing Company Limited. For the use of its premises, and for all the courtesies that were extended to the Credit Union for many years.

We also express sincere appreciation to the following stakeholders:-

- The 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;
- NP Employees Consumer Co-operative Society Limited;
- Micro Software Designs Limited;

We also acknowledge and recognize the contribution of the members of our Supervisory Committee, Credit Committee, Education Committee, Marketing Committee, Assets and Liabilities Committee, Human Resource Committee, Bye-Laws Committee and Nominations Committee.

Above all, we thank you, our Membership, for your support and loyalty to TCU.

We express our deepest thanks to TCU staff for their yeoman service during the year and look forward to their continued contribution as we strive to make TCU the best managed, full-service financial cooperative in Trinidad and Tobago.



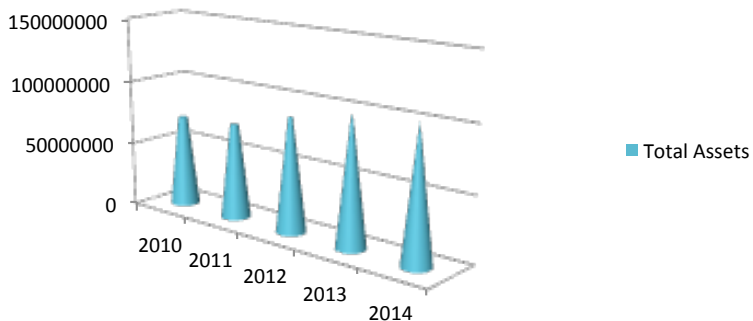
**Kerlina Niles**  
President, Board of Directors

## board attendance 2014-2015

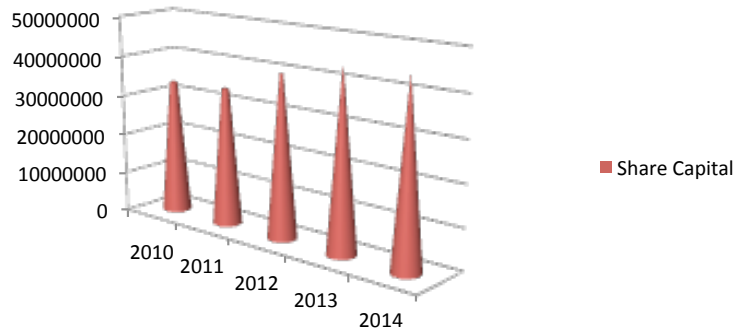
<b>DIRECTORS</b>	<b>EXECUTIVE COMMITTEE MEETING</b>	<b>BOARD MEETING</b>
<b>Kerlina Niles</b>	<b>7</b>	<b>13</b>
<b>Reuben Elias</b>	<b>6</b>	<b>12</b>
<b>Anna-Lisa Arlen-Benjamin</b>	<b>6</b>	<b>13</b>
<b>Jason Matoram</b>	<b>6</b>	<b>12</b>
<b>Sheryl Strachan</b>		<b>12</b>
<b>Esther Pariag</b>		<b>7</b>
<b>Elizabeth Rawlins</b>		<b>9</b>
<b>Douglas Williams</b>		<b>12</b>
<b>Edwin Ian Reid</b>		<b>8</b>
<b>Kenrick Jarvis</b>		<b>13</b>
<b>Ronald Fraser</b>		<b>10</b>
<b>Noel Maxwell</b>		<b>12</b>



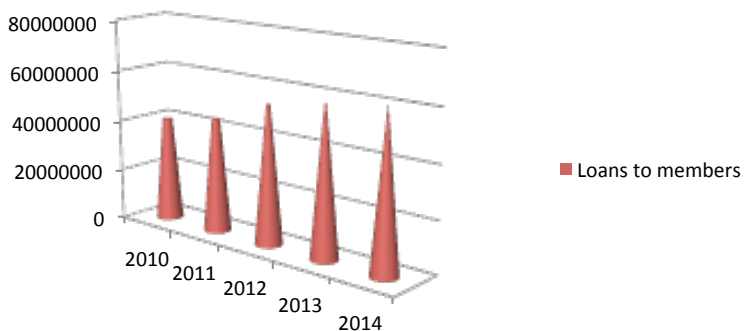
**Total Assets 2010 - 2014**



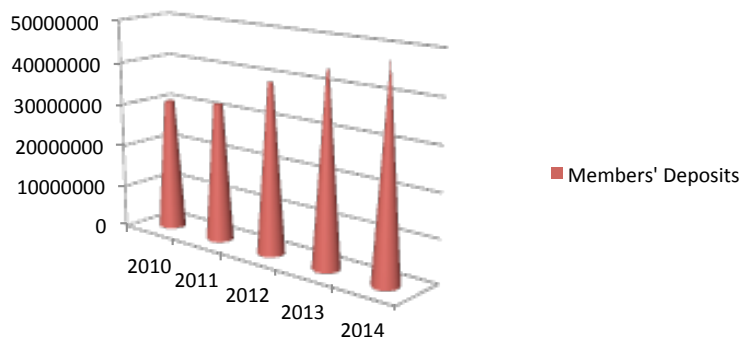
**Share Capital 2010 - 2014**



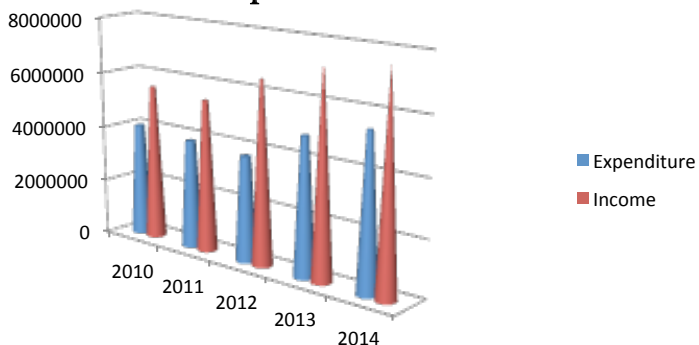
**Loans To Members 2010 - 2014**



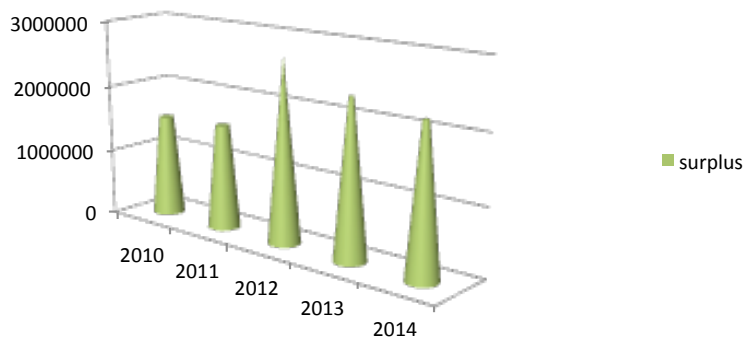
**Members' Deposits 2010 - 2014**



**Income & Expenditure 2010- 2014**



**Surplus 2010 - 2014**







# credit COMMITTEE

**Standing (Left to Right):** Royds Williams, Kendal Charles, Azam Ameerli  
**Sitting (Left to Right):** Marsha Smith, Kathlene Lalman



# credit committee REPORT

## Introduction

The Credit Committee is solely responsible for approving and rejecting loan applications from the membership. This authority comes from the Co-operative Societies Act 1971 Section 34 and Bye-Law 32 of our Society's Bye-Laws.

At each AGM, the Credit Committee is duty bound to account to the membership of their stewardship for the elected period. The Credit Committee reviewed all lending products and made appropriate recommendations to the Board of Directors. The Credit Committee also reviewed all loan requests when special considerations are necessary to assist our members in resolving their specific financial challenges.

At the 63rd Annual General Meeting held at the Radisson Hotel Port of Spain on Saturday 17th May 2014, the following members were elected to serve on the Credit Committee for a period of one year: Mr. Azam Ameerli, Ms. Marsha Smith, Mrs. Kathlene Lalman, Mr. Kendal Charles and Mr. Royds Williams.

## Meetings

At the first Credit Committee meeting, all elected members attended and voted Mr. Charles the Chairman and Mr. Williams the Secretary. It was also decided that weekly meetings would be held on Tuesdays at 12 noon. Interviews were also conducted at both the Committee's and members' requests to discuss members' financial needs and to ascertain how the Credit Union could assist in these matters.

## Credit Supervision

As you continue to make Tranquillity Credit Union your prime option for handling your financial matters, you are responsible for your commitment to share savings which utilizes the loan products offered. This augurs well for maintaining a robust asset base in taking Tranquillity Credit Union forward into 2015. The interest income earned on loans is as follows:



## Interest Income From Loans

DESCRIPTION	2014	2013
Interest on Loans		
General	3,514,949	3,319,351
Long Term	648,358	575,554
Appliance Promo	1,470	4,138
Vehicle	1,248,810	1,217,123
Special	93,734	114,500
Computer	36,402	52,577
Promotion	1,416	7,088
Small Business	22,323	35,110
Line of Credit	338,882	352,546
Staff Loan	46,108	36,794
Appliance Promo	99,311	103,222
D S R	102,213	217,827
Share Builder	197,880	283,384
Food Voucher Service Charge	59,860	55,075
Saving Plus	820	0
	<u>6,412,535</u>	<u>6,374,290</u>

TCU members continue to use the many financial products and services that are designed to meet their financial needs. The Credit Union is proud of the products and services that are available to you, the membership and the quality personal service provided. The loan portfolio grew by \$4.5M or 8% in 2014, with \$23,203,315.05 in loan advances on December 31, 2014, with debt consolidation, domestic, business, motor vehicle, business and house repairs topping the charts. These categories increased (see Table on Loan Analysis) which indicates migration of the membership to more productive loans than consumer loans.

We hope that you, as one of the owners of the Credit Union, will take advantage of the many services provided for your benefit. The Credit Union continues to work for the purpose of assisting and educating its membership in establishing and maintaining their financial well-being.



## Looking ahead

We the Credit Committee would like to suggest the following as we continue to grow:

- *Continued 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.*
- *The introduction of Equity loans*
- *Member awareness of the implementation of the FIU requirements of submission of forms of Identification, Utility Bills and Job letter*
- *The increase of signature authority to facilitate the speedy processing of loans to Members*
- *The need to aggressively market to existing members and future prospects, our wide range of products and develop new lines which support entrepreneurship and long-term investment.*
- *The next committee increase its meeting time in light of TCU's move into their own building*
- *Online Loan applications and disbursements*

The Credit Committee must also mention that their recommendations to increase the Staffing of the Loans Department was indeed taken into consideration and implemented.

## Conclusion

As we grow this One Hundred Million Dollar organization, Tranquillity Credit Union must remain the ultimate choice when decisions on investing and borrowing are made. We commend the Board of Directors and its Sub Committees for their continuous review of the Credit Administration Policy. This positioned Tranquillity Credit Union to achieve the growth in loans experienced this year.

The Credit Committee wishes to thank the Board of Directors, Management and Staff, our valued members for their support and providing us with this opportunity to serve in 2014.

*Respectfully Submitted,*

  
**Kendal Charles**

  
**Marsha Smith**

  
**Azam Ameerli**

  
**Royds Williams**

  
**Kathlene Lalman**

# loan analysis CREDIT REPORT

TRANQUILITY CREDIT UNION									
LOAN ANALYSIS FOR THE PERIOD ENDED DECEMBER 2014									
	Year to Date			Year to Date			Variance		
	Jan-Dec'14	No. of Loans	%	Jan- Dec'13	No. of Loans	%			%
HOUSE REPAIRS	\$ 3407,480.00	117	15%	\$ 2881,246.76	104	13%	\$ 526,233.24		15%
MORTGAGE	\$ 538,904.00	15	2%	\$ 2078,821.26	36	9%	\$ (1539,917.26)		-286%
LAND	\$ 100,000.00	1	0%	\$ 42,000.00	1	0%	\$ 58,000.00		58%
MEDICAL	\$ 227,650.00	22	1%	\$ 226,500.00	15	1%	\$ 1,150.00		1%
EDUCATION	\$ 506,900.00	39	2%	\$ 740,923.21	49	3%	\$ (234,023.21)		-46%
FURN./APPL.	\$ 251,694.00	17	1%	\$ 205,586.75	25	1%	\$ 46,107.25		18%
VAC./TRAVEL	\$ 674,891.31	51	3%	\$ 834,462.43	54	4%	\$ (159,571.12)		-24%
CONS. DEBTS	\$ 2026,576.15	97	9%	\$ 628,471.86	52	3%	\$ 1398,104.29		69%
MOTOR VEHICLE	\$ 6572,048.53	63	28%	\$ 5899,006.31	71	26%	\$ 673,042.22		10%
CEREMONIAL/BURIAL	\$ 120,000.00	6	1%	\$ 192,188.48	12	1%	\$ (72,188.48)		-60%
DOMESTIC/PERSONAL	\$ 5312,886.10	1810	23%	\$ 4454,990.86	1792	20%	\$ 857,895.24		16%
M.VEHICLE REPAIRS	\$ 441,919.99	42	2%	\$ 496,626.50	55	2%	\$ (54,706.51)		-12%
LEGAL/PROF.	\$ 50,450.00	4	0%	\$ 69,400.00	6	0%	\$ (18,950.00)		-38%
INSURANCE	\$ 281,929.80	35	1%	\$ 191,275.78	25	1%	\$ 90,654.02		32%
INVESTMENT	\$ 110,000.00	8	0%	\$ 403,250.00	7	2%	\$ (293,250.00)		0%
INVESTMENT LOAN	\$ -	0	0%	\$ -	0	0%	\$ -		0%
COMPUTER	\$ 130,609.78	14	1%	\$ 228,091.37	29	1%	\$ (97,481.59)		-75%
BUSINESS	\$ 1109,800.00	12	5%	\$ 675,391.69	20	3%	\$ 434,408.31		39%
FOOD VOUCHER	\$ 582,000.00	317	3%	\$ 559,175.00	301	3%	\$ 22,825.00		0%
CHRISTMAS EXPENSES	\$ 142,500.00	12	1%	\$ 126,200.00	14	1%	\$ 16,300.00		0%
APPLIANCE PROMO	\$ 472,398.93	43	2%	\$ 430,532.86	34	2%	\$ 41,866.07		9%
SHAREBUILDER	\$ -	0	0%	\$ 975,000.00	91	4%	\$ (975,000.00)		0%
ON D GO	\$ -	0	0%	\$ -	0	0%	\$ -		0%
DSR LOAN	\$ 142,676.46	17	1%	\$ -	0	0%	\$ 142,676.46		0%
	<b>\$ 23203,315.05</b>	<b>2742</b>	<b>100%</b>	<b>\$ 22339,141.12</b>	<b>2793</b>	<b>100%</b>	<b>\$ 864,173.93</b>		<b>4%</b>

# 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	2.75%
\$100,001- 250,000	3.00%
\$250,001 - 350,000	3.25%
\$350,001 and over	3.50%

## FIXED DEPOSIT

AMOUNT	1 YEAR	2 YEARS
\$500 - 100,000	3%	3.25%
\$100,001 - 250,000	3.25%	3.50%
\$250,001 - 350,000	3.50%	3.75%
\$350,001 - 999,999	3.75%	4.00%
\$1M and over	4.00%	4.50%



At TCU,  
it's all about you!



#5 Maraval Road, Newtown, Port of Spain  
Phone: (868) 628-9266/6466 • Fax: (868) 628-1847  
[www.tranquillitycu.com](http://www.tranquillitycu.com)





# supervisory COMMITTEE

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



# supervisory committee REPORT

The Supervisory Committee is pleased to report on our observations for 2014/2015. Following the 63rd Annual General Meeting, held on May 17th 2014, the elected committee comprised of Enos Reid, Dianna Joseph and Richard Trim. We reviewed critical areas of Tranquillity's operations, processes and procedures, thus ensuring acceptable levels of compliance.

## Activities of the Committee

- Review of Status of Officers
- Review of Fixed Asset Register
- Review of Bank Reconciliations
- Review of Loan Application & Disbursements
- Review Minutes of the Board of Directors
- Cash and Treasury Counts
- Verification of Financial Statements
- Review of other matters arising for the period

## Observations/Comments

The Management and Staff continued to support the committee in carrying out its designated functions. Our requests for documents and reports were acknowledged and received in a timely manner. The overall operations of the Credit Union and its Management team were satisfactory during this period.

The Board of Directors and Management must be commended for the upgraded computer software systems as this aided with faster delivery of member's

statements of accounts through direct email; and other enhanced features and services. Also, we were aware that the Board of Directors were mainly engaged in the continued push to finish and furnish the New Office Building Site. The Committee applauds this thrust to a secure, stable and brighter future for which all Members can all be proud.

## Conclusion

The Committee thanks the Membership for exhibiting trust and confidence in our stewardship for yet another term. We also thank the Management and Staff for their co-operation in accommodating us throughout the year, and we wish TCU continued success for 2015/2016 and beyond and to keep striving for excellence.

Respectfully Submitted,



**Mr. Enos Reid**  
*Chairman*



**Ms. Dianna Joseph**  
*Secretary*



**Mr. Richard Trim**  
*Member*



# education **COMMITTEE**

Reuben Elias, Chairman



# education committee REPORT

The members of the Education Committee for period May 2014 to May 2015 are:

Reuben Elias	- Chairman
Kenrick Jarvis	- Member
Sheryl Strachan	- Member
Elizabeth Rawlins	- Member
Lisa Marie Foster	- Member
Edison Nero	- Member
Marcia Quammie	- Member

## Introduction


The Committee is responsible for providing educational and developmental programmes, correspondence and other content for membership of the Tranquillity Credit Union.

## Comments

The Education Committee was challenged in hosting regular meetings over the last year as TCU transitioned to external locations regarding the holding of scheduled meetings. These were nevertheless held with-in budgeted cost. We were particularly mindful of the expenses attributed to the renovations of our proposed Head Quarters and hence many of the planned initiatives were postponed to 2015 with the launch of spacious and comfortable accommodations at TCU House.

## Activities

1. The acquisition of our new office provides us the opportunity to host a number of programmes and meetings. The following will be held:
  - Preparation of Wills, Financial and Estate Planning from June 2015.
  - CXC and CAPE awards for 2014 (dates to be announced)
2. Unfortunately, the proposed alliance with Trinidad & Tobago Mortgage Finance Company Limited was put on hold because Credit Unions were not complying with the agreed process for referring applicants.
3. The Committee also agreed to commence the archiving of the history of TCU along with significant milestones and contributors to the development of the organization. It is hoped that this project will not only be a source of reference to members of TCU but will contribute to future studies on the development of the Credit Union sector in Trinidad and Tobago.
4. The Committee has also undertaken an analysis of the Membership. This analysis will be used to



determine growth strategies. These strategies will introduce and align products to specific segments of the membership to accomplish growth as one of the stated objectives in TCU's Strategic Plan.

### Conclusion

The committee wishes to thank the Board of Directors, Management and staff for their support and the opportunity to contribute to this valuable organization.



**Reuben Elias**

*For and on Behalf of the Education Committee.*





*Welcomes* **13** *new* **VIPs**

- Centrica Energy • Yara Trinidad Limited • SHELL
- PCS Nitrogen • BPTT • BGTT • National Energy Company
- Petrotrin • NGC • Phoenix Park Gas Limited
- Atlantic LNG • BHP Billiton • Repsol



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nominations  
**COMMITTEE**



# nominations committee REPORT

The Nominations Committee for the 64th Annual General meeting comprised of the following:

- Maria Wellington - Chairman
- Andrew Nurse - Member
- Claudette Gomez - 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 the completed Nominations forms in April, 2015 and the evaluation process was undertaken. During the process, we were pleased to note that all Candidates provided sufficient information so as to be considered for election to the various positions.

However, the Committee was disappointed to note that only Eighteen (18) persons accepted nominations for the Eighteen (18) positions to be filled. Nevertheless all nominations received were in compliance with the Bye Laws. The Nominees are listed as follows:

<b>SUPERVISORY COMMITTEE</b>		
<b>Candidate</b>	<b>Nominated By</b>	<b>Seconded By</b>
<b>Richard Trim</b>	<b>Dianna Joseph</b>	<b>Nalini Sukdeo</b>
<b>Joanne Jeffers</b>	<b>Ronald Fraser</b>	<b>Kendal Charles</b>
<b>Ravi Suratsingh</b>	<b>Dianna Joseph</b>	<b>Nalini Sukdeo</b>
<b>Kethleen Joseph</b>	<b>Dianna Joseph</b>	<b>Ronald Fraser</b>



<b>CREDIT COMMITTEE</b>		
<b>Candidate</b>	<b>Nominated By</b>	<b>Seconded By</b>
<b>Kendal Charles</b>	<b>John Borel</b>	<b>Nadine Whiskey-Ottley</b>
<b>Marsha Smith</b>	<b>Keevan Lewis</b>	<b>Hollis Greaves</b>
<b>Royds Williams</b>	<b>Anthony Kirton</b>	<b>Ursha Hector</b>
<b>Azam Ameerli</b>	<b>Shameel Mohammed</b>	<b>Roger Beharry</b>
<b>Kathlene Lalman</b>	<b>Martha Welch-Quintyne</b>	<b>Azam Ameerli</b>
<b>Ursha Hector</b>	<b>Royds Williams</b>	<b>Karisa Foncette</b>
<b>Dianna Ria Joseph</b>	<b>Nalini Sukdeo</b>	<b>Richard Trim</b>

<b>BOARD OF DIRECTORS</b>		
<b>Candidate</b>	<b>Nominated By</b>	<b>Seconded By</b>
<b>Douglas Williams</b>	<b>Renée Garcia</b>	<b>Michelle Trestrail</b>
<b>Enos Reid</b>	<b>Dianna Joseph</b>	<b>Nalini Sukdeo</b>
<b>Kerlina Niles</b>	<b>Cindy Williams</b>	<b>Kathlene Lalman</b>
<b>Jason Matoram</b>	<b>Gillian Lynch</b>	<b>Daphne Whyte</b>
<b>Christiana Wallace</b>	<b>Michelle Cumming-Bart Morales</b>	<b>Martha Welch-Quintyne</b>
<b>Robert Fortune</b>	<b>Samantha Stapleton</b>	<b>Nicole Pierre</b>
<b>Ronald Fraser</b>	<b>Kathlene Lalman</b>	<b>Kerlina Niles</b>

After a review of Nominees, the Committee determined that it was only necessary to interview one candidate, since all others had served within the last five (5) years.

A Training Session for all Nominees on their Roles and Responsibilities will be conducted after the AGM by personnel from the Office of the Co-operative Division of the Ministry of Labour and Small and Micro Enterprise Development.

Respectfully submitted



**Maria Wellington**

For and on Behalf of the Nominations Committee

from **THEN**



to  
**NOW**



# OUR NEW HOME





# financial REPORT





**Tranquillity Credit Union  
Co-operative Society Limited**  
**FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2014

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# 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, 2014, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the 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, the Co-operative Society Act and the Bye-Laws. 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.

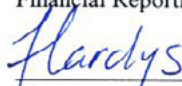
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or 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, 2014, and its Financial Performance and its Receipts and Payments Account, for the year then ended in accordance with the Co-operative Societies Act and with International Financial Reporting Standards.



Hardys  
CHARTERED ACCOUNTANTS

May 8, 2015



San Fernando,  
Trinidad, W.I.

Tranquillity Credit Union  
Co-operative Society Limited

STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2014

ASSETS	NOTES	2014	2013
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	\$ 9,595,766	\$ 6,964,094
Members' Loans	6	62,002,395	57,440,247
Long-Term Investments	7 (a)	23,332,546	19,644,717
<b>Total Non-Current Assets</b>		<u>94,930,707</u>	<u>84,049,058</u>
<b>Current Assets</b>			
Short-Term Investments	7 (b)	4,810,927	7,262,760
Inventory		85,300	1,150
Receivables and Prepayments	9	1,102,194	1,784,984
Cash at Bank and in Hand	8	1,477,391	4,755,767
<b>Total Current Assets</b>		<u>7,475,812</u>	<u>13,804,661</u>
<b>TOTAL ASSETS</b>		<u>\$ 102,406,519</u>	<u>\$ 97,853,719</u>
<b>MEMBERS' EQUITY AND LIABILITIES</b>			
<b>Members' Equity</b>			
Investment Re-measurement Reserve		\$ 768,707	\$ 882,779
Reserve Fund		5,447,893	5,076,827
Education Fund		841,501	745,808
Building Fund		-	150,770
Undivided Earnings		2,400,488	2,866,754
<b>Total Members' Equity</b>		<u>9,458,589</u>	<u>9,722,938</u>
<b>Non-Current Liabilities</b>			
Members' Share Balances		44,731,583	43,488,645
<b>Current Liabilities</b>			
Members' Savings and Deposit Accounts	14	48,082,422	43,938,620
Payables and Accruals	10	133,925	703,516
<b>Total Current Liabilities</b>		<u>48,216,347</u>	<u>44,642,136</u>
<b>Total Liabilities</b>		<u>92,947,930</u>	<u>88,130,781</u>
<b>TOTAL MEMBERS' EQUITY AND LIABILITIES</b>		<u>\$ 102,406,519</u>	<u>\$ 97,853,719</u>

These Financial Statements were approved by the Board of Directors on May 8th, 2015

*Kathleen Niles*

President

*[Signature]*

Treasurer

*[Signature]*

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, 2014

	2014	2013
<b>INCOME</b>		
Interest on Members' Loans	\$ 6,412,511	\$ 6,374,349
Investment Income	997,809	568,943
Other Income	236,456	240,203
	<u>7,646,776</u>	<u>7,183,495</u>
<b>EXPENDITURE</b>		
Annual General Meeting	145,772	214,404
Audit Fees	17,750	17,250
Bad Debts	200,000	200,000
Bank Charges	22,337	22,523
Conference Costs	-	199,403
Co-operative Activities	22,575	15,171
Cuna Insurance Premiums	340,361	291,847
Depreciation	64,658	32,019
Directors' Expenses	302,570	271,883
Donation	16,840	9,190
Ex Gratia Payment	61,749	41,619
Insurance	43,539	24,465
League Dues	16,601	16,601
Legal and Professional Fees	209,555	67,749
Marketing Expenses	119,268	243,486
Members' Fixed Deposit Interest	1,600,484	1,313,544
Members' Premium Deposit Interest	641,133	636,113
Miscellaneous	59,697	31,945
Office Supplies	21,682	16,736
Postage	2,276	1,800
Printing and Stationery	44,586	29,531
Property, Plant and Equipment Write-Off	-	23,478
Rental	125,600	-
Repairs and Maintenance	10,599	8,159
Salaries and Wages	1,058,987	856,551
Security Courier	8,280	6,440
Staff Benefits	76,281	91,473
Staff Training and Development	68,963	66,135
Sundry Committees	93,930	89,943
Telephone Expenses	19,472	18,809
Uniforms	19,062	-
Utilities	22,207	-
	<u>5,456,814</u>	<u>4,858,267</u>
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>	<u>2,189,962</u>	<u>2,325,228</u>





**Tranquillity Credit Union  
Co-operative Society Limited**

**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED DECEMBER 31, 2014

<b>APPROPRIATIONS</b>		
Transfer to Reserve Fund (10%)	218,996	232,523
Transfer to Education Fund (5%)	109,498	116,261
	<u>328,494</u>	<u>348,784</u>
<b>TOTAL APPROPRIATIONS</b>		
	<u>328,494</u>	<u>348,784</u>
<b>NET SURPLUS AFTER APPROPRIATIONS</b>	\$ 1,861,468	\$ 1,976,444
	<u>1,861,468</u>	<u>1,976,444</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
Unrealised (Loss) / Gain on Financial Assets	(114,072)	211,201
	<u>(114,072)</u>	<u>211,201</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	\$ <u>1,747,396</u>	\$ <u>2,187,645</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, 2014

### YEAR ENDED DECEMBER 31, 2014

Particulars	Investment Re-measurement Reserve	Reserve Fund	Education Fund	Building Fund	Undivided Earnings	Total
Balance at January 1, 2014	\$ 882,779	\$ 5,076,827	\$ 745,806	\$ 150,770	\$ 2,866,756	9,722,938
<b>Adjustments</b>						
Net Surplus for the Year					2,189,962	2,189,962
Other Comprehensive Income	(114,072)					(114,072)
Transfer to the Reserve Fund		218,996			(218,996)	-
Transfer from Building Fund		150,770		(150,770)		-
Transfer to the Education Fund			109,498		(109,498)	-
Entrance Fees to Reserve Fund		1,300				1,300
Education Expenses			(13,803)			(13,803)
Honorarium					(40,000)	(40,000)
Dividends Paid - 2013					(2,287,736)	(2,287,736)
<b>Balance at December 31, 2014</b>	<u>\$ 768,707</u>	<u>\$ 5,447,893</u>	<u>\$ 841,501</u>	<u>\$ -</u>	<u>\$ 2,400,488</u>	<u>9,458,589</u>

### 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
<b>Adjustments</b>						
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)	-
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					(1,918,115)	(1,918,115)
<b>Balance at December 31, 2013</b>	<u>\$ 882,779</u>	<u>\$ 5,076,827</u>	<u>\$ 745,806</u>	<u>\$ 150,770</u>	<u>\$ 2,866,756</u>	<u>9,722,938</u>



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, 2014

	2014	2013
<b>Operating Activities</b>		
Net Surplus Before Appropriations	\$ 2,189,962	\$ 2,325,228
<b>Adjustment For:</b>		
Depreciation	64,658	32,019
Property, Plant and Equipment Written-Off	-	23,478
Less: Prior Year Adjustment	-	(664)
	-----	-----
<b>Operating Surplus Before Changes in Working Capital and Reserves Components</b>	<b>2,254,620</b>	<b>2,380,061</b>
(Increase) / Decrease in Inventory	(84,150)	5,750
(Increase) in Members' Loans	(4,562,148)	(3,779,948)
Decrease in Receivables and Prepayments	682,790	474,036
Increase in Members' Savings and Deposit Accounts	4,143,802	4,710,457
(Decrease) / Increase in Payables and Accruals	(569,591)	370,113
	-----	-----
<b>Net Cash Generated From Operating Activities</b>	<b>1,865,323</b>	<b>4,160,469</b>
<b>Investing Activities</b>		
(Increase) in Long Term Investments	(3,687,829)	(5,568,265)
Additions to Property, Plant and Equipment	(2,696,330)	(6,862,957)
	-----	-----
<b>Net Cash (Used In) Investing Activities</b>	<b>(6,384,159)</b>	<b>(12,431,222)</b>
<b>Financing Activities</b>		
Net Movement in the Investment Re-measurement Reserve	(114,072)	856,162
Education Fund Expenses	(13,803)	(27,258)
Increase in Members' Shares	1,242,938	3,605,569
Honorarium Paid	(40,000)	(40,000)
Dividends Paid	(2,287,736)	(1,918,117)
Entrance Fees	1,300	-
	-----	-----
<b>Net Cash (Used In) / Generated From Financing Activities</b>	<b>(1,211,373)</b>	<b>2,476,356</b>
<b>Net Change For The Year</b>	<b>(5,730,209)</b>	<b>(5,794,397)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>12,018,527</b>	<b>17,812,924</b>
	-----	-----
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>\$ 6,288,318</b>	<b>\$ 12,018,527</b>
	=====	=====
<b>Represented By:-</b>		
Cash at Bank and in Hand	\$ 1,477,391	\$ 4,755,767
Short-Term Investments	4,810,927	7,262,760
	-----	-----
	<b>\$ 6,288,318</b>	<b>\$ 12,018,527</b>
	=====	=====

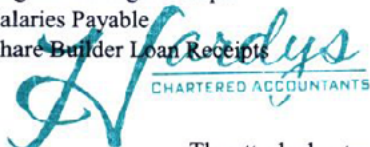


The attached notes and comments form an integral part of these Financial Statements.

# Tranquillity Credit Union Co-operative Society Limited

## RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2014

RECEIPTS	2014	2013
AGM Expenses	\$ 347	\$ 49,515
Appliance Loan Receipts	-	3,695
Appliance Promo Loan	32,819	32,730
Accrued Interest on Oil Note	-	32,514
Bank Charges	2	9
Board Allowances	2,428	5,598
Building - Maraval	-	813
Co-operative Activities Refunds	2,101	-
CUNA - LS/LP Insurance	2,681	-
CUNA - FIP Receivables	9,263	-
DSR Loans	67,849	93,194
Education	300	-
First Citizens I.P.O	-	3,106,532
First Line Securities Oil	-	2,100,000
F.I.P Death Benefit Receivables	145,000	352,043
F.I.P Deposits	68,723	42,909
Food Voucher Loan Receipts	66,854	48,511
Food Voucher Service Charge	39,060	23,875
Future Cash Investment Loan	-	1,343
General Loans Receipts	3,020,767	2,623,361
Guardian Life IPI	3,000,000	-
Interest on Members' Loans Receipts	674,884	937,410
Interest on Long Term Loan	616,300	-
Interest on Oil Notes	100,000	-
Interest on Republic Money Market Fund	43,920	-
Legal and Professional Fees	5,735	3,985
Line of Credit Receipts	293,061	294,746
Marketing	4,835	19,823
Members' Control Account	1,722	-
Members' Fixed Deposit Interest	-	895
Members' Shares Receipts	2,328,974	1,615,323
Miscellaneous Expense	1,045	-
Mortgage Loan Receipts	724,297	31,479
National Petroleum Company	20,457,835	22,056,627
Natpet Receipts	676,668	600,375
NFM Dividend	1,000	1,600
NPMC Employees Consumer Co-op Ltd	8,045	27,490
NPMC Computer Loans	4,967	24,061
NIS Payable	23,145	8,997
Office Supplies	297	-
Other Accrued Expenses	-	57,727
Other Income Receipts	106,925	332,755
Other Receivables	39,738	-
Overages/Shortages	322	526
Petrotrin Limited	171,641	219,765
Processing Fees	36,149	-
Promotion Loan	-	7,709
Regular Savings Receipts	320,962	292,685
Salaries Payable	1,024	-
Share Builder Loan Receipts	116,540	101,221



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, 2014

Share Drive Promotion	-	606,378
Shell Chemicals and Services Limited	274,031	87,387
Sing Chong Supermarket	-	1,700
Small Business/Demand Loans	18,027	38,954
Special Deposits Receipts	13,120,430	17,886,322
Special Loans	32,414	4,130
Staff Loans Receipts	8,312	4,020
Staff Training and Development	5,000	-
Stale/Lost Cheques Payable	-	56,479
Standing Order Deposits	29,969	23,125
Sub - Account Rental	2,000	-
Undivided Earnings	4,766	-
UTC Money Market Fund	2,500,000	6,000,000
Vehicle Loan Receipts	1,764,777	760,619
WOCCU/CCCU Conference Costs	6,766	-
<b>Total Receipts</b>	<b>\$ 50,984,717</b>	<b>\$ 60,620,955</b>
Opening Balance	\$ 4,755,767	\$ 2,664,998
Total Receipts	50,984,717	60,620,955
Less Payments	54,263,093	58,530,186
<b>Closing Balance</b>	<b>\$ 1,477,391</b>	<b>\$ 4,755,767</b>
<b>Represented By:</b>		
<b>Opening Balance</b>		
Cash at Bank and in Hand	\$ 1,477,391	\$ 4,755,767



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, 2014

PAYMENTS	2014	2013
AGM Expenses	\$ 144,306	\$ 264,969
Appliance Promo Loans	505,087	465,844
Audit Fees	-	12,000
Bank Charges	21,040	23,337
Board Allowances	66,074	45,101
Building - Maraval	2,000	6,221,822
Building Improvement (Additions)	2,644,221	-
Car - Park Rental	125,600	-
Computer (Additions)	-	49,758
Computer - Cost	78,049	-
Computer Services	1,580	10,702
Co-operative Activities	33,026	12,671
Credit Committee Expenses	-	700
CUNA - F.I.P. Payable	405,221	357,254
CUNA - LS/LP Insurance	211,504	-
Donations	13,840	9,190
DSR Loans	277,221	20,000
Education Expenses	8,252	16,511
Electricity	3,787	-
Education Committee Expenses	2,551	-
Education Fund	-	5,570
Ex Gratia Payments	61,749	41,619
Fire and Safety Equipment	6,000	-
F.I.P. Death Benefits	134,894	238,152
F.I.P. Deposits	39,308	27,717
Food Voucher Loans	53,000	60,000
Furniture and Fixtures (Additions)	-	34,052
First Citizens' - I.P.O.	-	3,993,000
General Insurance	20,371	41,299
General Loans	11,406,651	10,361,203
Health Surcharge	3,580	3,028
Interest on Loans	1,951	-
League Dues	600	16,601
Legal and Professional Fees	220,952	86,583
Line of Credit	1,678,004	954,629
Marketing Expense	124,103	81,709
Massy Stores Limited	120,000	114,900
Medical (Employer's Contribution)	22,922	22,450
Members' Shares	2,095,293	1,502,835
Members' Fixed Deposits	-	970,077
Members' Fixed Deposit Interest	6,400	28,267
Miscellaneous Payments	34,049	26,821
Mortgage Loans	933,904	1,455,585
NIS Payable (Employer's Contribution)	-	2,697
NIS Payable	115,187	79,370
Naipaul's Supermarket	120,000	77,600
Non Statutory Committees	533	353
NPMC Computer Loans	131,372	224,391
Office Equipment (Additions)	25,060	2,728
Office Supplies	11,404	9,137
Other Accrued Expenses	596,541	400,851
Other Income	380	22,425



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, 2014

Other Receivables	285,300	279,214
Overages/Shortages	1,535	145
PAYE Payable	90,855	81,219
Pension (Employer's Contribution)	40,963	25,500
Pension Payable	-	1,948
Postage	2,276	-
Prepayments	80,349	49,424
PriceMart Supermarket Limited	150,000	98,000
Printing and Stationery	44,586	29,531
Rates and Taxes	15,335	-
Regular Savings	1,261,186	1,695,206
Repairs and Maintenance	7,564	4,918
Salaries Payable	216,573	207,436
Saving Plan	55,000	-
Security Courier	8,280	4,600
Share Builder Loans	-	542,872
Share Drive Promotion	43,973	219,570
Share Drive Payable	-	100,000
Sing Chong Supermarket Limited	11,400	17,700
Small Business/Demand Loans	5,149	42,000
Special Deposits	18,392,524	20,139,463
Special Loans	312,723	75,000
Staff Incentives	827	12,798
Staff Loans	77,473	154,485
Staff Training and Development	72,655	66,135
Staff Travelling	-	1,800
Standing Order Deposits	89,058	114,681
Standing Orders Payable	358,490	371,264
Sub-Account Rental	12,000	14,000
Supervisory Expenses	181	389
Telephones	19,472	18,809
Tru Valu Supermarket Limited	80,000	39,600
Unit Trust (Income & Growth Fund)	6,000,000	3,500,000
Undivided Earnings	34,014	-
Uniforms Expenses	12,282	-
Vehicle Loans	3,973,503	2,027,685
WOCCU/CCCU Conference Costs	-	199,286
<b>Total Payments</b>	<b>\$ 54,263,093</b>	<b>\$ 58,530,186</b>



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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

### 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

Property, Plant and Equipment 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%
Land and Building (Maraval Road)	- 0%
Leasehold Improvements	- 5 %

#### 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 Statement of Comprehensive Income.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

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.

**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 Statement of Financial Position 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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

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 between 0.75% to 1.5% per 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.



**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





NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

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
- 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 0.15 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

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:

- 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) Property, 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, 2014

### 5 PROPERTY, PLANT AND EQUIPMENT

(i) Year Ended December 31, 2014 - The sum of \$ 9,595,766 is made up as follows:-

	Computers	Furniture & Fixtures	Equipment	Land & Building (Maraval Road)	Leasehold Improvement	Total
<b>Cost</b>						
At Jan. 1, 2014	\$ 559,467	\$ 210,635	\$ 115,648	\$ 6,685,970	\$ 22,425	\$ 7,594,145
Additions	49,169	-	165,493	2,481,668	-	2,696,330
Write-offs	(230,775)	-	(3,991)	-	-	(234,766)
At Dec. 31, 2014	377,861	210,635	277,150	9,167,638	22,425	10,055,709
<b>Depreciation</b>						
At Jan. 1, 2014	406,901	123,862	96,485	-	2,803	630,051
Charge	48,772	10,847	4,058	-	981	64,658
Write-offs	(230,775)	-	(3,991)	-	-	(234,766)
At Dec. 31, 2014	224,898	134,709	96,552	-	3,784	459,943
<b>Net Book Value</b>						
At Dec. 31, 2014	\$ 152,963	\$ 75,926	\$ 180,598	\$ 9,167,638	\$ 18,641	\$ 9,595,766

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

	Computers	Furniture & Fixtures	Equipment	Land & Building (Maraval Road)	Leasehold Improvement	Total
<b>Cost</b>						
At Jan. 1, 2013	\$ 460,819	\$ 183,290	\$ 110,557	\$ -	\$ -	\$ 754,666
Additions	121,122	27,345	6,095	6,685,970	22,425	6,862,957
Write-offs	(22,474)	-	(1,004)	-	-	(23,478)
At Dec. 31, 2013	559,467	210,635	115,648	6,685,970	22,425	7,594,145
<b>Depreciation</b>						
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
<b>Net Book Value</b>						
At Dec. 31, 2013	\$ 152,566	\$ 86,773	\$ 19,163	\$ 6,685,970	\$ 19,622	\$ 6,964,094



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

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.

		2014	2013
Loans to Members	(i) below	\$ 62,895,695	\$ 58,133,547
Less: Provision for loan losses		(893,300)	(693,300)
		<u>\$ 62,002,395</u>	<u>\$ 57,440,247</u>
 <u>Provision for loan losses:</u>			
Balance, beginning of the year		\$ 693,300	\$ 493,300
Charge for the year		200,000	200,000
		<u>\$ 893,300</u>	<u>\$ 693,300</u>

(i) LOANS TO MEMBERS

The sum of \$62,895,695 is made up as follows:-

	2014	2013
General Loans	\$ 35,430,474	\$ 31,801,629
Mortgage Loans	6,118,847	5,637,076
Appliance Loans	43,284	47,707
Vehicle Loans	13,529,351	12,564,603
Food Voucher Loans	581,643	574,046
Special Loans	1,064,686	712,694
NPMC Computer Loans	230,824	362,511
Promotion Loans	19,969	36,895
Small Business Demand Loans	113,148	167,691
Line of Credit	2,460,840	2,159,800
Staff Loans	835,529	665,885
Future Cash Investment Loans	6,192	6,192
Appliance Promo	960,511	726,924
DSR Loans	617,319	861,803
Share Builder Loans	763,078	1,808,091
Savings Plus	120,000	-
	<u>\$ 62,895,695</u>	<u>\$ 58,133,547</u>



# Tranquillity Credit Union Co-operative Society Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

### 7 (a) LONG-TERM INVESTMENTS

The sum of \$23,332,546 is made up as follows:-

	2014	2013
T&T Unit Trust Corporation- Income and Growth Fund	\$ 9,767,343	\$ 3,500,000
T&T Unit Trust Corporation - North American Fund	51,245	47,001
Guardian Life IPI Fund	4,170,270	7,000,000
Shares- Co-operative CU League	10,000	10,000
Roytrin Mutual Fund	5,494,171	5,196,492
Shares- National Flour Mills	23,000	9,500
Royal Scandia (E.W.B)	73,658	50,625
Republic Bank (Income & Growth)	2,249,563	2,209,264
Laqtel Limited	1	1
First Citizens Bank - I.P.O	1,493,295	1,621,834
	<u>\$ 23,332,546</u>	<u>\$ 19,644,717</u>

### (b) SHORT-TERM INVESTMENTS

The sum of \$4,810,927 is made up as follows:-

	2014	2013
<b>Money Market Fund:</b>		
- Trinidad and Tobago Unit Trust Corporation	\$ 2,752,469	\$ 5,204,840
- Republic Bank Limited	58,458	57,920
First Line Securities Oil Note	2,000,000	2,000,000
	<u>\$ 4,810,927</u>	<u>\$ 7,262,760</u>

### 8 CASH AT BANK AND IN HAND

The sum of \$1,477,391 is made up as follows:-

	2014	2013
Cash in Transit	\$ 175,960	\$ 841,253
Republic Bank Limited – Current Account	1,301,431	3,914,514
	<u>\$ 1,477,391</u>	<u>\$ 4,755,767</u>



# Tranquillity Credit Union Co-operative Society Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

### 9 RECEIVABLES AND PREPAYMENTS

The sum of \$1,102,194 is made up as follows:-

	2014	2013
National Petroleum Marketing Company	\$ 580,056	\$ 1,519,162
Shell Chemicals and Services Limited	-	10,717
Petrotrin Limited	1,045	21,786
NP Employees Consumer Co-operative Limited	-	1,254
NATPET	55,017	61,801
NATSTAR	-	16,500
Other Receivables	342,492	58,239
CUNA- FIP Death Benefit Receivable	20,000	-
CUNA- Family Indemnity Plan Receivable	-	6,866
Accrued Interest on Oil Notes	19,561	25,000
Accrued Interest on Other Investments	-	36,894
Computer Loan Interest- NP Staff	-	(77)
Prepayments	84,023	26,842
	<u>\$ 1,102,194</u>	<u>\$ 1,784,984</u>

### 10 PAYABLES AND ACCRUALS

The sum of \$133,925 is made up as follows:-

	2014	2013
CUNA Family Indemnity Plan	\$ -	\$ 55,327
Other Accrued Expenses	36,331	527,549
Audit Fees	17,250	17,250
CUNA Beneficiary Account	-	43,924
Standing Order Payable	-	(13,013)
Sing Chong Supermarket	15,000	11,400
NP Consumer Co-operative Ltd	4,100	4,600
Stale/Lost Cheques Payable	-	56,479
Members' Payable	61,244	-
	<u>\$ 133,925</u>	<u>\$ 703,516</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**11 RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Key Management Personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Society.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

**Assets, Liabilities and Members' Equity**

	2014	2013
Due from Directors, Committee Members and Key Management Personnel	\$ 5,835,898	\$ 3,842,272
Due to Directors, Committee Members and Key Management Personnel	\$ 6,335,635	\$ 2,675,180

**12 FAIR VALUES**

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

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

**a) Current Assets and Liabilities**

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

**b) Members' Loans**

Loans are net of specific provisions for losses. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flow values which are substantially in accordance with financial statement amounts.





NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

c) Investments

The fair values of investments are determined on the basis of market prices available at December 31, 2014.

13 CAPITAL RISK MANAGEMENT

The Society manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to members, whilst providing value to its members by offering loan and savings facilities. The Society's overall strategy remains unchanged from previous years.

The capital structure of the Society consists of equity attributable to members, which comprises stated capital, reserves and undivided surplus.

14 MEMBERS' DEPOSITS

The sum of \$48,082,422 is made up as follows:-

	2014	2013
Regular Savings Deposit	\$ 548,362	\$ 825,118
Special Deposits	19,602,014	17,921,981
F.I.P Deposits	154,611	138,039
Standing Order Deposits	130,932	187,846
Members Fixed Deposits	27,646,503	24,865,636
	<u>\$ 48,082,422</u>	<u>\$ 43,938,620</u>

15 RE-STATEMENT AND RE-CLASSIFICATION

Re-classification to prior year's figures has been made to match and to represent balances in conformity with the current year's reporting.



**Tranquillity Credit Union  
Co-operative Society Limited**

**PROJECTED STATEMENT  
OF FINANCIAL POSITION 2015**

		2015	Audited 2014
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		\$ 9,627,567	\$ 9,595,766
Loans to Members (net)		69,872,066	62,002,395
Long Term Investments		<u>25,512,322</u>	<u>23,332,546</u>
	<b>Total Non-Current Assets</b>	<b>105,011,955</b>	<b>94,930,707</b>
<b>Current Assets</b>			
Short-Term Investment		\$ 7,561,682	\$ 4,810,927
Inventory		-	85,300
Receivables and Prepayments		1,003,989	1,102,194
Cash at Bank and in Hand		<u>\$ 1,398,024</u>	<u>\$ 1,477,391</u>
	<b>Total Current Assets</b>	<b>9,963,695</b>	<b>7,475,812</b>
	<b>TOTAL ASSETS</b>	<b>\$ 114,975,650</b>	<b>\$ 102,406,519</b>
<b>MEMBERS' EQUITY AND LIABILITIES</b>			
<b>Members' Equity</b>			
Investment Re-measurement Reserves		1,019,673	768,707
Reserve Fund		5,335,900	5447893
Education fund		845,344	841501
Undivided Earnings		<u>2,198,010</u>	<u>2,400,488</u>
	<b>Total Members' Equity</b>	<b>9,398,927</b>	<b>9,458,589</b>
<b>Non-Current Liabilities</b>			
Members' Share Balances		<u>51,125,835</u>	<u>44,731,583</u>
<b>Current Liabilities</b>			
Members' Savings and Deposit Accounts		\$ 53,634,078	\$ 48,082,422
Payables and Accruals		<u>816,810</u>	<u>133,925</u>
		<u>54,450,888</u>	<u>48,216,347</u>
	<b>TOTAL MEMBERS' EQUITY AND LIABILITIES</b>	<b>\$ 114,975,650</b>	<b>\$ 102,406,519</b>

# Tranquillity Credit Union Co-operative Society Limited

## PROJECTED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted</u> <u>2015</u>	<u>Audited</u> <u>2014</u>
<b>INCOME:</b>		
Interest on Members' Loans	\$ 7,345,212	\$ 6,412,511
Investments Income	802,353	997,809
Other Income	340,723	236,456
<b>Total income</b>	<b>8,488,288</b>	<b>7,646,776</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES:</b>		
Annual General Meeting	126,515	145,772
Audit Fees	17,550	17,750
Car Park Lease	114,000	125,600
Bad Debts Provision	200,000	200,000
Bank Charges	25,000	22,337
Conference Cost	100,000	-
Computer Services	18,000	-
Co-branded VISA Debit Card	117,000	-
Co-operative Activities	33,000	22,575
Cuna Insurance Premiums	290,000	340,361
Depreciation	80,000	64,658
Directors Expenses	270,000	302,570
Donation	20,000	16,840
Equipment Rental	15,000	-
Ex Gratia Payment	50,000	61,749
Insurances	59,625	43,539
Janitorial Services	50,000	-
League Dues	16,601	16,601
Legal and Professional Fees	157,882	209,555
Marketing Expenses	440,713	119,268
Members' Fixed Deposits Interest	1,163,812	1,600,484
Members' Premium Deposits Interest	653,546	641,133
Miscellaneous	4,000	59,697
Office Supplies	18,000	21,682
Plant Rental	6,000	-
Postage	4,000	2,276
Printing and Stationery	40,000	44,586
Relocation Expenses	6,000	-
Repairs and Maintenance General	6,000	10,599
Repairs and Maintenance Equipment	15,000	-

**Tranquillity Credit Union  
Co-operative Society Limited**

**PROJECTED STATEMENT  
OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Salaries and Wages	1,244,924	1,058,987
Security Courier	80,000	8,280
Storage Expenses	6,000	-
Staff Benefits	171,992	76,281
Staff Training and Development	80,000	68,963
Sundry Committees	98,400	93,930
Non Statutory Committee	12,000	-
Telephone Expenses	38,000	19,472
Uniforms		19,062
Utilities (Water & Electricity)	49,000	22,207
<b>Total expenses</b>	<b>5,897,560</b>	<b>5,456,814</b>
<b>Net surplus for the year</b>	<b>\$ 2,590,728</b>	<b>\$ 2,189,962</b>

## RESOLUTIONS

### 1. Dividends

Be it resolved

- a. That in accordance with Bye-Law 54 (a), dividends of 4% be approved and that 2% be credited to members' share account consistent with Bye-Law 54 for the financial year ended 31st December 2014.

Be it further resolved

- b. That dividends due to members whose accounts have become delinquent be credited to their outstanding loan and interest balances.

### 2. Honorarium

Be it resolved

That in accordance with Bye-Law 54 (c), this 64th Annual General Meeting approves honorarium in the sum of \$40,000.00, to be distributed amongst the Board of Directors, Credit Committee and Supervisory Committee for the period under review.

### 3. Auditors

Be it resolved

That the firm Hardy's Chartered Accountants be retained as Auditors of the Tranquillity Credit Union for the fiscal year 2015.

### Amendment to Bye-Laws

#### 1. Name and Address (2)

Be it resolved that Bye-Law (2) which presently reads:

The Society shall be called "Tranquillity Credit Union Co-operative Society Limited". The registered address shall be NP House, Sea Lots, Port of Spain or at such other place as the Board from time to time decide.

In the event of any change of the registered address, notice of such change shall be sent to the commissioner within thirty days.

Be amended to read as follows:

The Society shall be called "Tranquillity Credit Union Co-operative Society Limited". The registered address shall be 5 Maraval Road, Newtown, Port of Spain or at such other place as the Board from time to time decide.

In the event of any change of the registered address, notice of such change shall be sent to the commissioner within thirty days.

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- Standing Order Facility

- Insurance Coverage on Shares & Loans
- S.E.A. Awards & Scholarships
- Kids Investor Club
- Star Saver's Club

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- Educational & Development Programmes
- Dividends
- Vacation Club
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