



A N N U A L
2019-2020
R E P O R T

Securing Our Future | Generating Opportunities



Mission

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

Vision

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

Our Commitment

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



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.



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Notice and Agenda of Virtual Annual General Meeting

Notice is hereby given that the Sixty-Ninth (69th) Annual General Meeting (A.G.M.) of Tranquillity Credit Union Co-operative Society Limited will be held and transmitted virtually on Saturday, September 25th, 2021, starting at 1:30 pm. Online registration commences on Monday, September 6th, 2021 at agm.tranquillitycu.com.

AGENDA

1. Call to Order/ National Anthem
2. Invocation/ Credit Union Prayer
3. Reading of the Notice convening the 69th A.G.M.
4. Amendment to Bye-laws: Section 18 (b),1 (iv) & 43
5. Adoption of the Standing Orders
6. President's Address
7. Minutes of the 68th A.G.M. of Saturday, May 11th, 2019
8. Matters Arising out of the Minutes of the 68th A.G.M
9. Minutes of the Special General Meeting (S.G.M) of Thursday, June 27th, 2019
10. Matters Arising out of the Minutes of the S.G.M
11. Reports for 2019 and 2020
 - *Board of Directors*
 - *Credit Committee*
 - *Supervisory Committee*
 - *Education Committee*
 - *Independent Auditors*
 - *Financial Statements*
 - *Budget*
12. Nominations Committee Report
13. Elections of Officers
14. Loan Instalment Deferral Position Paper
15. Resolutions
16. Other Business
17. Closing of Meeting/ Prayer

By Order of the Board of Directors



ESTHER PARIAG
Hon. Secretary

NOTE

The Annual General Meeting is members-only, and registration commences online from Monday, September 6th and closes at 1:00 pm on Friday, September 24th, 2021.

Members must use one of the following identifications on file (Passport, ID, D.P) when registering via the A.G.M. registration portal (agm.tranquillitycu.com).

Upon registration and confirmation, the Credit Union would provide members with their login credentials for easy access to the virtual meeting on Saturday, September 25th, 2021.

Please be advised that each member who has attained the age of fourteen (14) years shall have but a single vote irrespective of his shareholdings, and there shall be no voting by proxy.

Standing Orders


1. The microphones of all participating members shall be kept muted except where permitted by the Chairman.
2. The videos of all participating members shall remain off unless addressing the Chairman.
3. Members addressing the Chairman must be appropriately attired.
4. Members will type their questions into the chat box. The A.G.M. Moderator will collate and transmit questions to the Chairman.
5. A member shall address the meeting ONLY when called upon and unmuted by the Chairman.
6. No member shall address the meeting except through the Chairman. All speeches shall be clear and relevant to the specific subject before the meeting.
7. A member shall use the Raise Hand button ONLY when:
 - a) *He/she is a mover or seconder of a motion.*
 - b) *He/she is raising a point of order.*
 - c) *He/she requires to object or to explain.*
 - d) *He/she requires the urgent attention of the Chair; the member shall identify himself/herself prior to proceeding.*
8. On any agenda item, a member is permitted:
 - a) *one question and*
 - b) *his/her contribution shall not exceed two (2) minutes, except with the permission of the Chairman.*
9. A member may not speak twice on the same subject, except:
 - a) *The mover of a motion – who has the right to reply.*
 - b) *To object or to explain (with the permission of the Chair).*
10. No speeches shall be made after the “question” has been put and carried or negatived.
11. The mover of a “procedural motion” – (adjournment, lay on the table, motion to postpone) shall have no right to reply.
12. A member rising on a “point of order” shall state the point clearly and concisely. (A point of order must have relevance to the Standing Orders).
13. A member shall not “call” another member “to order” but may draw the attention of the Chairman to a “breach of order”. On no account can a member call the Chairman “to order”.
14. Only one amendment shall be before the meeting at one and the same time.
15. When a motion is withdrawn, any amendment to it falls.
16. The Chairman shall have the right to a “casting vote”.
17. If there is an equality of voting on an amendment and the Chairman does not exercise his casting vote, the amendment is lost.
18. Should a tie occur for a vacant position at the election for the Board of Directors or Credit Committee or Supervisory Committee, that tie will be broken by a run-off.
19. Provision shall be made for the protection of the Chairman from vilification (personal abuse).
20. No member shall impute improper motives against another.
21. No form of recording of the proceedings shall be allowed without the permission of the Chairman.

Message From The President

Dear Members,

It has been an historic period between our last Annual General Meeting (AGM) and this our Sixty-ninth (69th) AGM. Much has changed since then.

A relatively successful 2019/20 year, saw our Credit Union maintain its steady financial progress. As our audited statement would show, at the end of the financial year our Board was pleased to recommend a dividend payment of 4.5%, which reflected a year of prudent decisions and initiatives, and in keeping with the economic environment at the time. We were on the verge of hosting our AGM for the period, when we were all confronted with the disclosure that the pandemic, which came to be known as COVID 19, had arrived at our shores, leading to a lockdown of our country, and subsequently to many changes in our way of operation.



The period April 2020 to the present has been one of the most difficult ever faced by societies within living memory. The health and economic impact of COVID-19 has greatly impacted our country and our economy. The effects will be felt for years to come. In some instances, the changes that were forced upon us will be forever.

Here at Tranquillity Credit Union (TCU), we continue to focus on our members, always seeking to be resilient and responsive to their needs. Guided by our purpose to help members thrive, the Board took conscious decisions and actions with the best interest of our members at the forefront, as we sought to deliver long term value to you, our employees, and our Credit Union family.

In what were uncharted waters, we continued to perform at a high level, to ensure that our Credit Union met its expectations and minimised disruptions to our service, particularly in the context of the early days of the pandemic.

Our very first action was to put in place measures for the safety and well-being of our staff, while making adjustments to ensure that you, our members were provided with continued high quality services. Steps were also taken to ensure that the financial needs of all our members were met in those early months of uncertainty and lockdown. We implemented the Government's request for a Loan Deferral programme, to assist members who may have encountered difficulties. It was welcomed by a significant portion of the membership. We adjusted our opening hours, ensuring that our service remained available to you. Staff were rotated and worked from home at times. We gave advice when needed. Above all, despite the continued challenging environment and restricted economic times, we have remained viable.

Increasingly we have embraced the digital age into which we have been thrust, offering several new initiatives for your convenience. We have been proactive in this regard, by introducing our Mobile and E-banking apps.

Also, during this period, we have been able to bring to fruition several measures which I have no doubt will redound to the benefit of our Credit Union for many years to come. We have taken steps towards transformation our operations, ensuring that we remain current and competitive. I make mention here, of some of them.

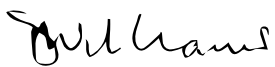
We have completed a new Credit Administration Policy, which will guide our Credit Committee and influence our lending practices for many years into the future. In similar vein, we have overhauled our Operations Policy Manual, in the process modernising it, and making it suitable for the changed modern world of work. There is a new Staff Human Resource Manual, also designed with the future in mind, and geared towards meeting new work practices, and introducing new and improved areas of compensation. We also ensured that staff wages and salaries were adjusted, to cover the current period.

The introduction of the TCU Performance Appraisal System during the course of last year gave me a personal sense of achievement, as I believe that when this system becomes fully operational, it will take our Credit Union to new and higher levels of performance. The intensity of work done, is reflected in the number of times that I called on our Board to meet during the period. The numbers indicate a total of thirty-eight times. For the Executive, there were thirteen extra meetings. They do not say how many hours were spent, how many times we met late into the night, how many other activities were sacrificed, to get the job done. Board members throughout never wavered in their commitment. Not to be neglected, we also invested in our physical infrastructure. The entire exterior of our building was re-cladded, giving it a new, attractive appearance, and also enhancing its value.

While the last couple of years will always be remembered for the negative effect which they have had on all of us, I am confident that your Credit Union is poised to withstand and survive all the new challenges which will come in our way, and that we will continue to have the resources to prepare a whole new generation to continue to guide us successfully into the future, for another sixty-nine years. History will also show that we met the unforeseen challenges which were thrown in our way, and we overcame in true Tranquillity tradition.

On behalf of the Board, I would like to thank you our members for your trust and support over the last eighteen months. To my colleagues on the Board, I wish to extend heartfelt thanks to you also, for your unswerving support during my entire time as President. To the members of the Credit and Supervisory Committees, your dedication and commitment to duty is also recognised and greatly appreciated. I would like to express my personal thanks to you. I express my gratitude also to the Management of our Credit Union.

Last but not least, I also extend thanks and my deepest indebtedness to our staff, for their unwavering commitment and loyalty during what has been a most difficult time, while adapting quickly to changes to working systems, and maintaining focus, and doing their part to keep our Credit Union afloat.



DOUGLAS WILLIAMS

President



RELAX!
We got you covered!

Debt Service Ratio Loan (D.S.R. LOAN)

LOAN AMOUNT
\$350,000

REPAYMENT PERIOD
6 years

LOAN PURPOSE
**Debt Consolidation
ONLY**

FLEXIBLE INTEREST RATES
**With Security and
Without Security**

Documents required: Current Salary Slip, Job Letter, Utility Bill, 2 Forms of Valid Identification, Statements of Indebtedness / Letters accompanied by an Affidavit. Verification of Letters / Statements of Indebtedness must be done.

Normal lending conditions apply.

Gets you back on your feet.

For more info contact us at 628-3804/6466 or email info@tranquillitycu.com



Minutes of the 68th Annual General Meeting

Held on SATURDAY MAY 11th, 2019 at
RADISSON HOTEL, Wrightson Road, Port of Spain.

Minutes of the 68th Annual General Meeting

CALL TO ORDER – NATIONAL ANTHEM/PRAYERS

At 1.50 p.m., the meeting was called to order by the Chairman, Mr. Douglas Williams, who welcomed all to the meeting. The National Anthem was played which was followed by the recitation of the Credit Union Prayer by Ms. Shachia Strachan.

CREDENTIAL REPORT

A credential report presented by the Chairman reflected that at 1.50 p.m. there were 89 members present.

READING OF THE NOTICE CONVENING THE 68TH AGM

The Notice of the Meeting, as stated on page 1 of the brochure, was read by the Secretary, Mrs. Esther Pariag.

STANDING ORDERS

The Standing Orders, as stated on page 2 of the brochure, were read by the Secretary.

A motion to adopt the Standing Orders was moved by Mr. Andrew Nurse and seconded by Mr. Harold Raghunanan.

INVITED GUESTS

- | | |
|--------------------------------|--|
| Ms. Diane Joseph | - Credit Union League of Trinidad and Tobago |
| Ms. Allyson Manodath | - Co-operative Division,
Ministry of Labour, Small & Micro Enterprise Development |
| Ms. Angela Ramkissoon | - Co-operative Division,
Ministry of Labour, Small & Micro Enterprise Development |
| Ms. Jonelle Skinner-Ballantyne | - CUNA Caribbean Insurance |
| Mr. Marlon Pierre | - North West Regional Chapter |
| Mr. Anil Bridgelal | - Hardys Chartered Accountants |
| Mr. Nigel Matthew | - Returning Officer |

PRESIDENT'S ADDRESS

The Chairman greeted the members and noted that 68 years is a milestone for the Credit Union as it represents a level of maturity. He reflected on the founding members of the Tranquillity Credit Union - Ms. Sheila Priest, Mr. George Byam and Mr. John Huggins who left a legacy.

The Chairman stated that the Tranquillity Credit Union has always been associated with peace and steadfastness. The Chairman reflected on the growth and development of the Credit Union over the years and informed members that the Credit Union had grown to a \$100M organisation. He noted that though there were problems along the way, they continued to handle them in the "Tranquillity Way".

The Chairman stated that the new Board had immediate matters to attend to as follows:

- *Approving the budget – which will be done at a Special General Meeting*
- *Returning the organisation to stability, peace and normalcy*

The Chairman informed members that the first thing the Board did was to return the General Manager to his substantive position after a review of the circumstances. The Executive of the Board of Directors met with the Auditors and the Co-operative on the issue and no evidence of misdemeanour or fraud was found. Further, the matter was deemed to be an HR issue to be treated with by the Board of Directors.

The Chairman outlined that arising out of the meeting the following recommendations were made:

- *That the Bye-Laws required consultation and update*
- *That an HR manual be implemented*
- *That the Supervisory Committee required training in their functions*
- *That Board of Directors do performance appraisals*
- *That the Loans Policy be reviewed*
- *That the Bye-laws be updated*

The Chairman reported that arising out of the recommendations the following were done:

- *The Bye-Laws were updated and are to be approved at the Special General Meeting which takes place in June*
- *The HR Policy was completed and final adoption is to take place at the Special General Meeting*
- *Changes were made to the organisational structure of the Credit Union - two (2) new positions were introduced and some staff members were re-deployed.*
- *The Credit Union successfully negotiated and approved a Group Health Plan with Beacon Insurance Company Limited*
- *New technology was introduced (GIA)*
- *The website was re-launched*
- *The Business Plan was updated to allow the Credit Union to expand the Bond to include other energy companies*
- *The Credit Union made a return to positive growth thereby reversing its first decline*
- *The Credit Union arrived at an agreement with NP for a special loan pending the outcome of negotiations*

The Chairman informed members that Tranquillity Credit Union was reported to the Co-operative by a member of the former Board of Directors to investigate the special loan offer. The Co-operative concluded that the Board acted within their remit.

- *The Board of Directors approved salary increases for management staff*

The Chairman informed members that Mr. Reuben Elias resigned from the Board of Directors last September and Mrs. Christiana Wallace was selected to replace Mr. Elias, having been nominated as the 1st Alternate in the AGM of 2018.

The Chairman reported that the Credit Union had embarked on an aggressive plan for succession planning. He informed members that Ms. Sheryl Strachan and Mr. Richard Trim were recently accredited in Caribbean Development Education having completed a course of training in Jamaica in March of 2019.

The Chairman lamented that the country is experiencing very dark times. He mentioned the threat of legislation for credit unions as becoming an issue again. The Chairman informed members that the proposed legislation will treat credit unions in the same manner as banks. He reiterated that the Credit Union has to try to remain as a separate entity.



The Chairman congratulated the Secretary on being elected to the Credit Union League.

The Chairman noted that the Board of Directors could have done better if there was more co-operation and less division.

The Chairman expressed that though there would be challenges, the future is pregnant with possibilities. He mentioned that Tranquility Credit Union pressed the reset button in 2018. The Chairman stated that the power is in the hands of the membership.

The Chairman concluded by thanking the staff, Board and Committee members for support and extending Mother's Day greetings.

MINUTES OF THE 67TH AGM

A motion for the Minutes to be taken as read was moved by Mr. Michael Mc Clean and seconded by Mr. Vaughn Sampson.

Corrections

Page 6, change "Mc Lean" to "Mc Clean"

Page 6, change "Cruikshank" to "Cruickshank"

Page 9, change "Ragonanan" to "Raghunanan"

Page 11, change "Ragonanan" to "Raghunanan"

Page 13, change "Ragonanan" to "Raghunanan"

Page 15, change "Ursha Bernard" to "Ursha Hector"

Page 17, change "Ursha Bernard" to "Ursha Hector"

Page 17, under "Credit Committee" remove "1st Alternate" and "2nd Alternate" as Mrs. Kathlene Lalman, Mrs. Nadia Sudan and Ms. Lisa Marie Foster all received the same number of votes.

Matters Arising

Mr. Andrew Nurse enquired about a \$500,000 variance which appeared in last year's statements. The Chairman replied that no clarification was made on the \$500,000 matter.

Mr. Reuben Elias referred to page 17 (last paragraph) and mentioned that at the last AGM there was a mandate for the dissolution of the tribunal. Mr. Reuben Elias said that that motion was never entertained. Further, that there was no mandate and the minutes reflect this.

The Chairman responded that no mention is made on page 17 of a tribunal.

A motion for the adoption of the Minutes of the 67th Annual General Meeting was moved by Ms. Beverly-Anne Cruickshank and seconded by Mr. Lennox Marcelle.

MINUTES OF THE SPECIAL GENERAL MEETING

A motion for the Minutes of the Special General Meeting to be taken as read was moved by Ms. Marlene Goddard and seconded by Mr. Reginald Williams.

Ms. Charon Maxime referred to page 21 which makes several references to the "General Manager" and enquired who was the General Manager at the Special General Meeting.

The Chairman responded that Mr. Sherwin Cambridge was the General Manager at the time of the Special General Meeting.

A motion for the adoption of the Minutes of the Special General Meeting was moved by Ms. Michelle Duncan and seconded by Mr. Kion Williams.

BOARD OF DIRECTORS' REPORT

The Report of the Board of Directors, as stated on pages 25 to 31 of the brochure, was presented by the Chairman.

A motion for the Report of the Board of Directors to be taken as read was moved by Ms. Dorna Maillard and seconded by Mr. Kassim Hosein.

Matters Arising

Mr. Reuben Elias referred to the picture on page 24 and stated that he counted thirteen (13) persons. He cited the Bye-Laws which state that the "Board of Directors shall consist of twelve persons." He requested clarification on whether the present Board consisted of 12 persons or 13 persons.

The Chairman responded that the General Manager is an ex-officio member of the Board.

Mr. Reuben Elias repeated his question. The Chairman responded that the Board consisted of twelve (12) members and that the General Manager acts as Treasurer.

Mr. Reuben Elias stated that the General Manager is not a member of the Board of Directors. Further that there is no executive member on the Board and the General Manager is not a director.

The Chairman thanked Mr. Elias for his contribution and suggested that he read 24 (a) of the Bye-Laws. The Chairman added that by virtue of the Bye-Laws the General Manager appeared in the photo on page 24.

The Chairman referred to the Group Health Plan on page 28, which is to be launched in June. He invited members to take advantage of the plan.

Financial International Reporting Standards (IFRS9)

The Chairman explained that the IFRS9 works under the Expected Loss Methodology. The Credit Union has to make provisions for anticipated losses when granting loans.

The Chairman reported that the Credit Union has put aside 1.6M to Undivided Earnings. This played a part in determining the percentage of dividends to be paid out.

A moment of silence was observed for the deceased members.

A motion for the acceptance of the Board of Directors Report was moved by Mr. Andrew Nurse and seconded by Mr. Michael Mc Clean.

CREDIT COMMITTEE REPORT

The Report of the Credit Committee, as stated on pages 33 and 34, was presented by Mr. Royds Williams, the Chairman.

Matters Arising

Mr. Reuben Elias referred to the agreement between NP and the Credit Union for a special loan pending the outcome of negotiations. Mr. Elias enquired whether the Credit Union financed the loan and whether NP is providing interest on the loan.

Mr. Royds Williams responded that NP is guaranteeing a lumpsum payment.

Mr. Elias enquired whether NP owes the employees, if the members are to pay interest and whether NP is putting out money to repay the loan.

Mr. Royds Williams responded that NP has assured that the loan was secured up to November 2019. He suggested that Mr. Elias direct those questions to the persons who held discussions with NP for this arrangement.

Mr. Reuben Elias asked why the employees must pay interest.

The Chairman responded that paying interest was a choice.

Ms. Beverly Anne Cruickshank stated that if she chose to take the loan that is her right and her business. Further that no one should question her personal arrangement.

Mr. Harold Raghunanan enquired whether interest was being paid and at what intervals before the November deadline.

The Chairman responded that a 9% service charge on each application was taken up front.

There being no further matters a motion for the adoption of the Report of the Credit Committee was moved by Mr. Marcelle Johnson and seconded by Mr. Harold Raghunanan.

SUPERVISORY COMMITTEE REPORT

The report of the Supervisory Committee, as stated on pages 37 and 38, was presented by Mr. Kion Williams, the Chairman.

A motion for the adoption of the Report of the Supervisory Committee was moved by Ms. Michelle Duncan and seconded by Mr. Aubin Holder.

EDUCATION COMMITTEE REPORT

Mr. Richard Trim reported that in addition to the SEA/CAPE/CSEC Award Ceremony and Parent Workshop and the Social Media Hacking Strategy Session, the Education Committee had created a mass media education programme titled "TCU TV".

Mr. Trim stated that "TCU TV" will be used to mass educate members via social media and the TCU homepage in areas of general co-operative knowledge, roles and functions of the various statutory committees.

Mr. Trim mentioned that the Committee will also be undertaking projects geared toward youth members as well as entrepreneurs.

Matters Arising

Ms. Beverly-Anne Cruickshank suggested that some sort of education programme be put in place for retirees and members who are about to retire.

Mr. Trim responded that he agreed and stated that the Committee will look into that area and create an interconnective programme. Mr. Trim mentioned that it is the Committee's intention to create a forum for retirees where their needs and wants can be fed into the Committee's initiatives.

There being no further matters a motion was moved for the adoption of the Report of the Education Committee by Ms. Renée Garcia and seconded by Mrs. Diane Trotman.



AUDITOR'S REPORT

The Independent Auditor's Report as stated on pages 2 and 3 of the 2018 Financials of the brochure was presented by Mr. Anil Bridgelal of Hardys Chartered Accountants.

Ms. Nyasha Alcala moved a motion for the adoption of the Auditor's Report which was seconded by Mr. Walter Jules.

FINANCIAL STATEMENTS

The Chairman drew members' attention to the Financial Statements, on pages 4 to 25 of the Financial Report.

A motion to accept the Financial Statements was moved by Ms. Marlene Goddard and seconded by Mr. Reginald Williams.

BUDGET

The Chairman drew members' attention to the 2019 Budget Projections on pages 26 and 27 of the brochure.

A motion to accept the Budget Projections was moved by Ms. Tambi Serrano-Rock and seconded by Mr. Noel Maxwell.

RESOLUTIONS

The Chairman drew members' attention to the Resolutions on page 28 of the brochure.

A. Dividend

Be it resolved:

- i. That in accordance with Bye-Law 54, dividends of 4.5% be approved and that 2% be credited to members' Share Account consistent with Bye-Law 54(a) for the year ended 31st December 2018.
- ii. That dividends due to members whose accounts have become delinquent be credited to their outstanding loans and interest balances.

This motion was brought to the AGM by the Board of Directors and seconded by Mr. Marcelle Johnson. The motion was carried unanimously.

B. Board of Directors Honorarium

Be it resolved:

- i. That in accordance with Bye-Law 54(c), the 68th AGM approves honorarium in the sum of \$50,000 to be distributed among the Board of Directors, Credit Committee and the Supervisory for the period under review.

This motion was brought to the AGM by the Board of Directors and seconded by Mr. Michael Mc Clean. The motion was carried unanimously.

C. Appointment of Auditor

Be it resolved:

- i. That the firm Hardys Chartered Accountants be retained as Auditors of the Tranquillity Credit Union Cooperative Society Limited for the fiscal year 2019

This motion was brought to the AGM by the Board of Directors and seconded by Ms. Marcia Dottin-Fraser. The motion was carried unanimously.

NOMINATIONS COMMITTEE REPORT

The Report of the Nominations Committee was presented by Ms. Charon Maxime.

Matters Arising

Ms. Michelle Trestrail asked about the review of the Bye-Laws particularly as it relates to family members sitting on the same Committee. She noted that a nominee has the same last name as another member.

Ms. Maxime responded that this matter had not been seriously considered.

The Chairman responded that the matter will be dealt with at the Bye-Laws meeting to be held in June.

Mr. Kion Williams requested that amendments be made to the "Other Matters" section of the Nominations Committee Report as follows:

- *Include that Mrs. Marsha Smith-Cox was replaced by Mr. Andrew Nurse*
- *State that Mr. Reuben Elias resigned and was replaced by Mrs. Christiana Wallace*

There being no further matters, a motion to adopt the Nominations Committee Report was moved by Mr. Orett Campbell and seconded by Ms. Rae Gilbert.

ELECTION OF OFFICERS

The Chairman handed over the meeting to Mr. Nigel Matthew, Returning Officer, for the conduct of the Elections.

A Credential Report read by the Returning Officer revealed that at 4.20 p.m. there were 206 members present.

Mr. Andrew Nurse asked if nominations were being taken from the floor.

Mr. Matthew responded that that will happen in due course. Mr. Matthew then opened the floor for further nominations.

Mr. Kendal Charles requested clarification on the number of persons to be selected for the Board of Directors. Mr. Matthew responded that four persons were to be selected.



Mr. Matthew noted that there were no nominees from the floor for positions on the Board of Directors.

Mr. Matthew informed members that Mr. Enos Reid, a Board of Directors nominee, had submitted a letter indicating that he would be late for the meeting.

Mr. Matthew invited the nominees for the Board of Directors to come to the front of the hall.

Mr. Matthew suggested that each nominee state why they should be nominated. The membership was not agreement with this suggestion.

Nominations for the Board of Directors were as follows:

- *Christiana Wallace*
- *Daffodil Maxwell*
- *Enos Reid*
- *Kenrick Jarvis*
- *Kerlina Niles*
- *Marcelle Johnson*
- *Michelle Duncan*
- *Sheryl Strachan*
- *Shurland Simmons*

Nominations for the Credit Committee were as follows:

- *Ms. Dianna Joseph-Morris*
- *Mr. Kendal Charles*
- *Mr. Kion Williams*
- *Ms. Renée Garcia*
- *Mr. Royds Williams*

Nominations from the floor for the Credit Committee were as follows:

- *Ms. Tambi Serrano-Rock nominated by Ms. Marlene Goddard and seconded by Mr. Jason Matooram*
- *Mr. Lennox Marcelle nominated by Mr. Sean Lewis and seconded by Mr. Marcelle Johnson*
- *Ms. Lisa-Marie Foster nominated by Ms. Nicola Williams and seconded by Ms. Ursha Hector.*

Nominations for the Supervisory Committee were as follows:

- *Mr. Andrew Nurse*
- *Mr. Jason Matooram*
- *Mr. Lyndon Charles*
- *Ms. Nyasha Alcalá*
- *Mr. Robert Fortune*
- *Mr. Walter Jules*

Upon completion of the submission of the ballots, the Returning Officer handed the meeting back to the Chairman.

ELECTION RESULTS

Board of Directors

Christiana Wallace
Kenrick Jarvis

Marcelle Johnson
Michelle Duncan (1st Alt)

Sheryl Strachan
Kerlina Niles (2nd Alt)

Credit Committee

Dianna Joseph-Morris
Renée Garcia
Tambi Serrano-Rock (2nd Alt)

Kendal Charles
Kion Williams

Royds Williams
Lisa-Marie Foster (1st Alt)

Supervisory Committee

Andrew Nurse
Jason Matooram (1st Alt)

Nyasha Alcala
Robert Fortune (2nd Alt)

Lyndon Charles

The voting process having been completed, a motion for the Destruction of the Ballots was moved by Mr. Andrew Nurse and seconded by Mr. Michael Mc Clean.

The Chairman thanked the members for their conduct of the election process.

SPECIAL PRESENTATION

Ms. Marcia Quammie informed members that the Credit Union, in its bid to keep up with technology, has introduced three (3) new products as follows:

1. *TCU On D Go*
2. *Global Information Access (GIA)*
3. *Group Health Insurance (in partnership with Beacon Insurance)*

TCU On D Go

Ms. Quammie explained that "TCU On D Go" is an "app" which could be downloaded on your mobile phone. Ms. Quammie stated that presently the "app" was only available to Android users but assured that IOS users will be added by the end of June.

Ms. Quammie informed members that the "app" would allow them to access their balances, request statements, transfer funds, pay loans as well as top up phones (Digicel).

An on-screen demonstration of "TCU on D Go" was done by Mr. Vikash Reemaul for the benefit of the membership.

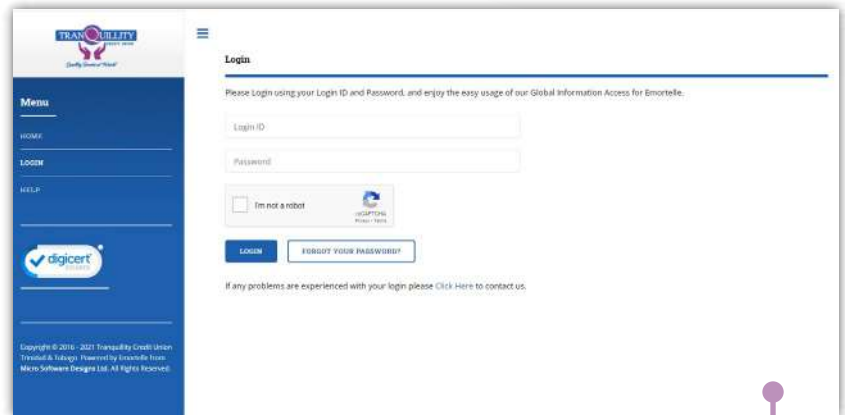
The main screen of the TCU On D Go App



Global Information Access (GIA)

Ms. Quammie stated that Global Information Access is designed to bring a different level of service to the credit union.

Ms. Quammie explained that it was basically on-line banking using either a tablet, PC or laptop.



Login screen of the GIA

Group Health Insurance

Ms. Debra Modeste-Clarke and Ms. Michelle Serville of Beacon Insurance Company Limited provided an overview of how the health plan will work as stated in their pamphlet. They encouraged members to join within three (3) months as they would not have to provide their medical history within that period.

Ms. Tambi Serrano-Rock referred to the group life, accidental death and critical illness components of the plan and enquired whether she can only take critical illness.



Representatives from the Beacon Insurance Company Ltd. present at the last AGM held in 2019

Ms. Serville responded that that is not possible as those benefits are considered riders.

Dr. Kenneth Niles noted that persons over 70 years are required to pay more and will only get half of the benefit. He enquired if you join the plan before age 70 would you get full benefit and when you get to 70 it reduces.

Ms. Serville responded in the affirmative

Dr. Niles asked whether psychiatric services included all mental issues.

Ms. Serville responded that there is a mental and nervous disorder benefit.

Dr. Niles asked if someone can submit a claim if they see a psychologist. Ms. Serville responded that psychologists are not included under the plan.

OTHER BUSINESS

Ms. Angela Warwick-Alexander stated that she was very proud of Tranquillity Credit Union. She commended the General Manager and his staff for their work as she is able to get business done from Canada.

Mr. Lennox Marcelle stated that the mortgage arrangement is not adequate. Mr. Marcelle expressed his desire to conduct his financial transactions with one financial institution. However, this is not possible because the Credit Union charges 9% interest on mortgages compared to the Trinidad & Tobago Mortgage Finance which charges 2% interest.

The Chairman noted Mr. Marcelle's point and agreed that the Credit Administration Policy had to be reviewed.

Ms. Jean Roberts-Moore asked whether there were plans to increase the limit of US\$500 when using your card abroad.

The Chairman responded that JMMB, the provider of the cards, surprised the Credit Union with that US\$500 limit. Discussions were held with JMMB on the issue without success. The Chairman replied that he was trying to galvanize other credit unions with a view to lobbying JMMB for more US\$.

Ms. Roberts-Moore further asked whether the Credit Union can offer US\$ for purchase.

The Chairman said that the Credit Union does not have a licence to trade in foreign currency.

Ms. Beverly-Anne Cruickshank enquired whether any consideration had been given to other relatives e.g. nieces and nephews of members joining the credit union.

The Chairman responded that this matter will be considered when the Bye-Laws are reviewed.

A presentation was made to all the mothers present.

The Chairman thanked all members for their attendance. A prayer was said at 5.53 p.m. by Ms. Shachia Strachan to close the meeting.



ESTHER PARIAG

Hon. Secretary



Seedling Distribution



Kitchen Garden

Have you ever wanted to grow your food and vegetables to have the taste of natural, organic food? Making a kitchen garden is not that complicated and can boost your overall health as you won't be exposed to harmful chemicals and fertilizers often used in commercial crops.

There are many benefits of growing your own vegetables which alone should be enough to start practicing kitchen gardening.

What is kitchen garden?

A kitchen garden can be defined as any area in your house where you grow fruits, vegetables or herbs for the consumption purpose by you and your family. This area can be a large area outside your house or a small one in your backyard. You can also grow your own food in containers or small pots. This is called container vegetable gardening.

Tips

Growing your own food could be a lot easier than you think. If you are now starting off, here are four useful tips I have learned on my journey so far.

1. Start Small and only plant things you really like to eat or things you eat regularly
2. Short on yard space? Use containers. You can go for the store-bought troughs ranging from \$15 to over \$100 OR you can up-cycle plastic bottles, glass bottles or old food containers.
3. Research plant conditions - Many plants have different preferences and thrive in different environments: it may help the process along if you learn what they are before beginning.
4. Make a routine of setting aside 5 to 10 minutes a day to tend to your plants - This will include watering them, removing any weeds and checking to see if any pests have found a new home.

CONTACT INFORMATION
5 Maraval Road, Newtown, Port of Spain, Trinidad & Tobago.
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Minutes of the Special General Meeting

Held on THURSDAY JUNE 27th, 2019 at
RADISSON HOTEL, Wrightson Road, Port of Spain.

Minutes of the Special General Meeting

CALL TO ORDER

At 5.27 p.m., the meeting was called to order by the Hon. President, Mr. Douglas Williams, having been informed by the Registration Desk that there were 11 Directors, 9 Committee Members, 11 members of staff, 19 members and two guests.

NATIONAL ANTHEM

Members sang the National Anthem.

CREDIT UNION PRAYER

Members recited the Credit Union Prayer.

MOMENT OF SILENCE FOR THE DECEASED

One minute of silence was observed in memory of Mrs. Joan Wilson, wife of Mr. Lester Wilson, a former President of the Board of Directors of Tranquillity Credit Union.

READING OF THE NOTICE

The Notice of the Meeting was read by the Secretary, Mrs. Esther Pariag.

STANDING ORDERS

The Standing Orders were read by the Secretary, Mrs. Esther Pariag.

PRESIDENT'S ADDRESS

The President drew members' attention to the two (2) items on the agenda as follows:

- 1. Amendment to Bye-Laws*
- 2. Change in Maximum Liability*

The President requested that a motion be moved on behalf of the Board of Directors to change the order of the Agenda to treat with the Change in Maximum Liability first, followed by the Amendment to the Bye-Laws. The motion was seconded by Ms. Beverly-Anne Dawn Cruickshank.

CHANGE IN MAXIMUM LIABILITY

The President informed members that maximum liability is a requirement of the Act. The President read Regulation 14 of the Co-operative Societies Regulations as follows:

- (1) Every society shall, from time to time, fix at a general meeting the maximum liability it may incur in respect of loans or deposits whether from members or non-members.*

- (2) *The maximum liability fixed under sub-regulation (1) shall be subject to the approval of the Commissioner, who may at any time reduce it.*
- (3) *No society shall receive loans or deposits in excess of the maximum liability approved or fixed by the Commissioner.*

The President explained that Maximum Liability is calculated including:

1. *The total of deposits (all categories of deposit accounts)*
2. *Total loans owed by the Society (the Credit Union has no loans to repay)*
3. *Total overdraft Facility (the Credit Union has no overdraft facility)*
4. *Total Budgeted figure for the items above*

The President asked the Secretary to read the motion to be presented for approval.

Resolution: Maximum Liability

"Whereas in accordance with the Co-operative Societies Act Regulations Section 14 which states 'every Society shall fix at a General Meeting the maximum liability it may incur in respect of loans or deposits whether from members or non-members'.

And whereas our maximum liability now stands at Sixty Million Dollars (\$60,000,000.00) as approved by the 62nd Annual General Meeting of this Credit Union;

And whereas as at December 31st, 2018, the Credit Union's total Members' Savings and Deposits accounts stood at \$59.8 Million.

Be it resolved that the maximum liability of the Tranquillity Credit Union Co-operative Society Limited be fixed at Eighty Million Dollars (\$80,000,000.00)"

The motion was moved by the Secretary on behalf of the Board of Directors and seconded by the President on behalf of the Board of Directors.

Mr. Robert Fortune enquired as to what is the net liability for the Credit Union. Mr. Cambridge responded that the maximum liability does not take into consideration the net liability but the total liability.

Mr. Noel Maxwell asked why \$80M and not more is being considered.

Mr. Cambridge replied that the projected growth of the Credit Union was looked at and that in his estimation, he found that \$80M was reasonable. Mr. Cambridge explained that maximum liability is not expensive and that it does not cost anything directly in the setting of it.

Mr. Robert Fortune asked again what the net liability was.

Mr. Cambridge responded that it was difficult to say at this time. Mr. Cambridge explained that an analysis would have to be done but stated that the Premium Accounts total is \$52M.

The resolution to change the Maximum Liability to \$80M was unanimously agreed to by the membership.

REVISION OF THE BYE-LAWS

The President stated that it was becoming apparent that the financial environment was changing rapidly. The global authorities are asking Trinidad and Tobago to adjust the way things are being done.

The President informed members that the Government of Trinidad and Tobago has had to take certain measures which will affect Banks, Credit Unions and Insurance Companies. The Credit Union therefore, has to keep abreast with changes. In order to do so, a decision was taken to amend the Bye-Laws.

The President informed members that there was also a recommendation from the Commissioner's office to amend the Bye-Laws, which has been in existence for decades. In this regard, a committee was appointed which was headed by Ms. Sheryl Strachan. The President said that the services of Mr. Jerome Chambers were also engaged to work with the Committee to determine the changes to be made. The President informed members that after several meetings and after three (3) months, the Committee presented the draft changes to the Board of Directors. The Board of Directors reviewed and made further changes which were returned to the Committee for a final review, after which the revised Bye-Laws were sent back to the Board, which the Board of Directors adopted. The President also informed members that additional changes had been put forward by the Representatives of the Co-operative Division, which the Secretary would read out to the membership.

The President stated that the supreme authority lies with the membership to decide, make comments, provide input, etc.

The Secretary read the recommended changes by the Co-operative Division's Representatives as follows:

- **Page 5, Item (xiv) "Terms" means**
Insert sub-item (d) which states "One (1) year for the substitute".
- **Page 6**
Insert item (xvi) which states, "Vacancy" means when a member demits office by reason of resignation, expulsion, infirmity, insanity, death or by declaration of the Board/Committee as set out in these Bye-Laws.
- **Page 15, Bye-Law (8) Capital (Source of Funds)**
Insert "as well as other Co-operative Societies" after "International Agencies" of sub-item (e).
- **Page 16, Item (c) Lien on Shares and Deposits**
Remove the lines "For the purpose of enforcing the lien, the Board of Directors may transfer to a member, or to a person having the necessary qualifications for membership, the shares, deposits and dividends or bonus, the subject of such lien in such manner as it thinks fit, but no such transfer shall be made until notice in writing of the intention to transfer shall have been served on such member and default shall have been

made by him in the payment of such money for thirty (30) days after service of such notice. The proceeds of such sale shall be applied in or towards the payments of such monies and the residue, if any, applied to the defaulting member”.

- **Page 17, Bye-Law (10) Savings Deposits**

Insert “as the Board may determine from time to time” after “minimum deposit” of sub-item (b).

- **Page 36, Bye-Law (27) Rules**

Replace “Rules” with “Policies”. Replace the word “rules” with “policies” wherever it appears.

- **Page 43, Item (g)**

Insert sub-item (v) to be added which states “Attest (at least one member) the monthly financial statements prepared by the Treasurer/Manager of the Society for consideration of the Board”.

- **Page 45**

Remove sub-Item (i) “The Committee may delegate its approval authority to members of staff to facilitate the loan process”.

- **Page 49, Bye-Law (42) Computerised Statements**

Remove “or depositor” from the first line.

The President then sought comments on the changes as read by the Secretary.

Mr. Noel Maxwell stated that he had hoped that the draft would have been circulated before. He expressed his disappointment at the short time given to go through the amendments.

The President responded that the revised Bye-Laws were posted on the Credit Union's website.

Mr. Noel Maxwell said that he was referring to the changes which were just read. He stated that from his experience, there are so many points of view and he didn't feel that he might be able to contribute because of the limited time.

The President responded that with respect to the changes just read, there is no room for discussion on those as they were recommended by the Commissioner who has the final authority.

Mr. Robert Fortune stated that the document is lengthy and that he only just received it. He said that he would need about a month to review the adjustments made by the Board of Directors and that no reasonable time had been given to review the document.

The President responded that the Bye-Laws state that two weeks' notice must be given, which had been adhered to.

Mr. Robert Fortune reiterated that he needed more time.

The President gave the assurance that the changes made had to do with language style, modernization of the language and the placement of clauses in proper context.

The President began going through the revised Bye-Laws.

The President noted that there are now forty-six (46) Bye-Laws instead of fifty-nine (59).

Under Arrangements of Bye-Laws, page 3, Item (27) Rules, Mr. Andrew Nurse suggested that the word "Rules" should be changed to "Policies".

Under Item (1) Interpretation, page 4, the President stated that sub-item (iv) is a new addition.

Under Item (1) Interpretation, sub-item (vii), Mr. Andrew Nurse highlighted that the word "Rules" be changed to "Policies"

Page 5

Mr. Noel Maxwell made reference to sub-item (xiii) regarding delinquent members and mentioned a discussion held by a former President. It was said that inactive members did not have to pay their shares. Mr. Maxwell said that it is easier for a person who is not retired to pay their shares and that retirees can easily become inactive due to non-continuous payment.

The President responded that shares are the foundation of the Credit Union. He stated that if a member is not working, once he/she purchases at least one (1) share, he/she is considered active.

Mr. Noel Maxwell asked if a member does not purchase new shares but has existing shares can that member be considered inactive.

The President replied that if one becomes an inactive member, their membership with the Credit Union does not end.

Mr. Robert Fortune informed the meeting that he has not contributed in about four (4) or five (5) years.

The President informed the meeting that though a member may not purchase shares, their shares increase through dividends every year.

The President stated that sub-items (xiii) and (xiv) are new additions.

Mrs. Kerlina Niles requested clarification on the phrase "so defined by the Board of Directors" stated in sub-item (ix), in reference to the General Manager.

The President explained that the General Manager is not elected but is considered an Officer.

With reference to sub-item (xiv), "Term" means, the President explained that the Board of Directors found that continuity is necessary for Committees. The Board of Directors also suggested that where a person is elected for a portion of a term, that period is considered as a full term.

Ms. Maria Wellington enquired that since the Board of Directors rotates four (4) members, whether a rotation is being proposed for both the Supervisory and Credit Committees.

The President responded that the person with the lowest number of votes will have to be re-elected.

Ms. Maria Wellington suggested that this be included somewhere to ensure that members are made aware of it.

Mr. Royds Williams referred to sub-item (xiv) (a) and (b) and said that he was unclear about the phrase "from one Annual General Meeting to another". He said that this was not in line with what was mentioned before.

The President responded that the phrase "from one Annual General Meeting to another" will be deleted from both sub-item (xiv) (a) and (b) as agreed to by the membership.

Mr. Andrew Nurse referred to the paragraph at the bottom of page 5 and suggested that rather than it standing alone, it should refer to (a), (b) and (c).

The President responded that the paragraph will be amended to read "as stated in (a), (b) and (c) above".

Mr. Royds Williams asked why the term "substitute" is being used to which the President responded that it is in keeping with the Act.

With reference to sub-item (xiii) on page 5, Ms. Lisa-Marie Foster asked if a member misses a payment but pays up with another one, would they be considered delinquent.

Mr. Cambridge responded that delinquency occurs when a member does not pay.

Page 6

Ms. Antoinette Charles-Honore referred to page 6, sub-item (xv), Relative/s means, and asked for an explanation of the word "co-habitant".

The President responded that co-habitant refers to common law spouse which is recognised by the Laws of the land.

Mr. Andrew Nurse noted that stepchild or stepchildren were not included within sub-item (xv) on page 6.

The President accepted this inclusion and stated that this item will be adjusted.

The President highlighted that the word "Registered" was included as part of the heading of Bye-Law (2) and that new sub-item (b) was inserted.

Page 7

The President referred to Bye-Law (3) Objectives, noting that under item (a), sub-item (ii), “upon such terms and conditions” had been included.

The President further informed members that sub-item (iii) was included, stating “Providing insurance coverage for shares held and loans outstanding by members”.

Mr. Robert Fortune requested clarification on the term “providing insurance”. Mr. Cambridge responded that the Credit Union offers loan protection up to a maximum of \$21,000 for loans and \$85,000 for shares.

The President informed members that Item (c) is a new insertion, which would enable the renting of the Board Room to trustworthy persons for the purpose of official business.

The President stated that because of the time, he will just read out the highlighted changes.

Page 8, Bye-Law (4) Membership

Mr. Andrew Nurse asked whether Paria Fuel Trading Co. Ltd and Heritage Petroleum could be included under item 4.1, sub-item (i) (a).

The President responded that this was covered under sub-item (vi).

The President stated that subsidiaries are included under “Trinidad & Tobago National Petroleum Marketing Company”.

Page 9, 4.1 Qualification

Mrs. Kerlina Niles requested clarity on sub-item 4.1 (ii) which includes the phrase “may retain membership” while sub-item (iii) states “can retain membership”

The President responded that if someone is no longer employed through termination for fraud or theft, the Board of Directors may decide that they may not want that person’s membership.

Mr. Robert Fortune asked what would happen if a person lost his job and got another job to which the President responded that it depended on the circumstances.

Mr. Royds Williams stated that the term “discretion of the Board” was questionable. As it is, it gives the Board of Directors powers. He said that he would prefer that conditions that would put the Credit Union into disrepute be stated.

The President proposed the deletion of sub-items items (ii) and (iii). He also proposed that if an act is committed, it can be included under Item 4.4 Expulsion.

Mr. Azam Ameerli stated that he believed that the words “at the discretion of the Board of Directors” should be removed. He said not because his employment status changes, he should be removed. Further that a member is a member for life, even if you cease to be employed.

Mrs. Claudette Gomez noted that the term was included in the previous Bye-Laws and had been inserted to protect members who were no longer employed by an organisation.

Page 9, Item 4.2 Admission

Mr. Noel Maxwell enquired as to why the age for admission was left out.

The President responded that age comes under another item in the Bye-Laws.

With reference to Item 4.2 (b), Mr. Andrew Nurse moved a motion to increase the entrance fee from \$20.00 to \$30.00 with the purchase of two (2) full shares as he felt that the purchase of one (1) share shows a lack of commitment on the part of the member. The motion was seconded by Mr. Lyndon Charles. However, the motion failed by majority vote.

Ms. Michelle Trestrail asked whether sub-items (ii) and (iii) should be a sub-point of sub-item (i).

The President accepted Ms. Trestrail's suggestion and stated that all sub-items under 4.1 would be changed as follows:

*sub-item (i) would be sub-item (i) (a);
sub-item (ii) would be sub-item (b);
sub-item (iii) would be sub-item (c);
sub-item (iv) would be sub-item (ii);
sub-item (v) would be sub-item (iii);
sub-item (vi) would be sub-item (iv); and
sub-item (vii) would be sub-item (v).*

Ms. Lisa-Marie Foster suggested that for the sake of consistency, sub-item (iv) should be in line with sub-item (xv) on page 6.

The President accepted the suggestion and stated that sub-item (iv), which was changed to sub-item (ii), will state "Members relatives".

Page 10, Item 4.4 Expulsion

The President informed members that a last sentence has been added to sub-item (a) which states that "The member shall also be entitled to be represented at any hearing by a person of his choice".

Mr. Robert Fortune asked if "person of choice" meant lawyer to which the President responded yes.

Page 13, Bye-Law (7) Nomination of Beneficiary(ies)

The President informed members that Bye-Law (7) Nomination of Beneficiary(ies) is new and had incorporated items under Payment to Nominee in the previous Bye-Laws.

Mr. Noel Maxwell asked whether a nominated person can just produce a death certificate and receive money. He stated that this contradicts the question of who is the executor of the estate. Mr. Maxwell said that usually when a nominee is selected, that person is usually a family member. He enquired as to what happens when the nominee is not a family member.

The President responded that they have to abide by what is contained in the Co-operative Act.

Page 17, Sub-Item (d) Withdrawal of Shares

Mr. Andrew Nurse enquired whether a member needed to give notice of six (6) months prior to withdrawing shares or does it only apply to a particular quantity of shares.

The President responded that that was not so. However, circumstances may arise where the Credit Union reserves the right to the six (6) months notice.

Mr. Fortune asked whether the six-month period only applied to shares and what is the notice for fixed deposits and premium accounts.

The President responded seven (7) days.

Page 17, Bye-Law (10) Savings Deposits

The President informed members that sub-item (c) is a new insertion.

Page 18, Bye-Law (12) Investments and Bye-Law (13) Distribution of Surplus

The President informed members that Investments and Distribution of Surplus was moved from a different section within the previous Bye-Laws.

Page 19, Bye-Law (14) Provision for Co-operative or Charitable Purpose

The President informed members that Bye-Law (14) is a new insertion. This insertion became necessary as a result of requests from our Caribbean brothers who suffered hurricanes last year. The President indicated that the Board of Directors had no authority at the time to assist except from the Donations Fund.

Page 20, Bye-Law (15) Interim Bonus

The President informed members that Item 15 "Interim Bonus" has been inserted to accommodate an extraordinary financial scenario.

Page 24, Bye-Law (21) Voting

The President informed members that the age for voting has been clarified to be fourteen (14) years.

Page 26

The President informed members that previous Bye-Law (27) and Bye-Law (28) have been amalgamated into Bye-Law (23) "General Rules for the Board of Directors and Committees Governance".

Ms. Beverly-Anne Cruickshank suggested that "General Rules" be changed to "Policies". The President stated that the word "rules" stands in this instance.

Page 27

The President informed members that sub-item (c) "Eligibility/Ineligibility is also a new insertion.

The Commissioner suggested that under sub-item (c) (ii), in last two lines, "except for serving on the Co-operative Credit Union League (the League) of Trinidad and Tobago Limited or Chapter of the League", should be replaced with "any secondary bodies", which was accepted.

Page 28

The President informed members sub-item (iii) which states that "No immediate family members are to serve together simultaneously on the Board of Directors, Credit or Supervisory Committee." is a new insertion.

Ms. Michelle Trestrail requested that immediate family be defined. She asked whether it means mother, father, brother, sister, children and mother-in-law and father-in-law.

The President responded that the term "immediate family members" will be changed to "relatives".

Page 31, Sub-Item (e) Limitations

Mr. Noel Maxwell asked if an employee of the Credit Union can serve on the Board of Directors.

The President responded that in this Credit Union's case, the General Manager fills in as Treasurer.

Mr. Robert Fortune asked whether there were executive and non-executive members of the Board of Directors.

The President responded that there were Executive members only which comprises of the President, Vice President, Secretary, Assistant Secretary and the Treasurer.

Page 35, Bye-Law (24) - Executive Committee

Mrs. Kerlina Niles suggested that sub-item (iv) being a very long sentence, be amended as follows:

"The Executive Committee shall meet at least once before the date fixed for the Board of Directors' monthly meeting to see that all decisions of the previous Board of Directors Meeting(s) have been carried out and also that the routine correspondence has been addressed. In order to facilitate the expeditious conduct of the coming meeting of the Board, the Committee shall make recommendations for consideration and approval of the Board".

No objection was made to the changes and Mrs. Niles' suggestion was accepted.

Page 36, Bye-Law (28) – Nominating Committee

The President informed members that "Nominating Committee" has replaced what was previously "Nominations Committee".

Under sub-item (a), Mrs. Elizabeth Rawlins suggested that "Nomination Committee" on line 3 be replaced by "Nominating Committee".

Page 37

The President drew members' attention to sub-item (b) of the Nominating Committee which now states that the Committee is required to submit a report to the Board of Directors.

Page 38, Bye-Law (31) Age Qualification of Officers

Members agreed to remove "but may be an employee of the Society" based on the title of the Bye-Law specific to Officers.

Page 42, Bye-Law (35) Supervisory Committee

The President informed members that sub-item (c) is a new insertion.

Page 45, Bye-Law (36) Credit Committee

The President informed members that sub-item (i), last item, has been removed.

Page 47, Bye-Law (38) Education Committee

The President informed members that sub-item (d) has been inserted.

Page 50 Bye-Law (46) Interpretation

The Commissioner suggested that "Interpretation" be changed to "Interpretation of Bye-Laws".

MATTERS ARISING

Mr. Noel Maxwell asked whether a law exists that if you nominate a person as a beneficiary, they must be paid or does it go into estate.

Ms. Beverly-Anne Cruickshank stated that legal clarification is needed since it is not clear in members' minds. She suggested that maybe the Co-operative could do an amendment,

The Co-operative Division Representative quoted Section 41 of the Co-operative Act referring to Beneficiaries which states "Where a person has been nominated as beneficiary by a member in accordance with the bye-laws of a society and such nominee is admitted to membership in the society, the society shall within one year of the death of the member by whom the nomination was made, transfer the shares or interest of such deceased member subject to the limit specified in subsection (3) to the nominee. Where, however, such nominee is not admitted to membership in the society or where the deceased member made no such nomination, the society shall within one year of the death of such deceased member pay to the nominee or legal personal representative of the deceased member as the case may be, such sum, not exceeding the said limit, representing the value or part thereof of the deceased member's shares or interest in the society".

Ms. Debra Ann Scott stated that the beneficiary gets a sum not exceeding \$5,000 from the Estate. The rest of the funds go to the Estate. Whosoever gets the Letters of Administration is entitled to the funds in the Estate.

Ms. Debra Ann Scott indicated that the League proposes to have the amount increased to \$30,000.

A Credential Report was presented to the President, stating that there were forty-three (43) members present.

There being no further amendments, the President moved a motion to amend the current Bye-Laws by presenting the following resolution, which was seconded by Mr. Ricky Codrington.

Resolution

"Whereas the Co-operative Division advised that the Bye-Laws be reviewed and,

Whereas advised that the current Bye-Laws were insufficient to address the current climate facing the Credit Union,

Be it resolved that this Special General Meeting repeal and replace Bye-Laws 1 to 59 by Bye-Laws 1 to 46"

Forty-three members voted in favour of the amendment to the Bye-Laws, with zero against and zero abstentions. The vote was passed unanimously.

The meeting ended at 9:15 p.m.



ESTHER PARIAG

Hon. Secretary

Douglas Williams
PRESIDENT

Osric Bacchus
VICE PRESIDENT

Esther Pariag
SECRETARY

Anna-Lisa Arlen-Benjamin
ASST. SECRETARY

Dave Sankar
DIRECTOR

Michelle Duncan
DIRECTOR

Board of Directors



Edwin Reid
DIRECTOR

Kenrick Jarvis
DIRECTOR

Joy John-Benjamin
DIRECTOR

Christiana Wallace
DIRECTOR

Marcell Johnson
DIRECTOR

Richard Trim
DIRECTOR

Board of Directors

Board of Directors Report

The Board of Directors is pleased to present an account of its stewardship of Tranquillity Credit Union Co-operative Society Limited for the financial years ended December 31, 2019, and 2020. The report also took into account some administrative and operational activities up to September 2021.

The full Board of Directors comprised the following Members:

- Mr. Douglas Williams
- Mr. Osrice Bacchus
- Mrs. Esther Pariag
- Mrs. Anna-Lisa Arlen- Benjamin
- Mr. Dave Sankar
- Ms. Joy John- Benjamin
- Ms. Michelle Duncan
- Mr. Richard Trim
- Mr. Edwin Reid
- Mr. Kenrick Jarvis
- Mr. Marcelle Johnson
- Mrs. Christiana Wallace
- Ms. Sheryl Strachan (deceased Dec 2019)

Alternate Director:
Mrs. Kerlina Niles

In accordance with by-law 23 b (111) of the Credit Union, members of the Board at the Inaugural Meeting elected the Executive Committee for the 2019/2020 Term as follows:

Mr. Douglas Williams	- President
Mr. Osrice Bacchus	- Vice President
Mrs. Esther Pariag	- Secretary
Mrs. Anna-Lisa Arlen- Benjamin	- Asst Secretary

Despite many attempts, the Annual General Meeting (AGM) was not held in 2020 because of the intermittent restrictions on physical gathering and business activity imposed by the Government due to the COVID-19 pandemic. Consequently, the term of outgoing officers of the Board, the Supervisory and Credit Committees, was extended as these officers needed to continue fulfilling their duties and responsibilities until the AGM was held.

Management Discussion and Analysis

Total Assets

Over the past two years, the total assets for Tranquillity Credit Union have continued on a positive trajectory. At the end of December 2020, the Credit Union total assets grew by \$18.4M or 13% year over year and \$12.1M

or 10% in 2019 over 2018. It was mainly due to increases in Long Term Investments, which reflected a growth of \$5.7M or 24% and \$14.8M or 49% in 2019 and 2020, respectively. Similarly, Members' Loans and Short-Term Investments also reflected a growth of \$6.4M or 8% and \$3M or 49%, as at December 2020, respectively.

The growth in the asset base over the period 2019 and 2020 was mainly funded as expected by members' deposits and share savings.

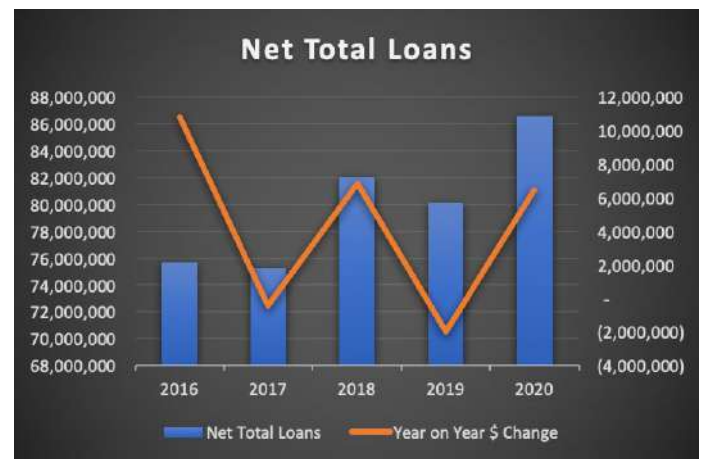
Year	Total Assets	Year on Year \$ Change	Year on Year % Change
2016	121,278,134	13,074,336	12%
2017	126,582,293	5,304,159	4%
2018	126,451,532	(130,761)	-0.10%
2019	138,553,396	12,101,864	10%
2020	156,992,696	18,439,300	13%



Loans to members'

Net total loans as at December 31, 2019, stood at \$86.5M and experienced a decline of -2% or \$1.9M compared to the corresponding period of 2018. The repayment of \$8.7M received in December 2019 from NPMC for loans made to members/employees pending the settlement and payment of their COLA backpay would have played a significant factor in the loan portfolio reduction. Total disbursed loans in 2019 amounted to \$28.9M, a decrease of \$4.2M or 15% compared to December 31, 2018.

Year	Net Total Loans	Year on Year \$ Change	Year on Year % Change
2016	75,670,600	10,772,439	17%
2017	75,218,472	(452,128)	-1%
2018	82,069,218	6,850,746	9%
2019	80,120,326	(1,948,892)	-2%
2020	86,546,693	6,426,367	8%



However, in 2020, the loan portfolio returned to the growth path, despite the continuing challenges of a contracting and uncertain job market, the high debt ratio within the membership, and the increased competition with the attraction of lower interest rates and economy of scale of liquidity supply within the financial sector. As at December 31, 2020, net loans to members' stood at \$86.5M, an increase of \$6.4M or 8% when compared to the 2019 year-on-year corresponding figure. The growth over the year was attributed to increases in our General and Motor Vehicle loans categories of \$5.6M or 10% and \$2.5M or 18%, respectively.

Loans granted in 2020 amounted to \$28.9M and, as was the case in 2019, also declined by \$1.4M or 5% compared to the corresponding period.

Long term investment

In the local stock market, the Composite Index continued along its expansionary path as it rose by 12.74% in 2019. The only declines in the Credit Union portfolio for 2019 were National Flour Mills down 18.18% to close at \$1.35, and Trinidad and Tobago NGL down 17.66% to close at \$23.90.

For the year ended December 31, 2020, the Composite Index declined by 9.90% as the COVID-19 pandemic negatively impacted the economy of Trinidad and Tobago. Despite the stock market's overall performance, TCU invested over \$500,000 by purchasing shares in Angostura Holdings Limited, Ansa McAl Limited, and Scotiabank Trinidad and Tobago Limited. These companies have displayed resilience and have navigated the COVID-19 pandemic challenges with a degree of success.

The Credit Union for the greater part of 2020, like the wider financial sector, enjoyed a surge in liquidity but was forced to adopt a very cautious approach to investments that presented themselves due in part to the economic uncertainty and the slow-down caused by the COVID-19 pandemic locally and globally.

During the year and consistent with our primary investment objectives, the Credit Union opted on the side of capital preservation and invested generally in the Home Mortgage Bank, Collateralised Mortgage Obligation Certificate (CMO), and Unit Trust Growth and Income Fund.

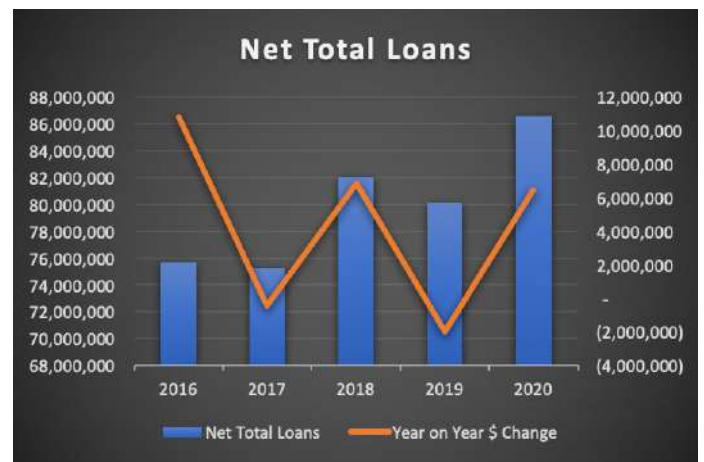
To this end, Long Term Investment increased from \$24.4M in 2018 to \$30.2M and \$40M in 2019 and 2020, respectively.

Share capital

Share growth was encouraging in 2019, as members' shareholdings increased from \$54.6M to \$58.7M representing an increase of \$4.1M or 8% over the corresponding period and reflected the continued confidence that the membership has placed in their Credit Union.

Year	Share Capital	Year on Year \$ Change	Year on Year % Change
2016	51,964,117	257,386	1%
2017	54,715,238	2,751,121	5%
2018	54,626,204	(89,034)	-0.2%
2019	58,737,422	4,111,218	8%
2020	63,130,965	4,393,543	7%

The Credit Union members' share savings base again was strengthened in 2020, amidst the high level of liquidity in the environment as it grew from \$58.7M in 2019 to \$63.1M in 2020, representing an increase of \$4.3M or 7% when compared to the previous year.

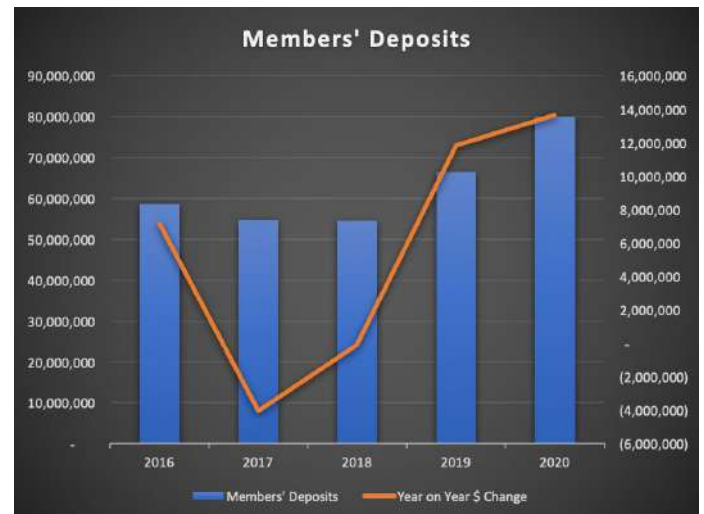


Members' deposits

At the end of December 2019, members' deposits stood at \$66.4M, increasing \$6.6M or 11% compared to the previous fiscal year-end. This increase was attributable to the back pay received by members/employees from NPMC.

Year	Members' Deposit	Year on Year \$ Change	Year on Year % Change
2016	58,760,501	7,113,320	14%
2017	54,715,238	(4,045,263)	-7%
2018	54,626,204	(89,034)	-0.2%
2019	66,469,150	11,842,946	21.68%
2020	80,114,865	13,645,715	20.53%

Similar to 2019, members' deposits portfolios continue to show growth amounting to \$80.1M at the end of 2020 compared to \$66.4M in the previous year. This increase was due mainly to increases in the premium savings account and the fixed deposits portfolio, of \$6.9M and \$6.1M, respectively. TCU's deposit rates remained very favourable relative to our industry peers. The Credit Union paid an average savings rate of 3.5% on all of its deposit products.

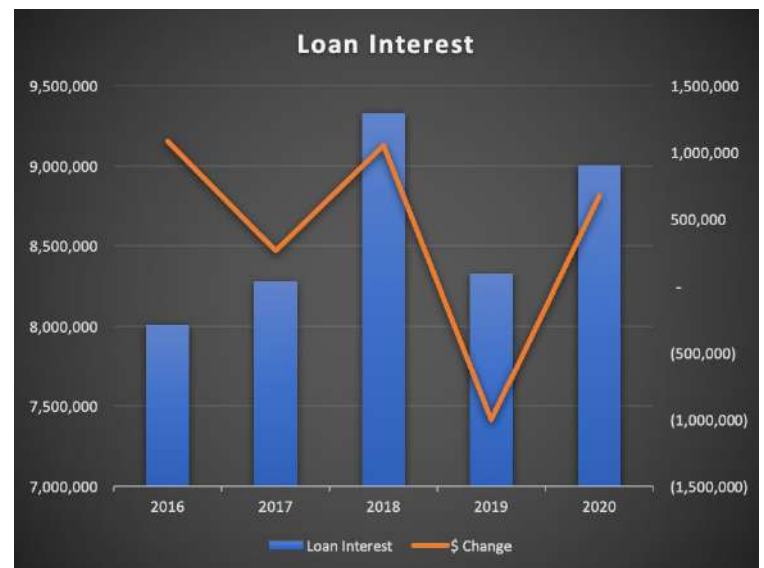


Total Income

In 2019, the Credit Union recorded a total operating income of \$10.9M, an increase of 4%, or \$0.4M. The impact of the decline in our loan portfolio in 2019 did give rise to a decrease in loan interest income of 11%, or \$1M to \$8.3M. Investment income was reduced due to the low interest rates offered in the market on investments, while Other Income increased from \$186,395 to \$1.9M. This was due mainly to the buoyant financial markets, which have led to a significant improvement through gains in unit net asset values on investment held in Unit Trust Growth and Income Fund and ROYTRIN.

Year	Loan Interest	\$ Change
2016	8,008,957	1,084,765
2017	8,275,102	266,145
2018	9,329,541	1,054,439
2019	8,326,630	(1,002,911)
2020	9,002,938	676,308

The Credit Union recorded in 2020, total operating income of \$9.7 million, a decrease of 11% or \$1.2 million compared to 2019. Net Loan Interest Income increased by 8%, or \$.6M, to \$9M. On another positive note, the loan interest yield rate was 10%, marginally higher than last year's 9%. However, Other income and investment income were reduced by 98% and 7%, or \$1.8M and \$52,646.00, respectively, due specifically to the impact of the COVID-19 pandemic on capital markets coupled with the low rate of returns being offered in the market on short-term investments.

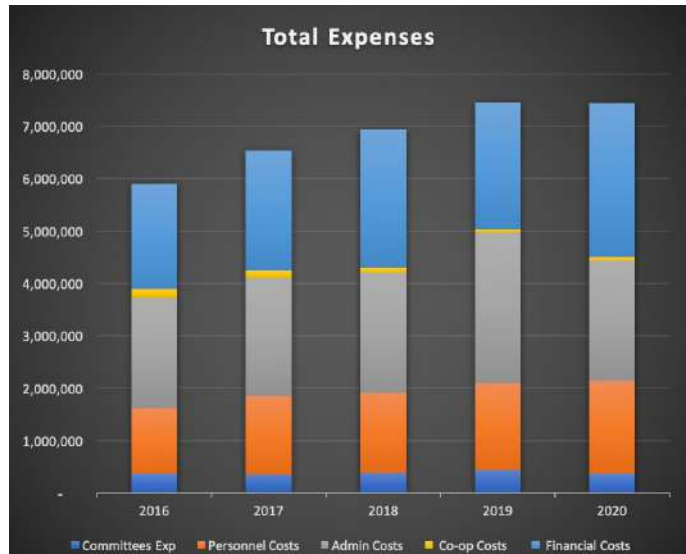
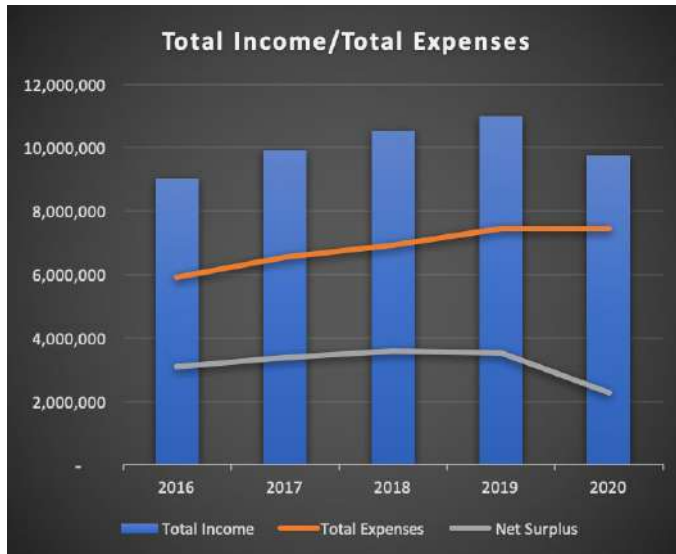


Total expenditure

During the financial review periods, the Credit Union closely monitored its spending as there was a planned increase of expenses by 8% in 2019 and a marginal reduction in 2020. Notwithstanding, Operating Expenditure climbed

from \$6.9M in 2018 to \$7.465M and \$7.446M in 2019 and 2020, respectively. This was mainly due to increased members' fixed deposits and premium interest, personnel cost, and bad debt provision.

Overall, the Credit Union's performance in areas within management control improved over the two financial years. However, external factors impacted the Credit Union significantly. Notwithstanding this, we remain stable and committed to meeting our members' financial and socio-economic needs.



Year	Total Income	Total Expenses	Net Surplus
2016	9,009,194	5,905,933	3,103,261.00
2017	9,911,927	6,540,967	3,370,960.00
2018	10,526,145	6,936,712	3,589,433.00
2019	10,988,524	7,465,531	3,522,993.00
2020	9,738,521	7,446,504	2,292,017.00

Year	Committees Exp	Personnel Costs	Admin Costs	Co-op Costs	Financial Costs
2016	361,505	1,260,753	2,102,375	170,405	2,010,895
2017	349,014	1,497,700	2,255,708	134,331	2,304,214
2018	373,578	1,536,826	2,283,805	108,867	2,633,636
2019	426,654	1,670,047	2,873,006	66,848	2,428,976
2020	354,888	1,780,445	2,289,373	84,870	2,936,928

Operating Surplus

The net operating surplus for 2019 was \$3.522M, compared with \$3.589M in 2018, a marginal decline of \$66,440. Total comprehensive income for 2019 after appropriations amounted to \$3.4M, an improvement of \$295,930 from \$3.1M in 2018. This was driven by the net unrealised gain on investments of \$464,793.

In 2020 net operating surplus was \$2.2M, a decrease of \$1.2M or 35% compared to the prior year. Equally, total comprehensive income for 2020 dropped by \$1.1M or 34% from \$3.4M to \$2.2M. These declines reflect the

challenging economic environment and the financial impact COVID-19 had on the Credit Union's investment income over the last nine months of 2020.

Appropriations

Based on the performance and the financial results of the Credit Union over the period 2019 and 2020, the Board of Directors wishes to recommend after the appropriations to the Reserve Fund of 10% and Education Fund of 5%, Dividend payments of 4.5% and 3% for 2019 and 2020, respectively, on the paid-up share savings of members. Interim Dividend Payment.

In an attempt to limit the spread of the COVID-19 virus, the Government of Trinidad and Tobago implemented guidelines limiting mass public gatherings in 2020. This measure played a significant role in the Credit Union's inability to hold an AGM in 2020 and affected specific governance issues such as the payment of Dividends, Appointment of Auditors, and the approval and payment of Honorarium.

On the approval of the Commissioner for Co-operatives and the Board, the Credit Union made an interim payment to members of 75% of the 4.5% proposed Dividend for 2019. This payment was completed in September 2020 from our Reserve Fund and amounted to \$1.8M or 3.38%. In accordance with the approval guidelines from the Commissioner, the Reserve Fund must be reimbursed upon the AGM's approval of the recommended Dividend.

Loan Instalment Deferral

The novel coronavirus threw the world into turmoil in 2020 and continues into 2021. To curb the spread of the COVID-19 Virus, the Government of Trinidad and Tobago imposed a nationwide lockdown in March 2020. In addressing the Nation, the Honourable Prime Minister called on Financial Institutions and Credit Unions to adopt a humane approach to customers/members who may have suffered financial hardship such as a reduction in income due to the initial COVID-19 lockdown period. Tranquillity Credit Union immediately responded to the clarion call of both the Government and our membership and implemented the Loan Instalment Deferral Facility for five months from March - July 2020 as a temporary financial support measure to assist members with the socio-economic uncertainties caused by the COVID-19 pandemic.

During the five months of the Loan Instalment Deferral Facility (March to July 2020), the Credit Union approved 995 loan instalment deferral applications and refunded 193 members a total of \$3,406,767.30 during the period of the facility, inclusive of interest of \$1,561,274.80. A total of 388 members opted not to take the facility and continued their monthly loans payments to the Credit Union. Notably, similar Loan Instalment Deferral Programmes were implemented by Credit Unions locally and none of the Credit Unions waived the interest on the deferred instalments. A Loan Instalment Deferral is not a waiver of loan principal and interest but rather is an extension of the loan payment period and provides a moratorium on payment during the time. It is in fact, the treatment adopted across the financial sector by Banks and Credit Unions alike.

The Board was therefore surprised when a Credit Union member reported to the Commissioner of Co-operative Development that TCU failed to effectively inform members that loan interest would still be charged on their loans during the deferral period and that such omission on the part of TCU was tantamount to the entrapment of members into taking the facility.

The Commissioner, following an investigation into the Loan Instalment Deferral Facility, concluded that the Board, Credit and Supervisory Committees, Management, and the Membership failed at the basic principles of market conduct relating to plain language in the agreement and contracts and full disclosure of information, and recommended the following to TCU;

1. *Grant members a moratorium on the loan and interest for the period of the Deferral Programme, March to July 2020, in accordance with Regulations 43 of the Co-operative Societies Act.*
2. *Extend the Loans of the members who had taken advantage of the Loan Deferral Programme by the period of the Programme, which was five (5) months.*
3. *Reverse the allocations made to interest accrued during the Deferral Programme since the resumption of loan payments to members' accounts with effect from August 2020.*

The Board of Directors disagreed with the findings and recommendations of the Commissioner. In particular, recommendation three (3) above, as it would if implemented;

- *Result in a reduction of net surplus (income over expenditure) by 68% from \$2.2M to \$730,742.*
- *Affect the ability of the Credit Union to pay a dividend in 2020*
- *Confer a benefit to the 193 members at the expense of the entire membership, thereby benefiting a few at the expense of many. It is not only inequitable but also affects the majority of members.*
- *Be inconsistent with the standard industry practice as implemented by banks and credit unions.*

In this regard, the Board recommends the AGM approve the Loan Instalment Deferral resolution that mandates the Board of Directors not to implement the recommendations/advice of the Commissioner for Co-operative Development on the Loan Instalment Deferral Facility.

The Board of Directors wishes to reaffirm its commitment to always act in the best interest of all of our membership for the furtherance of good governance, accountability, transparency, and financial prudence.

Membership

The Board of Directors welcomed Eighty-one (81) in 2019 and One Hundred (100) new members in 2020 to the Credit Union. As of December 31, 2019, and 2020, the total membership on our database amounted to 2,283 and 2,383, respectively.

The immediate expansion of the Credit Union membership remains a strategic priority for the Board of Directors, and in 2021, approval was given to accept employees from the following companies;

- *Beacon Insurance Company Limited*
- *Sagikor Life*
- *Gulf Insurance*
- *Development Finance Limited*
- *Eximbank*
- *TTT Limited*
- *M&M Insurance Brokers Limited*
- *St. Clair Medical*

Condolences

The Board of Directors extends heartfelt condolences to the families who lost loved ones during the period since our last AGM in 2019. The following is a list of the deceased members:

2019	2020	2021
Lawrence Ahoo	Georgie Victor	Angelo King
George Matthew	Fareed Adam	Junette Whitehall
Martin Lawrence	Nathan Maloney	O'Brien Awai
Albert Pantin	Lloyd Wiggins	Iram Redhead
John Pascall	Reuben Elias	Nicole Douglas
Wilma Chun	Goldwyn Pollonais	Claud Gomes
John Antoine	Mohansingh Maharaj	Michael Mc Clean
David Cameron	Lancelot Roach	Stephanie Pierre
Joan Wilson		Royce Rawlins
Garvin Baird		Raymond Mitchell
Anthony Francis		
Visca Borel		
Trevor Joseph		
Sheryl Strachan		

Family Indemnity Plan

The Family Indemnity Plan continues to leave the loved ones of our deceased members with needed funds to cover funeral expenses, unpaid bills left behind, or funding to start a savings plan. In 2019 and 2020, claims paid were fourteen (14), amounting to \$524,719 and eleven (11), amounting to \$384,894, respectively. CUNA has now expanded the coverage options by adding Plan F and G and which carry individual benefits of \$65,000 and \$100,000, respectively.

Group Health Insurance

In October 2019, TCU partnered with Beacon Insurance to offer a Group Health Insurance Plan to the membership. The plan provided interested members with two open enrolment periods in 2019 and 2020, during which time members were not required to show evidence of insurability to join.

TCU Group Health Plan can save you money on routine doctor's visits, prescription drug coverage, preventative care, and other medical services. Moreover, plan members need to pay only the 20% co-insurance sum when filling prescriptions at participating merchants. As at December 31, 2020, the plan had 153 enrolled members.

Mobile and E-Banking

It's evident that mobile banking only became more important to our membership in 2020 following the worldwide pandemic. The Credit Union is witnessing a robust adoption of Mobile and E-Banking applications. They provide members with easy access 24/7 to their accounts, especially during these COVID times when public gatherings are limited. The Credit Union accelerated and strengthened the security control of the Mobile App with the introduction of the Two-factor authentication. It provides an extra layer of security when signing into the app and ensures that you are the only person who can access your account, even if someone knows your password. The Credit Union is pleased to report that as at December 31, 2020, 413 and 206 members have signed up for Mobile App "TCU On D Go" and E-Banking, respectively.

Manual Implementations

The Board continued its work and ensured that critical policies were reviewed and developed to effectively govern the Credit Union and guide management and officers in executing their duties. During the period under review, three (3) manuals were reviewed, developed, and approved.

- *Credit Administration Policy and Procedures*
- *Operations Policy Manual*
- *Staff Human Resources Manual*

Property and Facilities Management

The Board continues in its efforts to ensure that a friendly and conducive environment for both staff and members are in place. It undertook in 2020 to uplift the external appearance of the building and surroundings in keeping with the organisation's professional image. Our Vice President, Mr. Osric Bacchus, supervised the building improvement project works, which came in within budget and schedule at the cost of \$472,000.

Human Resources

During the period under review, the Credit Union staff were exposed to various training sessions facilitated in-person and virtually. The objective of these programmes was to provide and expose staff to best practices related to working standards, industry benchmarks, member's expectations, and emerging trends.

The Board of Directors approved increases in staff compensation by 2% for 2019, 2020, and 2021. We continue to be committed to ensuring that employees are adequately and equitably remunerated for their contributions to the organisational goals and objectives.

The pandemic has forced the Credit Union from an operational standpoint to improve our processes and speed up our adoption of complete digitisation. At the same time, improvements were made to ensure that the welfare of members and staff safety were not compromised. The Credit Union introduced staff rotation, reduced working hours, temporary closure of the NPMC satellite office, and made physical changes to the workplace in accordance with the national protocol guidelines.

The Board of Directors applauds all staff for their continued efforts to serve the needs of TCU members without any interruption over the eighteen (18) months of the pandemic.

In April of 2021, the Credit Union bid farewell to Mrs. Lindiwe Mason, Senior Loans Officer, after twelve (12) years of service. We at the Credit Union, wish Mrs. Mason all the best in her future endeavours. We also want to welcome to the TCU family Ms. Vritti Moonsammy, Operations Officer, Ms. Jordon Gill, Teller, and Ms. Gabriella Lara, Member Relations Clerk.

Representation

Our Board of Directors members, Mrs. Esther Pariag was elected to the Board of Directors in 2019 and 2020, and Mrs. Christiana Wallace was elected to the Supervisory Committee in 2020 and then in 2021, to the Board of Directors of the North West Regional Chapter of the Co-operative Credit Union League of Trinidad and Tobago.

Outgoing

Mr. Edwin Reid, former President and our longest-serving present Board member having served the Credit Union for the last twenty-eight (28) years, is outgoing and has decided not to seek re-election at this time. The Board of Directors would like to record our gratitude and heartfelt appreciation to Mr. Reid for his leadership, passion and selfless meritorious service to the Tranquillity Credit Union.

The following Board members are all outgoing and have accepted nominations to serve the Credit Union:

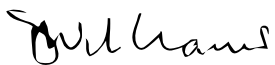
- *Mr. Douglas Williams*
- *Mr. Osric Bacchus*
- *Mrs. Esther Pariag*
- *Mrs. Anna-Lisa Arlen-Benjamin*
- *Ms. Joy John-Benjamin*
- *Mr. Dave Sankar*
- *Mr. Richard Trim*
- *Ms. Michelle Duncan*

Acknowledgements

We also express sincere appreciation to the following stakeholders:

- *Co-operative Credit Union League of Trinidad and Tobago*
- *CUNA Mutual Insurance Society Limited*
- *Liquid Fuels Company of Trinidad and Tobago (LFCTT)*
- *Ministry of Youth Development and National Service, Co-operative Development Division*
- *North West Regional Chapter of the Co-operative Credit Union League of Trinidad and Tobago*
- *NAPET Investment Limited*
- *Micro Software Designs Limited*
- *Trinidad and Tobago National Petroleum Marketing Company Limited (NPMC)*

Above all, we thank you, our membership, for your steadfast and loyal support to your Tranquillity Credit Union Co-operative Society Limited.



DOUGLAS WILLIAMS

President

Board of Directors Attendance Records

ATTENDANCE RECORDS FOR BOARD MEETINGS MAY 2019 TO APRIL 2020							
DIRECTORS	(13) BOARD MEETINGS	EXCUSED	ABSENT	(3) SPECIAL BOARD	EXCUSED	ABSENT	EXECUTIVE MEETINGS
DOUGLAS WILLIAMS	12	1	0	2	1	0	6
OSRIC BACCHUS	11	2	0	3	0	0	6
ESTHER PARIAG	12	1	0	3	0	0	6
ANNA-LISA ARLEN-BENJAMIN	11	2	0	3	0	0	6
KENRICK JARVIS	13	0	0	3	0	0	
JOY JOHN-BENJAMIN	11	1	1	3	0	0	
RICHARD TRIM	10	3	0	2	1	0	
SHERYL STRACHAN	8	2	0	3	0	0	
EDWIN REID	6	6	1	1	2	0	
DAVE SANKAR	12	1	0	2	1	0	
CHRISTIANA WALLACE	11	2	0	3	0	0	
MARCELLE JOHNSON	9	4	0	2	1	0	
MICHELLE DUNCAN	2	0	0	0	0	0	

ATTENDANCE RECORDS FOR BOARD MEETINGS MAY 2020 TO SEPTEMBER 2021							
DIRECTORS	(14) BOARD MEETINGS	EXCUSED	ABSENT	(8) SPECIAL BOARD MEETINGS	EXCUSED	ABSENT	EXECUTIVE MEETINGS
DOUGLAS WILLIAMS	14	0	0	8	0	0	7
OSRIC BACCHUS	14	0	0	7	1	0	7
ESTHER PARIAG	12	2	0	8	0	0	7
ANNA-LISA ARLEN-BENJAMIN	14	0	0	8	0	0	7
KENRICK JARVIS	14	0	0	8	0	0	
JOY JOHN-BENJAMIN	14	0	0	8	0	0	
RICHARD TRIM	11	3	0	6	2	0	
EDWIN REID	14	0	0	5	2	1	
DAVE SANKAR	12	2	0	7	0	1	
CHRISTIANA WALLACE	12	2	0	7	1	0	
MARCELLE JOHNSON	13	1	0	7	1	0	
MICHELLE DUNCAN	14	0	0	8	0	0	



Quality Service at Work!



OUR FAMILY IS GROWING!

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

*For over 60 years, we have serviced our members within the Energy Sector.
Now we are expanding. Join us in welcoming our extended family...*

- The Beacon Insurance Company Limited ● Development Finance Limited
- Digicel T&T Limited ● EXIMBANK ● Gulf Insurance Limited
- M&M Insurance Broking Services Limited ● Sagicor General Insurance Inc.
- St.Clair Medical Centre ● Trinidad and Tobago Television Limited (TTT)



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Newtown, Port of Spain
Trinidad & Tobago.



TRANQUILLITY REMEMBERS...



REUBEN
ELIAS

.....

- Died on 18th September, 2020
- Member of TCU since 29th July, 1984

Served as:

- President 2016-2017
- Vice president
- Director



SHERYL
STRACHAN

.....

- Died on 10th December, 2019
- Member of TCU since 25th November, 1985

Served as:

- President 2000-2003 (first female) / 2005-2008
- Vice President
- Secretary
- Assistant Secretary
- Director
- Credit Committee and Supervisory Committee member

Additional Co operative Service

- Director – Cooperative Credit Union League of Trinidad and Tobago
- Director – Northwest Regional Chapter of Trinidad and Tobago



DAVID
CAMERON

.....

- Died on 21st May 2019
- Member of TCU since 28th September, 1984

Served as:

- President 1994-1996
- Director
- Credit and Supervisory Committee member

THANK YOU FOR ALLOWING US TO BE A PART OF YOUR LEGACY!

Royds Williams
CHAIRMAN

Renee Garcia
SECRETARY

Dianna Joseph-Morris
MEMBER

Kion Williams
MEMBER

Kendal Charles
MEMBER

Credit Committee

Credit Committee Report

Introduction

Our Credit Committee comprises five (5) members and two (2) substitute members. Should any of the five persons serving on the committee be unable to continue their duties, a substitute shall fill the vacancy.

The Credit Committee is elected at our Annual General Meetings for one year for the purpose of overseeing loan applications requested from all categories of the membership. The Committee's authority is outlined in the Co-operative Societies Act 1971 Section 34 and our Society's Bye-Law 32.

Each person serving is encouraged to fully express their assessment of each application that is before the committee, so the best decision is arrived at, and the majority vote carries. This was expressed to Ms. Renée Garcia and Mr. Kion Williams, the newest members to the Committee.

This report covers the reporting periods from January 2019 to June 2021 as there were no annual general meetings at the end of 2019 and 2020. We are already in the later part of 2021 and were asked to include in our report the first six months of this year. Our yearly reports were interrupted due mainly to the national actions taken to combat the pandemic that is COVID-19.

Meetings

The first meeting had all elected members in attendance and Mr. Royds Williams and Ms. Renée Garcia were selected chairman and secretary of the Committee respectively. Tuesday afternoons of each week was chosen as our meeting day and the venue was at T.C.U. Head Office. From the month of March 2020 to present, we have held virtual meetings due to the COVID-19 virus. During meetings we analyzed members' loan applications for approval or rejection, ratified loans approved by the General Manager and Loans Department, and held meetings with members on their or our request to establish clarity of the members' needs.

Forty five (45) meetings were recorded. In addition, we individually visited T.C.U. when requested by the Loans Department pre pandemic restrictions.

Attendance Record 2019-2020		
NAME	ATTENDANCE	EXCUSED
Royds Williams - Chairman	39	06
Renee Garcia - Secretary	40	05
Kendal Charles - Member	33	12
Dianna Morris - Member	39	06
Kion Williams - Member	38	07

Credit Activities

Our society continues to show stability despite the period between April 2020 to June 2021 showing fewer loan activities but prudence is still required when conducting our financial business. Between January 1st 2019 and June 30th 2021, the Committee at times had to reject some applications due mainly to members' lack of capacity, collateral, or high debt service ratio (DSR). However, Six Thousand, One Hundred, and Ninety-Three (6,193) applications were approved resulting in disbursements of Sixty-five Million, Seven Hundred, Forty-three Thousand, Fifty-three dollars and Sixty-three cents (\$65,743,053.63) The following is a breakdown for each period:

TIME PERIOD	DISBURSEMENTS	APPLICATIONS
JAN-DEC 2019	\$28,996,168.92	2704
JAN-DEC 2020	\$27,545,095.16	2696
JAN.-JUN 2021	\$9,201,789.55	793

Vehicle and Home Repair loans had the largest percentage increases of disbursements at Twenty-nine percent (29%), and Thirty-four percent (34%) respectively, while Vacation and Consolidation of Debts Loans had percentage decreases of Five Hundred and Ninety-seven percent (-597%) and One Hundred and Fifty percent (-150%) respectively. The interest rate on new vehicle loans was lowered to 4% on the reducing balance and members responded positively. Actions implemented by the Government to fight the pandemic caused members hardship, some more than others and so our Society offered members a loan deferral for a five month period in the year of 2020 with the intent to assist members financially, which got an excellent response as One Thousand and Eight (1008) applications were approved.

The Committee continues to be meticulous in carrying out its mandate and in so doing would contribute in Tranquillity remaining financially stable and improving the standard of living of its membership.

Going Forward

For meaningful growth, service to our membership needs continued assessment and improvement were necessary. The Committee believes that shorter loan approval times is a move in the right direction and so has an aim of same day approvals. Online approvals of loans have begun and hopefully it will continue beyond the pandemic. By using more technology, we believe this would help with our planned goals. Greater communication between the Committee and members is being worked on as this would be particularly helpful to those members that seek to start an avocation or need assistance growing one. We have observed that some members fail in having the success they desire when managing their side business. Our plan is to communicate more with those persons and inject assistance as early as possible to have the member attain success.

Conclusion

The Credit Committee would continue to act in the best interest of the membership and the Society within its authority and believe that prudence in handling our business would make Tranquillity an admirable example within the Credit Union League. Members are interested in serving as demonstrated by us having two new officers

to the committee, which augurs well for our future. Working with members to experience an improved livelihood is a top priority and so if you find us asking more questions of you it's not being nose-y, but rather it's T.C.U. seeking to better understand the financial needs of you and your family and to assist in a more meaningful way.

We thank the Board of Directors, Supervisory Committee, Management and Staff for the cordial working relationship and a special thank you to the general membership for the opportunity to serve.



Royds Williams
Chairman



Andrew Nurse
CHAIRMAN

Nyasha Alcala
SECRETARY

Lyndon Charles
MEMBER

Supervisory Committee

Supervisory Committee Report

Supervisory Committee Composition

At the 68th Annual General Meeting held on 11th May 2019, the members elected to serve on the Supervisory Committee were:

- Andrew Nurse - Chairman
- Nyasha Alcala - Secretary
- Lyndon Charles - Member
- Jason Matoram - 1st Alternate
- Robert Fortune - 2nd Alternate

The committee comprised of a diverse professional mix including but not limited to Finance, System Auditing, HSE Operation and International Business. With these synergies, we created an operational framework to ensure continuous monitoring methods for the good governance of the membership's organisation, Tranquillity Credit Union.

During our tenure, benchmarking with credible financial institutions allowed for in-depth analysis of the general system (Policies & Procedures, Asset Register, Credit Committee Operations, Management Operations and Operations Manual). Loans, Delinquency Portfolios, Board Minutes and Cash Counts were critiqued and recommendations were put forward to the Board of Directors for their review and implementation for the improvement of the Credit Union.

The Committee's mantra was and continued to be that of "Non solum autem, sed obsequium multo De bono regimine euismod" ("Good Governance is not only of Compliance but more of Performance").

Training Seminars and Workshops

The Supervisory Committee participated in workshops and seminars hosted by TCU and Credit Union League. These seminars and workshops were very engaging and it provided the Committee with a knowledge set for the team to provide that added value in the execution of our duties.

The Supervisory Committee wish to extend our sincere appreciation to the staff and management for the courtesies for providing the enabling, welcoming environment for us to operate.

Policies Implementation

The Policies of any organization defines the success of the framework of the organisation. During the period under review the Board of Tranquillity Credit Union reviewed and formally adopted the following policies:

- Credit / Loan Policy
- Human Resource Policy
- Marketing Policy/Framework

The Supervisory Committee will continue to monitor the designed implementation model of these policies to ensure the successful growth and development of the organization. Recommendations were provided to the Board of Directors for the development and implementation of policies governing the Operations, Procurement, Risk Management and HSSE.

Loans

The Loan portfolio of the credit union can be considered as the engine that drives the profitability vehicle of our organisation. The Supervisory Committee continuously examined and monitored members' loan applications and identified concerns (supporting documentation) to the Credit Committee and the Management.

Loan Deferral Programme

The Loan Deferral programme was offered to members to assist with the adverse effects of the Covid19 Pandemic. This programme was initiated in March 2019. The Supervisory Committee was asked by members to investigate this programme based on shortcomings highlighted. Subsequently, a report was submitted to the Board of Directors for their review and implementation.

Delinquency

The committee remains cautiously optimistic that the delinquency portfolio will be effectively managed. The credit union needs to continuously manage risk and delinquency in an evolving environment.

Innovation, Digitalization

Tranquillity Credit Union must create an enabling space which fosters Innovation, a new Digital Platforms and effective Communications.

Innovation in our design of Strategic Objectives model (Governance, Management Operations, Marketing and Membership Care).

Digitalization of a new model of internal and external business processes. Develop a Cybersecurity policy; our credit union must commence the process of Digital Transformation.

Communication

The Supervisory Committee was challenged to receive timely feedback on items of concerns. A communication model should be designed to alleviate these concerns. We trust that at this Annual General Meeting, virtual meetings will be formally approved/accepted by the membership.

An Agile Road Map

McKinsey & Company defines an Agile Organization as "a network of teams operating in rapid learning and decision making cycles". The leadership of Tranquillity Credit Union must position the organization to operate within a non-traditional, virtual space. Agility is the key to financial institutions sustaining competitive advantage. Its Strategy must be people centred, technology driven and process focused, operating within a structure that is lean and simple.

Supervisory Committee Report

The newly adopted policies and the implementation model once created by the organisation will commence the journey of TCU to Agility. Finally the Supervisory Committee wishes to express our sincere appreciation to the membership for the faith and trust bestowed in the team to execute the roles and duties enshrined in our Bye-Laws. The team continues to remain committed to the growth and development of our TCU.



Andrew D. Nurse
Chairman



Richard Trim
CHAIRMAN

Kendall Sealy
SECRETARY

Onika Jackson
MEMBER

Ursha Hector
MEMBER

Marcia Quammie
MEMBER

Eleazar Noel
MEMBER

Education Committee

Education Committee Report

The members of the Tranquillity Credit Union Education Committee for the period under review were as follows:

- Mr. Richard Trim - Chairman
- Mr. Kendall Sealey - Secretary
- Ms. Onika Jackson - Member
- Ms. Ursha Hector - Member
- Ms. Marcia Quammie - Member
- Mr. Noel Eleazar - Member

Education Committee Purview

To educate the membership through developmental and educational programs as well as literature. In this way the committee seeks to improve the overall lives of our membership by allowing them the opportunity to see and action items in their lives differently based upon this increased knowledge standpoint.

The committee uses as its terms of reference the following guidelines:

- Utilization and expansion of the M2M program for member benefit
- Creation and hosting of programs aimed at adding value to the lives of our general membership.
- Hosting of our annual SEA/CAPE/CSEC award program which seeks to acknowledge and inspire excellence.

A look at 2019

The 2019 period under review was considered by many within our committee as a very difficult one. From the loss of our main proponent, credit union stalwart and dear friend, Sheryl Strachan to the cancellation of quite a number of our scheduled sessions due to limited registration. Despite it all, the committee rallied to put together programs aimed at membership development. We continue to urge our membership to support our cause as it is directly aimed at you, our members and the ultimate benefactors will be you and our beloved Tranquillity Credit Union.

SEA/CAPE/CSEC Awards Ceremony

This year due to the limited number of members, who took the SEA, CAPE and CSEC exams, we had twelve (12) students who participated and were awarded at our function held at TCU House in October 2019. Awardees were:

S.E.A.

- Nia-Marie Ryan
- Isaiah Douglas
- Jesiah Douglas
- Shamiya Lewis
- Daniella Alleyne

CSEC

- Kairah-Jade Thomas
- Avinash Roopnarine
- Joshua Trim
- Alyssa Lalman

CAPE

- Alex Lalman
- Christian Ransome
- Samantha Pavy

	S.E.A	C.S.E.C	C.A.P.E.
TOP MALE AWARDEES	Jesiah Douglas	Avinash Roopnarine	Alex Lalman
TOP FEMALE AWARDEES	Daniella Allayne	Alyssa Lalman	Samantha Pavy

The challenges of 2020

January 2020 saw the hosting of the committee’s last in person session. Members were treated to a session geared at introducing them to the Credit Union philosophy, gaining an appreciation of what it means to be a member of Tranquillity Credit Union as well as various aspects of the products and services offered by TCU. From the feedback received, the new members had a great time and left with a greater appreciation of our Credit Union and why membership knowledge and understanding are so important.

DATE	ACTIVITY	REMARKS
January 18th 2020	New Member Workshop	Workshop held on January 18th, 2020 TCU Head office. <ol style="list-style-type: none"> <i>The 7 Cooperative Principles</i> <i>Credit Unions vs Banks</i> <i>The Story of Tranquillity Credit Union</i> <i>Roles & Responsibilities of Board and Committees</i> <i>What are Dividends?</i> <i>TCU Products & Services</i> <i>Understanding Your TCU Statement</i>



A look back at some moments from our New Member Workshop - January 2020



More from our New Member Workshop - January 2020

March / April 2020 saw the introduction to the world of the Novel Corona Virus. This saw our way of life changed drastically and things that we previously took for granted now being seen as simple luxuries.



With all the changes taking place, the committee discussed the way forward and took pattern from the global scenario and initiated our first virtual session with one of our new items, TCU Youth Club, on September 16th 2020. MS Teams was our virtual platform of choice for the continuation of the committee's mandate.



With the introduction of this new knowledge conveyance platform, the committee noticed not only a reduction in hosting costs but a commensurate increase in registrant attendance and participation in our sessions. For the credit union this was an overall improvement in membership engagement. This can be seen below based upon our attendance reports for sessions in September and October 2020.

DATE	ACTIVITY	REMARKS				
		WORKSHOP	DATE	FACILITATOR	REGISTERED	ATTENDED
October 2020 (Credit Union month)	Member Enrichment Workshops	Managing Your Finances During a Pandemic	8th	Dr. Anthony Elias	28	18
		Wellness Wednesday	14th	Ms. Michelle Serville	n/a	15
		Planning For Retirement	15th	Mr. Rawle Rollocks	23	19
		Time Management	22nd	Ms. Sandra Basheer	22	17
		Start Your Own Business in 2021	24th	Mr. Kris Granger	35	19
		Wellness Wednesday	28th	Ms. Michelle Serville	n/a	19
		Will Preparation	29th	Mr. Marlon Moore	31	31

DATE	ACTIVITY	REMARKS
September 16th 2020	1st Youth Club meeting	<p>Hosted virtually on September 16th 2020. Members between the ages of 16 to 35 years old were invited to a virtual meeting with the objective of forming a YOUTH CLUB that will work with TCU to cater for the needs of our youth members. A total of 13 members registered to attend, with 9 attending on the said day.</p> <p>Discussions were lively and members expressed interest in the idea and will meet again to further discussions. The following were the main items discussed.</p> <ol style="list-style-type: none"> 1. <i>Presentation on TCU history</i> 2. <i>Youth Club Rationale</i> 3. <i>Q & A</i>

Corona virus and the related restrictions have affected all of us financially in one way or another, directly or indirectly; from rising inflation rates to salary cuts and job loss. However, the positive feedback from the membership to these sessions has provided great impetus to the committee in formulating new methods of communicating and educating our members. The committee will be targeting the entrepreneurial spirit which has grown within these last few turbulent months. We endeavor to host focused programs which will carry members from classroom to loan approvals in a bid to help each attendee achieve financial independence. The committee will also be seeking to make improvements to the M2M program while holding to our each one help one philosophy.

To some it may seem that the hosting of our annual SEA/CAPE/CSEC award program has become a casualty of the unexpected global events of 2020. This is not the case and only a temporary break in transmission. This program seeks to acknowledge and inspire excellence and as such we have to ensure that it maintains its appeal to our younger members as well as stand as a beacon of our journey toward tomorrow together. With some adjustments to cater to our now virtual audience, we will definitely be having a session to celebrate all of our junior achievers in 2021.

The committee would like to extend sincere thanks to the membership and staff of Tranquillity Credit Union with special acknowledgment to Ms. Quammie & Mr. Noel of the Marketing Unit.

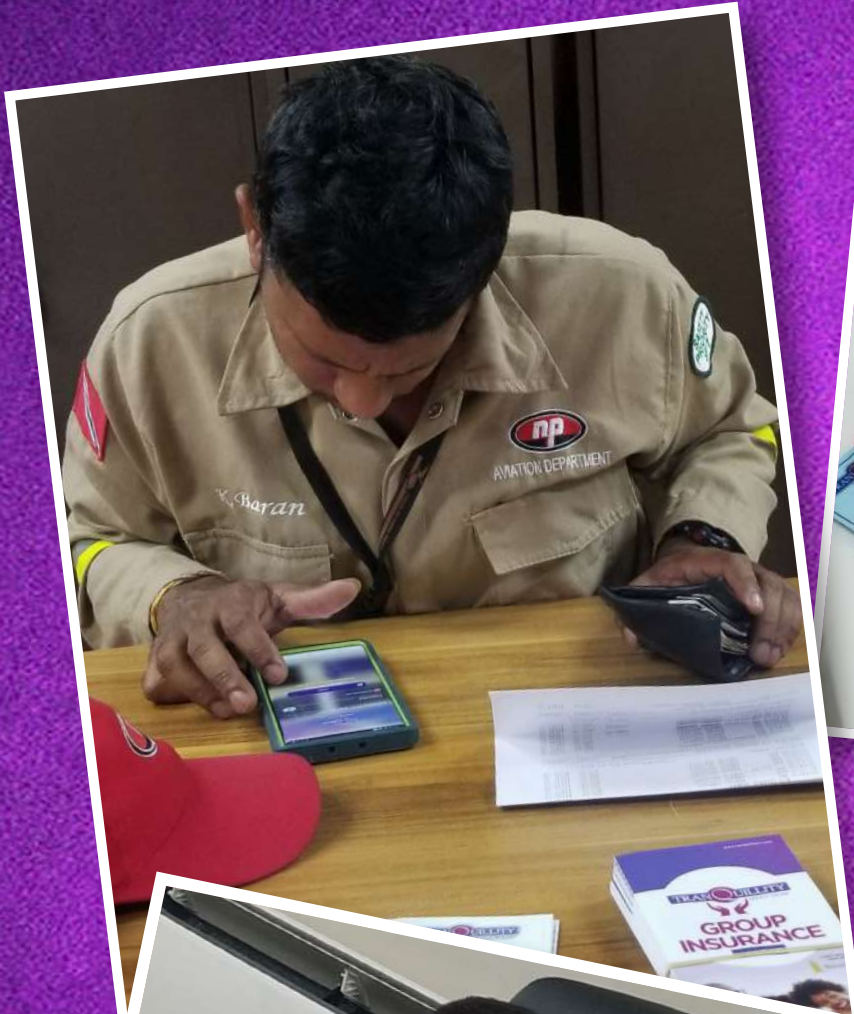
Department for their continued support and commitment throughout the past year and we know that this good work will continue for years to come.



RICHARD TRIM
Chairman



Outpost Visits





Outpost Visits





Claudette Gomez
CHAIRMAN

Lisa Marie Foster
SECRETARY

Marvin Marshall
MEMBER

Nominations Committee

Nominations Committee Report

The Board of Directors of the Tranquillity Credit Union appointed the following persons to serve on the Nomination Committee in accordance with Bye-Laws 59.

- Mrs Claudette Gomez - Chairman
- Ms Lisa-Marie Foster - Member
- Marvin Marshall - Member

The duty of the Committee was the selection of qualified members who are duly nominated to be considered for election of the Board, Supervisory or Credit Committee by the Annual General Meeting.

Twenty-four (24) persons were nominated for election. We examined the Twenty-four (24) Forms and noted that only Twenty-two (22) nominees have met the criteria and are fit and proper to contest the elections.

SUPERVISORY COMMITTEE		
CANDIDATE	NOMINATED BY	SECONDED BY
Andrew Nurse	Nyasha Alcala	Lyndon Charles
Lyndon Charles	Nyasha Alcala	Andrew Nurse
Corisha Wright-Mc Kenna	Eerie Wright	Glodean Forgenie
Nyasha Alcala	Andrew Nurse	Lyndon Charles
Mary Lawrence	Bashri De Graff	Mark Meddow

CREDIT COMMITTEE		
CANDIDATE	NOMINATED BY	SECONDED BY
Renee Garcia	Josanne Guy-Edwards	Dianna Joseph-Morris
Dianna Joseph-Morris	Enos Reid	Gerard Phillip
Kion Williams	Esther Pariag	Zindzi Renee-Williams
Kendal Charles	Beverly-Anne Cruickshank	Gerard Phillip
Royds Williams	Ursha Hector	Dionne Edwards
Tambi Serrano-Rock	Anna-Lisa Arlen-Benjamin	David Benjamin

BOARD OF DIRECTORS		
CANDIDATE	NOMINATED BY	SECONDED BY
Esther Pariag	Kion Williams	Douglas Williams
Michelle Duncan	Andrew Nurse	Chester Beeput
Richard Trim	Andrew Nurse	Ricky Codrington
Nadia Sudan	Kerwayne Cardinez	Satnarine Sudan
Anna-Lisa Arlen-Benjamin	Michelle Trestrail	Nisha Ramkissoon
Daffodil Maxwell	Noel Maxwell	Kathleen Maxwell
Eric Hopkins	Samantha Stapleton	Avionne Edwards
Douglas Williams	Esther Pariag	Dexter Nathaniel
Osrice Bacchus	Marcelle Johnson	Dexter Nathaniel
Joy John-Benjamin	John Lalla	Sheleen Sheppard-Alexis
Dave Sankar	Nisha Ramkissoon	Charon Maxime

All nominees who met the criteria were invited to a training session conducted by the Co-operative Division, Ministry of Labour on June 8th and July 29th, 2021.

The training officers who conducted the training session were Ms. Mala Jagmohan-Sookoo, Ms Lorraine Bobb and Ms. Marina Pierre.

The committee also suggested that a mentorship program be implemented using members who would have served and are willing to continue lending support to the new and inexperienced members.

Presented for and on behalf of the Nomination Committee



CLAUDETTE GOMEZ
Chairman



The Office Family



Marcia Quammie
Business Development / Marketing Manager



Sherwin Cambridge
General Manager



Natasha Olliviere
Accountant



Eleazar Noel
Marketing & Sales Officer



Vritti Moonsammy
Operations Officer



Wayne Charles
Snr. Loans Officer



The Office Family



Vikash Reemaul
Jr. Systems Administrator



Silvanne Flores
Executive Assistant



Ifeoma Durrant
Accounts Clerk



Gabriella Lara
CSR/Administrative Clerk



Kelsey Francis
Accounts Clerk



Kelly Ann Clarke
Teller



Prianna Lutchman
Loans Officer



Jordan Gill
Temporary Clerk

Your health
is your
wealth



GROUP HEALTH



Don't
miss this
opportunity...

**SIGN UP
NOW!**

TCU's Group Insurance Health Plan is for everyday health issues, such as visits to the doctor, dentist, optician, other medical professionals, and the pharmacy. It also covers Preventative Care, Emergency Air Ambulance, medical tests, and a Major Medical benefit maximum of \$450,000 up to age 70 and \$225,000.00 for over age 70.

The plan also includes coverage in the form of a Life Insurance Policy of \$100,000.00.

📍 5 Maraval Road, Newtown, Port of Spain, Trinidad & Tobago.

✉ info@tranquillitycu.com

☎ 1 (868) 628-9266



www.tranquillitycu.com



2019 Financial Reports

FOR THE YEAR ENDED DECEMBER 31st, 2019



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STATEMENT OF MANAGEMENT RESPONSIBILITY

FOR TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Management is responsible for the following:

- Preparing and fairly presenting the Financial Statements of Tranquillity Credit Union Co-operative Society Limited, which comprise the Statement of Financial Position at December 31, 2019, 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, including a summary of significant accounting policies and other explanatory information;
- Ensuring that the credit union keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Credit Union's assets, detection/prevention of fraud, and the achievement of credit union operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Co-operative Societies Act; and
- Using reasonable and prudent judgment in the determination of estimates.

In preparing these Financial Statements, Management utilized the International Financial Reporting Standard, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, Management chose those considered most appropriate in the circumstances. Nothing has come to the attention of Management to indicate that the Credit Union will not remain a going concern for the next twelve months from the reporting date; or up to the date the Financial Statements have been authorized for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.



Sherwin Cambridge
General Manager

June 17, 2020
San Fernando,
Trinidad, W.I.

INDEPENDENT AUDITORS' REPORT
TO
THE MEMBERS
OF
TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Opinion

We have audited the Financial Statements of Tranquillity Credit Union Co-operative Society Limited, which comprise the Statement of Financial Position as at December 31, 2019, 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 the Notes to the Financial Statements, including a summary of significant accounting policies. In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Society as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Co-operative Societies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 (k) (i) Page 17 on the notes to the Financial Statements which describes the effects of the Society's practice of recording loan interest on a cash basis, which is a departure from IAS 1. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Credit Union's 2019 Annual Report but does not include the Financial Statements and our Auditors' Report thereof. The Credit Union's Annual Report is expected to remain available to us after the date of this Auditors' Report. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information when it becomes available and in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

INDEPENDENT AUDITORS' REPORT
TO
THE MEMBERS
OF
TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Opinion

We have audited the Financial Statements of Tranquillity Credit Union Co-operative Society Limited, which comprise the Statement of Financial Position as at December 31, 2019, 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 the Notes to the Financial Statements, including a summary of significant accounting policies. In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Society as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Co-operative Societies Act.

Basis for Opinion

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Emphasis of Matter

We draw attention to Note 2 (k) (i) Page 17 on the notes to the Financial Statements which describes the effects of the Society's practice of recording loan interest on a cash basis, which is a departure from IAS 1. Our opinion is not modified in respect of this matter.

Other Information

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In connection with our audit of the Financial Statements, our responsibility is to read the other information when it becomes available and in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the financial Statements

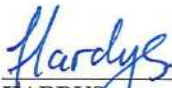
Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we can exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness, of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including; the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.


HARDYS
Chartered Accountants

June 17, 2020


San Fernando,
Trinidad, W.I.



HARDYS
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2019

ASSETS	NOTES	2019	2018
Non-Current Assets			
Property, Plant and Equipment	5	\$ 10,952,620	\$ 10,873,242
Members' Loans	6	80,120,326	82,069,218
Long-Term Investments	7 (a)	30,208,311	24,413,452
Total Non-Current Assets		<u>121,281,257</u>	<u>117,355,912</u>
Current Assets			
Short-Term Investments	7 (b)	3,542,290	3,522,863
Inventory		34,488	53,076
Receivables and Prepayments	9	889,741	1,439,138
Cash at Bank and in Hand	8	12,805,620	4,080,543
Total Current Assets		<u>17,272,139</u>	<u>9,095,620</u>
TOTAL ASSETS		<u>\$ 138,553,396</u>	<u>\$ 126,451,532</u>
MEMBERS' EQUITY AND LIABILITIES			
Members' Equity			
Investment Re-measurement Reserve		\$ 1,402,546	\$ 1,079,301
Reserve Fund		6,989,817	6,636,058
Education Fund		1,100,957	1,168,552
Undivided Earnings		3,232,554	2,839,110
Total Members' Equity		<u>12,725,874</u>	<u>11,723,021</u>
Non-Current Liabilities			
Members' Share Balances		<u>58,737,422</u>	<u>54,626,204</u>
Current Liabilities			
Members' Savings and Deposit Accounts	14	66,469,150	59,801,258
Payables and Accruals	10	587,984	301,049
Taxation		32,966	-
Total Current Liabilities		<u>67,090,100</u>	<u>60,102,307</u>
Total Liabilities		<u>125,827,522</u>	<u>114,728,511</u>
TOTAL MEMBERS' EQUITY AND LIABILITIES		<u>\$ 138,553,396</u>	<u>\$ 126,451,532</u>

These Financial Statements were approved by the Board of Directors on June 17, 2020.


President


Treasurer


Chairman,
Supervisory Committee



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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2019

	NOTES	2019	2018
INCOME			
Interest on Members' Loans		\$ 8,326,630	\$ 9,329,541
Investment Income		750,701	1,010,209
Other Income	16	1,911,193	186,395
		<u>10,988,524</u>	<u>10,526,145</u>
EXPENDITURE			
Annual General and Special Meetings		254,175	221,736
Audit Fees		37,750	31,625
Bank Charges		153,007	149,819
Co-operative Activities		50,607	92,627
Cuna Insurance Premiums		379,293	351,680
Depreciation		170,444	169,954
Directors' Expenses		278,213	276,254
Donations		9,705	14,569
Ex Gratia Payments		90,869	89,810
Green Fund Levy		32,966	-
Increase in Provision for Bad Debts	6	783,050	405,340
Insurance		75,145	76,539
League Dues		16,241	16,240
Legal and Professional Fees		111,913	167,845
Loss on Disposals of Property, Plant and Equipment		40,729	-
Marketing Expenses		126,973	66,322
Members' Fixed Deposit Interest		1,529,255	1,526,291
Members' Premium Deposit Interest		746,714	957,526
Office Supplies		72,268	99,377
Postage		5,525	6,615
Printing and Stationery		63,228	45,756
Rental		129,700	125,250
Repairs and Maintenance		193,959	136,325
Salaries and Wages		1,504,665	1,370,217
Security Courier		149,487	157,556
Staff Benefits		102,882	107,729
Staff Training and Development		51,159	41,102
Sundry Committees		148,441	97,324
Telephone Expenses		92,571	72,662
Uniforms		11,341	17,778
Utilities		53,256	44,844
		<u>7,465,531</u>	<u>6,936,712</u>
SURPLUS OF INCOME OVER EXPENDITURE		<u>3,522,993</u>	<u>3,589,433</u>
APPROPRIATIONS			
Transfer to Reserve Fund (10%)		352,299	358,943
Transfer to Education Fund (5%)		176,150	179,472
TOTAL APPROPRIATIONS		<u>528,449</u>	<u>538,415</u>
NET SURPLUS AFTER APPROPRIATIONS		<u>\$ 2,994,544</u>	<u>\$ 3,051,018</u>
OTHER COMPREHENSIVE INCOME			
Unrealised Gain on Financial Assets		670,480	419,544
Unrealised (Loss) on Financial Assets		(205,687)	(307,155)
TOTAL COMPREHENSIVE INCOME		<u>\$ 3,459,337</u>	<u>\$ 3,163,407</u>



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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019

YEAR ENDED DECEMBER 31, 2019

Particulars	Investment Re-measurement Reserve	Reserve Fund	Education Fund	Undivided Earnings	Total
Balance at January 1, 2019	\$ 1,079,301	\$ 6,636,058	\$ 1,168,552	\$ 2,839,110	\$ 11,723,021
Adjustments					
Prior Year Adjustment	(141,548)	-	-	(110,895)	(252,443)
Net Surplus for the Year	-	-	-	3,522,993	3,522,993
Other Comprehensive Income	464,793	-	-	-	464,793
Transfer to the Reserve Fund	-	352,299	-	(352,299)	-
Transfer to the Education Fund	-	-	176,150	(176,150)	-
Entrance Fees to Reserve Fund	-	1,460	-	-	1,460
Education Expenses	-	-	(243,745)	-	(243,745)
Honorarium	-	-	-	(50,000)	(50,000)
Dividends Paid - 2018	-	-	-	(2,440,205)	(2,440,205)
Balance at December 31, 2019	\$ 1,402,546	\$ 6,989,817	\$ 1,100,957	\$ 3,232,554	\$ 12,725,874

YEAR ENDED DECEMBER 31, 2018

Particulars	Investment Re-measurement Reserve	Reserve Fund	Education Fund	Undivided Earnings	Total
Balance at January 1, 2018	\$ 966,912	\$ 6,275,055	\$ 1,089,907	\$ 3,506,030	\$ 11,837,904
Impact of initial adoption of IFRS 9	-	-	-	(1,279,628)	(1,279,628)
Restated Balance at January 1, 2018	966,912	6,275,055	1,089,907	2,226,402	10,558,276
Adjustments					
Net Surplus for the Year	-	-	-	3,589,433	3,589,433
Other Comprehensive Income	112,389	-	-	-	112,389
Transfer to the Reserve Fund	-	358,943	-	(358,943)	-
Transfer to the Education Fund	-	-	179,472	(179,472)	-
Entrance Fees to Reserve Fund	-	2,060	-	-	2,060
Education Expenses	-	-	(100,827)	-	(100,827)
Honorarium	-	-	-	(50,000)	(50,000)
Dividends Paid - 2017	-	-	-	(2,388,310)	(2,388,310)
Balance at December 31, 2018	\$ 1,079,301	\$ 6,636,058	\$ 1,168,552	\$ 2,839,110	\$ 11,723,021



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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Net Surplus Before Appropriations	\$ 3,522,993	\$ 3,589,433
Adjustment For:		
Depreciation	170,444	169,954
Loss on Disposals of Property, Plant and Equipment	40,729	-
Green Fund Levy	32,966	-
Net Movement in the Investment Re-measurement Reserve	464,793	112,389
Prior Year Adjustment	<u>(252,443)</u>	<u>-</u>
Operating Surplus Before Changes in Working Capital and Reserves Components	3,979,482	3,871,776
Decrease in Inventory	18,588	19,744
Decrease / (Increase) in Members' Loans	1,948,892	(6,850,746)
Decrease in Receivables and Prepayments	549,397	4,139
Increase / (Decrease) in Members' Savings and Deposit Accounts	6,667,892	(109,028)
Increase in Payables and Accruals	<u>286,935</u>	<u>182,184</u>
Net Cash Generated From / (Used In) Operating Activities	<u>13,451,186</u>	<u>(2,881,931)</u>
INVESTING ACTIVITIES		
(Increase) / Decrease in Long Term Investments	(5,794,859)	7,540,596
Additions to Property, Plant and Equipment	<u>(290,551)</u>	<u>(79,826)</u>
Net Cash (Used In) / Generated From Investing Activities	<u>(6,085,410)</u>	<u>7,460,770</u>
FINANCING ACTIVITIES		
Education Fund Expenses	(243,745)	(100,827)
Increase / (Decrease) in Members' Shares	4,111,218	(89,034)
Honorarium Paid	(50,000)	(50,000)
Dividends Paid	(2,440,205)	(2,388,310)
Entrance Fees	<u>1,460</u>	<u>2,060</u>
Net Cash Generated From / (Used In) Financing Activities	<u>1,378,728</u>	<u>(2,626,111)</u>
Net Change For The Year	8,744,504	1,952,728
Cash and Cash Equivalents at the Beginning of the Year	7,603,406	6,930,306
Impact of initial adoption of IFRS 9	-	<u>(1,279,628)</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 16,347,910</u>	<u>\$ 7,603,406</u>
Represented By:-		
Cash at Bank and in Hand	\$ 12,805,620	\$ 4,080,543
Short-Term Investments	<u>3,542,290</u>	<u>3,522,863</u>
	<u>\$ 16,347,910</u>	<u>\$ 7,603,406</u>



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

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2019

RECEIPTS	2019	2018
AGM Expenses	\$ 56,435	\$ 12,718
Appliance Promo Loan	102,554	51,201
Bank Charges	546	539
Board Expenses	1,505	593
Computer (Cost)	190	-
Computer Loan Interest - NP	17,879	24,030
Computer Services	1,023	-
Co-Branded Visa Debit Card	25	-
Co-operative Activities	1,902	911
Credit Committee Expenses	27	94
CUNA Family Indemnity Plan	4,752	-
Debit Card Deposits	4,872,082	4,926,828
Dividend NGL Shares	43,200	43,200
Dividends FCB Shares	68,115	45,129
Dividends WI Tobacco	10,310	10,199
Dividends Massy Holding	3,488	3,298
Dividends Agostini	8,591	2,806
Dividends NCB Financial	5,334	3,063
Donations	1,400	900
DSR Loans	199,706	25,031
Education Expenses	336	1,680
FCB Receivables	500,827	-
F.I.P Death Benefit Receivables	479,124	407,439
F.I.P Deposits	106,210	114,457
Food Voucher Loan Receipts	133,725	110,840
Food Voucher Service Charge	20,550	32,760
General Insurance	30,061	-
General Loans Receipts	3,540,984	4,024,054
Green Fund Levy Taxes	110,895	-
Group Health Plan Deposits	15,671	-
Interest on Appliance Promo	12,831	17,354
Interest on Computer Loans	1,203	341
Interest on DSR Loan	7,792	4,161
Interest on General Loans	1,134,074	942,731
Interest on Line of Credit	48,416	51,317
Interest on Long Term Loan	29,294	46,634
Interest on NPMC COLA Loan	19	-
Interest on Savings Plus	7,682	-
Interest on Share Builder Loan	8,662	15,701
Interest on Small Business	-	8,787
Interest on Special Loans	-	5,276
Interest on Staff Loan	1,902	5,654
Interest on Vehicle Loan	223,200	231,152
Janitorial Services	-	2,400
Legal and Professional Fees	1,650	-
LFCTT	86,566	-
Line of Credit Receipts	367,144	370,569
Marketing	264	1,312
Medical (Employer's Contribution)	2,574	-
Members' Control Account	65,922	3,000
Members' Payable	3,101	130,833
Members' Shares Receipts	4,006,258	3,068,786
Mortgage Loan Receipts	199,652	460,470



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

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2019

RECEIPTS	2019	2018
Naipaul's Supermarket	\$ 104,841	\$ -
National Petroleum Marketing Company	21,175,316	21,602,354
Natpet Receipts	1,099,860	1,036,627
NFM Dividend	1,400	2,000
Non Statutory Committee	168	-
NP Employees Consumer Co-Op	19,204	24,624
NPMC - Computer Loans	43,909	29,123
NPMC - Back Pay Loans	9,772,252	50,900
Office Supplies	145,884	406
Other Accrued Expenses	60,573	22,340
Other Income Receipts	69,777	62,561
Other Payables	31,256	-
Other Receivables	997,312	441,613
Overages / Shortages	3,917	-
Pension (Employer's Contrib)	-	33,212
Petrotrin Limited	-	109,415
Postage	-	2,635
Prepayment	27,412	-
Printing and Stationery	185	311
Rates & Taxes	6,763	-
Regular Savings Receipts	528,584	288,003
Repairs and Maintenance General	809	1,750
Roytrin Mutal Funds	-	5,000,000
Saving Plan	150,233	-
Share Builder Loan Receipts	35,627	12,326
Share Drive Promotion	25,000	-
Small Business/Demand Loans	-	75,983
Special Deposits Receipts	21,851,936	19,511,054
Special Loans	-	166,661
Staff Loans Receipts	128,995	9,546
Staff Training and Development	-	550
Standing Order Deposits	64,169	52,094
Standing Order Payable	2,696	-
Telephone	3,102	-
Towers Consortium Loan Note	63,480	-
Uniform Expenses	229	18,080
UTC Income & Growth	3,500,000	10,000,000
Vehicle Loan Receipts	1,239,923	1,763,811
Visa Debit Card Income	1,769	3,251
Interest From First Line Securities	74,114	101,862
FirstLine Securities Loan	411,603	383,854
FCBAS - NIF	95,124	284,000
Total Receipts	\$ 78,283,075	\$ 76,299,194



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

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2019

RECEIPTS	2019	2018
Opening Balance	\$ 4,080,543	\$ 3,486,539
Total Receipts	78,283,075	76,299,194
Less Payments	<u>69,557,998</u>	<u>75,705,190</u>
Closing Balance	\$ <u>12,805,620</u>	\$ <u>4,080,543</u>
Represented By:		
Cash at Bank and in Hand	<u>\$ 12,805,620</u>	<u>\$ 4,080,543</u>



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

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2019

PAYMENTS	2019	2018
AGM Expenses	\$ 305,610	\$ 225,979
Agostini Limited	-	287,330
Appliance Promo Loans	42,685	293,138
Audit Fee's	6,250	28,625
Audit Fees Payable	28,000	-
B/Charges JMMB	8,500	24,800
Bank Charges	29,265	77,858
Beautification Expenses	14,283	14,283
Board Expenses	40,600	33,097
Car - Park Rental	126,700	125,250
Computer - Cost	272,899	29,687
Computer Services	34,557	104,678
Co-operative Activities	29,181	46,234
Credit Committee Expenses	5,636	4,369
CUNA Family Indemnity Plan	483,477	493,553
Debit Card Deposits	14,824,907	14,534,247
Donations	9,605	12,869
DSR Loans	1,235,687	35,626
Education Expenses	205,690	86,058
Electricity	42,511	34,715
Equipment Rental	18,271	11,644
FCBAS - NIF	-	2,000,000
FCB Receivables	50,888	-
F.I.P. Death Benefit Receivable	312,343	308,178
F.I.P. Deposits	35,155	15,626
Fixed Deposits	15,000	-
Food Voucher Loans	-	7,000
Furniture, Fixtures and Fitting	16,903	9,956
General Insurance	38,074	7,655
General Loans	5,834,999	6,984,213
Green Fund Levy Taxes	221,789	-
Group Life Insurance	22,237	14,354
Health Surcharge Payable	4,901	4,538
Hilo Food Stores	-	180,000
Interest on Line of Credit	-	71
Interest on Small Business	-	276
Interest on Vehicle Loans	-	7,774
Interest on General Loans	3,073	4,928
Janitorial Services	50,292	67,863
League Fees	16,240	16,241
Legal and Professional Fees	117,420	178,232
Line of Credit	950,122	1,291,637
Marketing Expense	108,173	32,845
Massy Holdings	396,900	299,977
Medical (Employer's Contribution)	29,527	23,994
Members' Payable	1,801	-
Members' Shares	807,671	1,918,819
Mortgage Loans	501,663	358,000
Naipaul's Supermarket	250,668	102,250
NCB Financial Services	-	200,001
NIS Payable	158,484	139,219
Non Statutory Committees	6,668	2,589



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

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2019

PAYMENTS	2019	2018
NP Company	\$ 5,550	\$ -
NPMC Computer Loans	105,542	71,011
NPMC - COLA Loans	36,350	-
NPMC - Back Pay Loans	527,250	2,338,000
Office Supplies	164,099	18,203
Other Accrued Expenses	741,111	561,109
Other Income	6,052	286
Other Payables	31,256	-
Other Receivables	127,601	325,235
Overages / Shortages	1,447	-
PAYE Payable	130,083	104,655
Pension (Employer's Contribution)	61,973	83,538
Postage	5,525	8,450
Prepayments	92,332	53,471
Pricesmart Supermarket Limited	111,800	163,000
Printing and Stationery	60,185	45,016
Processing Fees-Loans	6,571	600
Relocation Expense	150	-
Rates and Taxes	14,704	9,689
Regular Savings	841,583	802,019
Repairs and Maintenance - Building	18,286	-
Repairs and Maintenance - General	62,256	35,343
Salaries and Wages	750	-
Saving Plan	50,055	-
Security Courier	-	3,656
Security Property	-	10,707
Special Deposits	27,324,912	33,556,406
Special Loans	75,000	50,000
Special Meeting Expense	40,539	-
Staff Incentives	-	2,025
Staff Loans	39,564	-
Staff Training and Development	46,564	38,932
Standing Order Deposits	235,252	190,944
Standing Orders Payable	205,974	187,188
Storage Expense	13,331	14,543
Supervisory Expenses	1,243	513
Telephones	80,423	73,469
Uniforms Expenses	11,570	35,858
Unit Trust (Income and Growth Fund)	7,500,000	4,500,000
Vehicle Loans	3,065,630	1,499,613
Visa Debit Card Income	180	-
West Indian Tobacco Company	-	196,758
W.O.C.C.U/ C.C.C.U	-	44,677
Total Payments	\$ 69,557,998	\$ 75,705,190



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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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) New Accounting Standards and Interpretations

(i) Standards, amendments and interpretations to existing Standards applicable to the Society in the current year which were adopted by the Society

IFRS 16 Leases supersedes IAS 17 Leases and its related interpretations. IFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. Under IFRS 16, leases are recorded on the Statement of Financial Position by recognizing a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the Statement of Financial Position (within right-of-use assets) or together with Property, Plant and Equipment. The most significant effect of the new requirements will be an increase in recognized lease assets and financial liabilities. However, IFRS 16 does not require a lessee to recognize assets and liabilities for short term leases and leases of low-value assets. IFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components. IFRS 16 applies to annual periods commencing on or after January 1, 2019. The adoption of this standard had no significant impact on the Society's Financial Statements.

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Society

There were no standards, amendments and interpretations to existing standards, which are relevant to the society and requires disclosure.

(iii) Standards, amendments and interpretations to existing standards early adopted by the Society.

The Society did not early adopt any new revised or amended standards.

c) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

d) **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 %

e) **Financial Assets**

The Society classifies its investment financial assets as, amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification depends on the purpose for which financial assets were acquired or originated.

Amortised cost

Financial assets measured at amortised cost include corporate bonds, notes, repurchase agreements and fixed deposits.

These are financial assets with fixed or determinable payments and fixed maturity that the Society has the intent and ability to hold to maturity. They are initially measured at cost, being the fair value plus the transaction cost that are directly attributable to the acquisition of the instrument.

All non-trading financial liabilities and financial assets measured at amortised cost are subsequently measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument. The amortization of premiums and discounts are taken to the Statement of Comprehensive Income.

Fair Value through profit or loss

Certain equity instruments and receivables (for example trade receivables) are classified as fair value through profit or loss.

The equity instruments are either acquired for generating a profit from short-term fluctuations in price, or are securities included in a portfolio in which a pattern of short-term profit taking exists. These instruments are initially measured at fair value plus transaction costs that are directly attributable to their acquisition.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value, based on their quoted market price at the reporting date without any deduction for transaction costs or their recoverable value. Gains and losses both realised and unrealised, arising from the change in the fair value of equity instruments at fair value through profit or loss are recognised in net surplus for the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

Fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income includes certain equity instruments, corporate bonds, notes and repurchase agreements.

These financial assets are investments that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables.

These financial assets are initially recognised at fair value plus transaction cost that are directly attributable to their acquisition.

After initial recognition, investments which are classified as “fair value through other comprehensive income” are measured at fair value with unrealized gains or losses on revaluation recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative loss or gain previously reported in the capital reserve is included in the Statement of Comprehensive Income.

f) Impairment

Financial assets

At the reporting date, the Society assesses on a forward-looking basis, the credit losses associated with its financial assets measured at amortised cost and fair value through other comprehensive income (excluding equity instruments).

The Society measures loss allowances on its debt instruments at an amount equal to lifetime credit losses, except in the following cases, for which the amount recognized is 12 months credit losses.

For receivables the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

See note 2(h) for details of credit losses recognition on loans to members.

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

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

Non-financial assets

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

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

g) Cash and Cash Equivalents

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost, which is equivalent to fair value.

Cash and cash equivalents also comprise cash balances which are payable on demand and deposits with maturities of three (3) months or less from the date of acquisition. Bank overdrafts are disclosed as current liabilities.

h) Loans to Members

Member loans are initially measured at cost, net of loan origination fees and inclusive of transaction costs incurred. They are subsequently measured at amortised cost, using the effective interest rate method, less any impairment losses. Loans to members are reported at their recoverable amount representing the aggregate amount of principal, less any allowance or provision for impaired loans.

Impairment provisions for loans to members are recognized based on the three stage approach within IFRS 9 as follows:

Stage 1 represents 12 month expected credit losses (gross interest)

- Applicable when there is no significant increase in credit risk
- Entities continue to recognize 12 month expected losses that are updated at each reporting date
- Presentation of interest on a gross basis

Stage 2 represents lifetime expected credit losses (gross interest)

- Applicable in case of significant increase in credit risk
- Recognition of lifetime expected losses
- Presentation of interest on gross basis

Stage 3 represents - lifetime expected credit losses (net interest)

- Applicable in case of credit impairment
- Recognition of lifetime expected losses
- Presentation of interest on net basis

i) Members' Deposits

Members' deposits are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the instrument. Members' deposits are subsequently measured at amortised cost, using the effective interest rate method.

j) Members' Shares

Members' shares are classified as Long Term Liability 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. Members can withdraw all or any portion of their unencumbered shares from the Society at any time.

Members' shares are classified as financial liabilities under the International Accounting Standard (IAS) 32 Financial Instruments: Disclosure and Presentation and are measured at par value.

Dividends are paid on an annual basis at rates that are determined at the Annual General Meeting of members of the Society. Dividends are calculated based on the monthly minimum share balance of each active member of the Society and distributed via additional shares and credits to members' deposits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

k) Revenue Recognition

(i) Loan Interest

Interest charged on all loans to members is calculated between 0.50% to 1.5% per month on the outstanding balance at the end of each month, these are in accordance with Section 51 of the By-laws and the Loan Policy.

Loan interest is accounted for 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.

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.

(ii) 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 Financial Reporting Standards (IFRS 15).

l) 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.

m) 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 the Statement of Comprehensive Income.

n) 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.

o) Comparative Figures

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

3 FINANCIAL RISK MANAGEMENT

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

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

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

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

(i) Credit Risk

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

Management of Risk

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

- a) Proper judgement of the creditworthiness of the member when analyzing the loan application
- b) Adequate collateral held as security for funds advanced
- 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 Statement of Financial Position and the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(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 0.26 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.

(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 publicity 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 to minimise this risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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 (c).

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 Comprehensive Income in the period which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Financial Statements, are as follows:

- 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 Position 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

5 PROPERTY, PLANT AND EQUIPMENT

(i) Year Ended December 31, 2019 - The sum of \$10,952,620 is made up as follows:-

	Computers	Furniture & Fixtures	Equipment	Land & Building (Maraval Road)	Total
Cost					
At Jan. 1, 2019	\$ 673,313	\$ 648,472	\$ 499,407	\$ 9,876,347	\$ 11,697,539
Additions	272,709	17,842	-	-	290,551
Disposals	(91,048)	(11,296)	(6,498)	-	(108,842)
At Dec. 31, 2019	854,974	655,018	492,909	9,876,347	11,879,248
Depreciation					
At Jan. 1, 2019	380,868	311,131	132,298	-	824,297
Charge	101,232	42,614	26,598	-	170,444
Disposals	(61,979)	(5,068)	(1,066)	-	(68,113)
At Dec. 31, 2019	420,121	348,677	157,830	-	926,628
Net Book Value					
At Dec. 31, 2019	\$ 434,853	\$ 306,341	\$ 335,079	\$ 9,876,347	\$ 10,952,620

(ii) Year Ended December 31, 2018 - The sum of \$10,873,242 is made up as follows:-

	Computers	Furniture & Fixtures	Equipment	Land & Building (Maraval Road)	Total
Cost					
At Jan. 1, 2018	\$ 603,444	\$ 638,515	\$ 499,407	\$ 9,876,347	\$ 11,617,713
Additions	69,869	9,957	-	-	79,826
At Dec. 31, 2018	673,313	648,472	499,407	9,876,347	11,697,539
Depreciation					
At Jan. 1, 2018	289,700	262,940	101,703	-	654,343
Charge	91,168	48,191	30,595	-	169,954
At Dec. 31, 2018	380,868	311,131	132,298	-	824,297
Net Book Value					
At Dec. 31, 2018	\$ 292,445	\$ 337,341	\$ 367,109	\$ 9,876,347	\$ 10,873,242

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 based on the expected credit loss method.

		2019	2018
Loans to Members	(i) below	\$ 84,281,644	\$ 85,447,486
Less: Provision for loan losses		(4,161,318)	(3,378,268)
		<u>\$ 80,120,326</u>	<u>\$ 82,069,218</u>
<u>Provision for loan losses:</u>			
Balance, beginning of the year		\$ 3,378,268	\$ 1,693,300
Impact of initial adoption of IFRS 9 (Note 15)		-	1,279,628
Charge for the year		783,050	405,340
		<u>\$ 4,161,318</u>	<u>\$ 3,378,268</u>

(i) Loan to Members

The sum of \$84,281,644 is made up as follows:-

	2019	2018
General Loans	\$ 57,586,395	\$ 53,193,583
Mortgage Loans	5,441,274	5,543,238
Appliance Loans	34,941	36,513
Vehicle Loans	12,984,692	12,392,602
Food Voucher Loans	512,240	684,567
Special Loans	159,694	111,591
NPMC Computer Loans	165,953	178,570
Promotion Loans	12,675	12,675
Small Business Demand Loans	69,154	69,154
Line of Credit	1,989,198	2,346,043
Staff Loans	860,468	839,381
Future Cash Investment Loans	6,192	6,192
Appliance Promo	228,095	459,364
DSR Loans	2,295,368	265,538
Share Builder Loans	122,726	184,575
Savings Plus	1,238,129	-
NPMC Bank Pay Loan	410,000	9,123,900
NPMC Coia Loan	163,950	-
	<u>\$ 84,281,644</u>	<u>\$ 85,447,486</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

7 (a) LONG-TERM INVESTMENTS

The sum of \$30,208,311 is made up as follows:-

	2019	2018
T&T Unit Trust Corporation- Income and Growth Fund	\$ 18,684,379	\$ 13,531,367
Shares- Co-operative CU League	10,000	10,000
Roytrin Mutual Fund	1,872,200	1,703,681
Shares- National Flour Mills	27,000	33,000
Royal Scandia (E.W.B)	89,903	77,837
Republic Bank (Income & Growth)	3,123,021	2,714,950
First Citizens Bank - I.P.O	1,793,083	1,368,787
Trinidad and Tobago NGL Limited	690,048	838,080
Towers Consortium Loan Notes	833,431	1,245,034
NIF – Series B	1,524,824	1,574,060
NIF – Series A	224,000	226,419
NCB Financial Services Limited	332,621	261,257
West Indian Tobacco Company Limited	276,039	211,823
Massy Holdings Limited	386,862	298,074
Agostini Limited	340,900	319,083
	<u>\$ 30,208,311</u>	<u>\$ 24,413,452</u>

(b) SHORT-TERM INVESTMENTS

The sum of \$3,542,290 is made up as follows:-

	2019	2018
Money Market Fund:		
- Trinidad and Tobago Unit Trust Corporation	\$ 1,358,752	\$ 1,340,160
- Republic Bank Limited	61,738	60,903
First Line Securities Oil Note	2,121,800	2,121,800
	<u>\$ 3,542,290</u>	<u>\$ 3,522,863</u>

8 CASH AT BANK AND IN HAND

The sum of \$12,805,620 is made up as follows:-

	2019	2018
Cash in Transit	\$ 292,031	\$ 753,373
Republic Bank Limited -- Current Account	11,349,041	2,878,911
JMMB Bank Limited	1,164,548	448,259
	<u>\$ 12,805,620</u>	<u>\$ 4,080,543</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

9 RECEIVABLES AND PREPAYMENTS

The sum of \$889,741 is made up as follows:-

	2019	2018
National Petroleum Marketing Company	\$ 659,449	\$ 824,343
NAIPET	-	46,124
Other Receivables	122,026	487,970
Accrued Interest on Oil Notes	44,074	25,837
Prepayments	64,192	54,864
	<u>\$ 889,741</u>	<u>\$ 1,439,138</u>

10 PAYABLES AND ACCRUALS

The sum of \$587,984 is made up as follows:-

	2019	2018
Other Accrued Expenses	\$ 262,125	\$ 252,999
Fixed Deposit Interest Payable	193,287	-
Audit Fees	31,500	28,000
Other Payables	101,072	20,050
	<u>\$ 587,984</u>	<u>\$ 301,049</u>

11 RELATED PARTY TRANSACTIONS

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

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

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

Assets, Liabilities and Members' Equity

	2019	2018
Due from Directors, Committee Members and Key Management Personnel	<u>\$ 6,382,136</u>	<u>\$ 7,051,016</u>
Due to Directors, Committee Members and Key Management Personnel	<u>\$ 5,010,292</u>	<u>\$ 5,040,504</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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.

c) Investments

The fair values of investments are determined on the basis of market prices available at December 31, 2018.

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 reserves and undivided surplus.

14 MEMBERS' SAVINGS AND DEPOSIT ACCOUNTS

The sum of \$66,469,150 is made up as follows:-

	2019	2018
Regular Savings Deposit	\$ 748,061	\$ 570,022
Special Deposits	28,914,278	25,565,282
F.I.P Deposits	126,656	141,616
Standing Order Deposits	103,240	133,211
Members Fixed Deposits	36,576,915	33,391,127
	<u>\$ 66,469,150</u>	<u>\$ 59,801,258</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

15 IMPACT OF ADOPTION OF IFRS 9

The adoption of IFRS 9 on January 1, 2018 resulted in changes to the accounting policies for recognition, classification and measurement of financial assets and impairment of financial assets. As permitted by the transitional provisions of IFRS 9, an election was made to not restate prior period results; accordingly, all comparative period information is presented in accordance with the previous accounting policies.

Applicable adjustments to carrying amounts of financial assets and liabilities at the date of initial application (January 1, 2018) were recognized in the opening Statement of Financial Position as shown below:

	At December 31, 2017 (IAS 39)	Impact of IFRS 9 Impairment	At January 1, 2018 (IFRS 9)
Assets			
Loans to Members	\$ 75,218,472	(\$ 1,279,628)	\$ 73,938,844
	<u> </u>	<u> </u>	<u> </u>
Members' Equity			
Undivided Earnings	\$ 3,506,030	(\$ 1,279,628)	\$ 2,226,402
	<u> </u>	<u> </u>	<u> </u>

16 OTHER INCOME

The sum of \$1,911,193 is made up as follows:-

	2019	2018
Other Income	\$ 171,054	\$ 169,621
Visa Card Income	14,559	13,434
Processing Fees – Debit Card	900	2,425
Processing Fees – Loans	177,043	127,380
Gain / (Loss) on Foreign Exchange	16,288	(12,266)
Gain / (Loss) on Investments	1,531,549	(114,199)
	<u> </u>	<u> </u>
	\$ 1,911,193	\$ 186,395
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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	<u>\$ 1,911,193</u>	<u>\$ 186,395</u>



2020 Financial Reports

FOR THE YEAR ENDED DECEMBER 31st, 2020



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Statement of Management's Responsibilities

Management is responsible for the following:

Preparing and fairly presenting the accompanying Financial Statements of Tranquillity Credit Union Co-operative Society Limited (the "Credit Union") which comprise the Statement of Financial Position as at 31 December, 2020, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Appropriated Funds and Undivided Surplus and Statement of Cash Flows for the year then ended, and a summary of Significant Accounting Policies and other explanatory information;

- Ensuring that the Credit Union keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Credit Union's assets, detection/prevention of fraud, and the achievement of credit union operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Co-operative Societies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

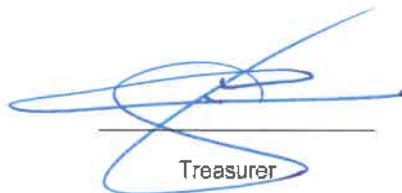
Nothing has come to the attention of management to indicate that the Credit Union will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

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



President

Date: 2021/07/09



Treasurer

Date: 2021/07/09



Chairman Supervisory Committee

Date: 2021/07/09

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the Financial Statements of Tranquillity Credit Union Co-operative Society Limited, which comprise the Statement of Financial Position as at 31st December 2020, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Statement of Receipts and Payments for the year then ended, and the Notes to the Financial Statements, including a Summary of Significant Accounting Policies.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Credit Union as at 31st December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Co-operative Societies Act of Trinidad and Tobago.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Also, without qualifying our opinion, we draw attention to **Note 16** in the Financial Statements which refers to the advice from the Commissioner for Co-operative Development to the Tranquillity Credit Union Co-operative Society Limited with respect to the Interest Accrued during the Loan Deferral Programme.

Other Information included in the Credit Union's 2020 Annual Report

Management is responsible for the other information. The other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Annual Report was not made available to us before the date of this Auditor's Report.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Not having read the Annual Report, we are unable to ascertain whether there are any material misstatements therein.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Credit Union's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

HLB Montgomery & Co
HLB MONTGOMERY & CO
9TH July 2021
118 Abercromby Street
Port of Spain
Trinidad & Tobago

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED


STATEMENT OF FINANCIAL POSITION


31ST DECEMBER 2020

ASSETS	Notes	2020	2019
Non - Current Assets			
Property, Plant and Equipment	5	11,372,345	10,952,620
Members' Loans	6	86,546,693	80,120,326
Long-Term Investments	7(a)	45,015,571	30,208,311
Total Non-Current Assets		142,934,609	121,281,257
Current Assets			
Short-Term Investments	7(b)	6,637,688	3,542,290
Inventory		35,440	34,488
Receivables and Prepayments	8	1,547,533	889,741
Cash at Bank and in Hand	9	5,837,426	12,805,620
Total Current Assets		14,058,087	17,272,139
TOTAL ASSETS		\$156,992,696	\$138,553,396
MEMBERS' EQUITY AND LIABILITIES			
Members' Equity			
Investment Re-measurement Reserve		1,062,971	1,402,546
Reserve Fund		5,406,982	6,989,817
Education Fund		1,172,691	1,100,957
Undivided Earnings		5,180,768	3,232,554
Total Members' Surplus		12,823,412	12,725,874
Non-Current Liabilities			
Members' Shares	10	63,130,965	58,737,422
Current Liabilities			
Members' Savings and Deposits	11	80,114,865	66,469,150
Payables and Accruals	12	914,977	587,984
Taxation		8,477	32,966
Total Current Liabilities		81,038,319	67,090,100
Total Liabilities		144,169,284	125,827,522
TOTAL MEMBERS' EQUITY AND LIABILITIES		\$156,992,696	\$138,553,396

The accompanying Significant Accounting Policies and Notes on pages 12 to 24 form an integral part of these Financial Statements.
On 9/7/2021 the Board of Directors authorised these Financial Statements for issue.


.....
President


.....
Treasurer


.....
Chairman – Supervisory Committee

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2020

<u>INCOME</u>	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Interest on Members' Loan		9,002,938	8,326,630
Investment Income		698,055	750,701
Other Income	17	37,528	1,911,193
		<u>\$9,738,521</u>	<u>\$10,988,524</u>
 <u>OPERATING EXPENDITURE</u>			
Annual General and Special Meetings		194,776	254,175
Audit Fees		39,063	37,750
Bank Charges		140,423	153,007
Co-operative Activities		68,629	50,607
Cuna Insurance Premiums		379,098	379,293
Depreciation		190,003	170,444
Directors' Expenses		255,483	278,213
Donations		17,868	9,705
Ex Gratia Payments		105,886	90,869
Green Fund Levy		29,216	32,966
Insurances		91,305	75,145
League Dues		16,241	16,241
Legal and Professional Fees		215,274	111,913
Loan Loss Provision		104,399	783,050
Loss on Disposals of Property, Plant and Equipment		-	40,729
Marketing Expenses		136,062	126,973
Members' Fixed Deposit Interest		1,747,184	1,529,255
Members' Premium Deposit		1,049,321	746,714
Office Supplies		106,767	72,268
Postage		7,678	5,525
Printing and Stationery		34,478	63,228
Rental		127,700	129,700
Repairs and Maintenance		222,848	193,959
Salaries and Wages		1,640,005	1,504,665
Security Courier		161,070	149,487
Staff Benefits		110,199	102,882
Staff Training and Development		30,241	51,159
Sundry Committees		99,405	148,441
Telephone Expenses		77,472	92,571
Uniforms		-	11,341
Utilities		48,390	53,256
		<u>7,446,504</u>	<u>7,465,531</u>
<u>NET SURPLUS OF INCOME OVER EXPENDITURE</u>		<u>2,292,017</u>	<u>3,522,993</u>
 <u>APPROPRIATIONS</u>			
Transfer to Reserve Fund (10%)		229,202	352,299
Transfer to Education Fund (5%)		114,601	176,150
<u>TOTAL APPROPRIATIONS</u>		<u>343,803</u>	<u>528,449</u>
 <u>NET SURPLUS AFTER APPROPRIATIONS</u>		 <u>1,948,214</u>	 <u>2,994,544</u>
 <u>OTHER COMPREHENSIVE INCOME</u>			
Unrealised (Loss)/Gain on Financial Assets		(1,743,858)	670,480
Unrealised Gain/(Loss) on Financial Assets		2,083,433	(205,687)
 <u>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</u>		 <u>2,287,789</u>	 <u>3,459,337</u>

TRANQUILITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CHANGES IN MEMBERS EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2020

	<u>Investment Re-measurement Reserve</u>	<u>Reserve Fund</u>	<u>Education Fund</u>	<u>Undivided Earnings</u>	<u>Total</u>
Balance as at January 1, 2020	1,402,546	6,989,817	1,100,957	3,232,554	12,725,874
Adjustments					
Net Surplus for the Year	-	-	-	2,292,017	2,292,017
Other Comprehensive Income	(339,575)	-	-	-	(339,575)
Transfer to Reserve Fund	-	229,202	-	(229,202)	-
Transfer to Education Fund	-	-	114,601	(114,601)	-
Entrance Fees to Reserve Fund	-	1,845	-	-	1,845
Education Expenses	-	-	(42,867)	-	(42,867)
Dividends Paid - 2019	-	(1,813,882)	-	-	(1,813,882)
Balance as at December 31, 2020	\$1,062,971	\$5,406,982	\$1,172,691	\$5,180,768	\$12,823,412

<u>Particulars</u>	<u>Investment Re-measurement Reserve</u>	<u>Reserve Fund</u>	<u>Education Fund</u>	<u>Undivided Earnings</u>	<u>Total</u>
Balance as at January 1, 2019	1,079,301	6,636,058	1,168,552	2,839,110	11,723,021
Adjustments					
Prior year Adjustment	(141,548)	-	-	(110,895)	(252,443)
Net Surplus for the Year	-	-	-	3,522,993	3,522,993
Other Comprehensive Income	464,793	-	-	-	464,793
Transfer to the Reserve Fund	-	352,299	-	(352,299)	-
Transfer to Education Fund	-	-	176,150	(176,150)	-
Entrance Fees to Reserve Fund	-	1,460	-	-	1,460
Education Expenses	-	-	(243,745)	-	(243,745)
Honorarium	-	-	-	(50,000)	(50,000)
Dividends Paid – 2018	-	-	-	(2,440,205)	(2,440,205)
Balance as at December 31, 2019	\$1,402,546	\$6,989,817	\$1,100,957	\$3,232,554	\$12,725,874

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020

<u>OPERATING ACTIVITIES</u>	<u>2020</u>	<u>2019</u>
Net Surplus before Appropriations	2,292,017	3,522,993
<u>Adjustment for Items not Involving the Movement of Funds:</u>		
Depreciation	190,003	170,444
Loss on Disposal of Property, Plant and Equipment	-	40,729
Green Fund Levy	8,477	32,966
Prior Year Adjustment	-	(252,443)
Loan Loss Provision	104,399	783,050
	<hr/>	<hr/>
<u>Operating Surplus before Changes in Working Capital</u>	2,594,896	4,297,739
<u>CHANGES IN WORKING CAPITAL</u>		
Decrease in Inventory	13,608	18,568
Increase/(Decrease) in Members' Loans	(7,072,727)	1,165,842
(Increase)/Decrease in Receivables and Prepayments	(130,391)	549,397
Increase in Members' Savings and Deposits	13,541,524	6,667,892
Increase in Payables and Accruals	431,184	286,935
	<hr/>	<hr/>
<u>Net Cash Provided by Operating Activities</u>	9,378,094	12,986,393
<u>INVESTING ACTIVITIES</u>		
(Increase)/Decrease in Long Term Investments	(15,146,835)	(5,330,066)
Additions to Property, Plant and Equipment	(609,728)	(290,551)
	<hr/>	<hr/>
<u>Net Cash Used in Investing Activities</u>	(15,756,563)	(5,620,617)
	<hr/>	<hr/>
<u>Taxation Paid</u>	(32,966)	-
	<hr/>	<hr/>
<u>FINANCING ACTIVITIES</u>		
Education Fund Expenses	(42,867)	(243,745)
Increase in Members' Shares	4,393,543	4,111,218
Honarium Paid	-	(50,000)
Dividends Paid	(1,813,882)	(2,440,205)
Entrance Fees	1,845	1,460
	<hr/>	<hr/>
<u>Net Cash Provided by Financing Activities</u>	2,538,639	1,378,728
	<hr/>	<hr/>
Net Change for the Year	(3,872,796)	8,744,504
<u>CASH AND CASH EQUIVALENTS:</u>		
At the Beginning of the Year	16,347,910	7,603,406
	<hr/>	<hr/>
At the end of the Year	\$12,475,114 =====	\$16,347,910 =====
<u>REPRESENTED BY</u>		
Cash at Bank and in Hand	5,837,426	12,805,620
Short Term Investments	6,637,688	3,542,290
	<hr/>	<hr/>
	\$12,475,114 =====	\$16,347,910 =====

TRANQUILITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

RECEIPTS	2020	2019
AGM Expenses	2,600	56,435
Air Condition Cost	39,394	-
Appliance Promo Loan	6,923	102,554
Bank Charges	3,988	546
Board Expenses	174	1,505
Building Improvement	12,853	-
Co-Branded Visa Debit Card	-	25
Computer (Cost)	-	190
Computer Loan Interest – NP	12,038	17,879
Computer Services	292	1,023
Co-operative Activities	20,147	1,902
Credit Committee Expenses	-	27
CUNA Family Indemnity Plan	-	4,752
Debit Card Deposits	4,435,670	4,872,082
Dividend Angostura	850	-
Dividend NGL Shares	7,200	43,200
Dividend Agostini	10,772	8,591
Dividend FCB Shares	55,203	68,115
Dividends from SBTT	600	-
Dividends from Massy Holdings	14,079	3,488
Dividend from NCB Financial	1,425	5,334
Dividends WI Tobacco	8,599	10,310
Donations	1,180	1,400
DSR Loans	461,892	199,706
Education Expenses	-	336
Equipment Rental	1,294	-
F.I.P. Death Benefit Receivables	344,736	479,124
F.I.P. Deposits	130,688	106,210
FCB Receivables	891,789	500,827
FCBAS – NIF	95,124	95,124
Firstline Securities Loan	443,083	411,603
Food Voucher Loan Receipts	98,841	133,725
Food Voucher Service Charge	18,225	20,550
General Insurance	83	30,061
General Loan Receipts	4,273,624	3,540,984
Green Fund Levy Taxes	3,062	110,895
Group Health Plan Deposits	121,460	15,671
Health Surcharge	11,925	-
Hi Lo Food Stores	5,400	-
Interest from Firstline Securities	102,539	74,114
Interest on Appliance Promo	6,072	12,831
Interest on Computer Loans	32	1,203
Interest on DSR Loan	20,754	7,792
Interest on General Loans	1,207,573	1,134,074
Interest on Line of Credit	23,361	48,416
Interest on Long Term Loan	2,083	29,294
Interest on NMPC COLA Loan	623	19
Interest on Savings Plus	22,233	7,682
Interest on Share Builder Loan	3,796	8,662
Interest on Small Business	828	-
Interest on Special Loans	6,754	-
Interest on Staff Loans	-	1,902
Interest on Vehicle Loan	184,503	223,200
Janitorial Services	1,000	-
Legal and Professional Fees	18,017	1,650
LFCTT	237,174	86,566
Line of Credit Receipts	172,600	367,144
Interest Deferral for App. Promo Loan	3,302	-
Interest Deferral for DSR Loan	8,176	-
Interest Deferral for General Loan	58,256	-
Interest Deferral for Savings Plus Loan	565	-
Interest Deferral for Vehicle Loan	12,782	-
Marketing	3,671	264

TRANQUILITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

<u>RECEIPTS (Cont'd)</u>	<u>2020</u>	<u>2019</u>
Medical (Employer's Contribution)	2,860	2,574
Members' Control Account	100,470	85,922
Members' Payable	12,809	3,101
Members' Shares Receipts	5,292,769	4,006,258
Members' Loan Receipts	40,152	199,652
Naipaul's Supermarket	18,200	104,841
National Petroleum Marketing Company	22,452,308	21,175,316
Natpet Receipts	769,975	1,099,860
NFM Dividend	600	1,400
Non Statutory Committee	201	168
NP Employees Consumer Co-Op	-	19,204
NPMC – Back Pay Loans	-	9,772,252
NPMC- Computer Loans	2,589	43,909
NPMC – Cola Loans	405	-
Office Supplies	2,178	145,884
Other Accrued Expenses	93,673	60,573
Other Income Receipts	56,628	69,777
Other Payables	-	31,256
Other Receivables	729,487	997,312
Overages/Shortages	5,339	3,917
P.A.Y.E.	11,143	-
Pension (Employer's Contribution)	100	-
Postage	4,617	-
Prepayment	-	27,412
Printing and Stationery	-	185
Rates and Taxes	-	6,763
Regular Savings Receipts	731,934	528,584
Repairs and Maintenance General	14,838	809
Saving Plan	102,259	150,233
Share Builder Loan Receipts	41,617	35,627
Share Drive Promotion	-	25,000
Special Deposits Receipts	37,941,244	21,851,936
Special Loans	7,744	-
Staff Loan Receipts	-	128,995
Standing Order Deposits	119,540	64,169
Standing Order Payable	43,866	2,696
Storage	1,212	-
Sundry Creditors	327,456	-
Telephone	932	3,102
Towers Consortium Loan Note	-	63,480
Uniform Expense	-	229
UTC Income and Growth	-	3,500,000
Vehicle Loan Receipts	948,688	1,239,923
Visa Debit Card Income	3,354	1,769
Total Receipts	<u>\$83,513,074</u> =====	<u>\$78,283,075</u> =====

TRANQUILITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

RECEIPTS AND PAYMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

PAYMENTS	2020	2019
AGM Expenses	22,376	305,610
Air Conditions (Cost)	59,447	-
Angostura Holdings Ltd – Shares	76,700	-
Ansa Mc Al Ltd – Shares	225,363	-
Appliance Promo Loans	214,416	42,685
Audit Fees	-	6,250
Audit Fees Payable	34,000	28,000
Bank Charges – JMMB	12,278	8,500
Bank Charges	73,973	29,265
Beatification Expenses	13,811	14,283
Board Expenses	14,644	40,600
Building Improvement Expense	454,470	-
Car Park Rental	127,700	126,700
Computer (Cost)	88,287	272,899
Computer Services	59,380	34,557
Collateral Mortgage Obligations	2,000,000	-
Co-operative Activities	85,015	29,181
Credit Committee Expenses	1,228	5,636
CUNA Family Indemnity Plan	485,945	483,477
CUNA LP & LS Insurance	2,884	-
Debit Card Deposits	13,966,860	14,824,907
Donations	11,960	9,605
DSR Loans	-	1,235,687
Education Expenses	41,867	205,690
Electricity	33,521	42,511
Equipment Rental	9,329	18,271
FCB Receivables	22,998	50,888
F.I.P Death Benefit Receivable	210,000	312,343
F.I.P. Deposits	11,125	35,155
Fixed Deposits	-	15,000
Food Voucher Loans	15,000	-
Furniture, Fixtures and Fitting	36,664	16,903
General Insurance	9,356	38,074
General Loans	7,671,366	5,834,999
Green Fund Levy Taxes	56,767	221,789
Group Health Plan Deposits	5,576	-
Group Life Insurance	390	22,237
Home Mortgage Bank Money Market	3,000,000	-
Health Surcharge Payable	17,204	4,901
Interest on Line of Credit	877	-
Interest on Vehicle Loans	21,122	-
Interest on General Loans	-	3,073
Janitorial Services	51,095	50,292
League Fees	16,241	16,240
Legal and Professional Fees	396,780	117,420
Line of Credit	882,400	950,122
Interest Deferral for App Promo Loan	3,302	-
Interest Deferral for General Loan	9,986	-
Interest Deferral for Vehicle Loan	4,094	-
Marketing Expense	124,495	108,173
Massy Holdings	100,000	396,900
Medical (Employer's Contribution)	5,815	29,257
Members' Payable	395	1,801
Members' Shares	1,188,249	807,671
Mortgage Loans	-	501,663
Naipaul's Supermarket	122,760	250,668
NIS Payable	166,279	158,484

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

RECEIPTS AND PAYMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

<u>PAYMENTS (Cont'd)</u>	<u>2020</u>	<u>2019</u>
Non-Statutory Committees	3,579	6,668
NP Company	55,240	5,550
NPMC – Computer Loans	76,443	105,542
NPMC – COLA Loans	50,900	36,350
NPMC- Back Pay Loans	-	527,250
Office Equipment	2,588	-
Office Supplies	31,339	164,099
Other Accrued Expenses	727,657	741,111
Other Income	940	6,052
Other Payables	-	31,256
Other Receivables	49,302	127,601
Overages/Shortages	6,106	1,447
P.A.Y.E. Payable	143,964	130,083
Pension (Employer's Contribution)	69,723	61,973
Postage	7,678	5,525
Prepayments	55,726	92,332
Pricesmart Supermarket Limited	145,000	111,800
Printing and Stationery	36,140	60,185
Processing Fees – Loans	-	6,571
Relocation Expense	-	150
Rates and Taxes	8,141	14,704
Regular Savings	1,158,825	841,583
Repairs and Maintenance – Building	-	18,286
Repairs and Maintenance – General	91,024	62,256
Salaries and Wages	7,693	750
Savings Plan	-	50,055
Scotiabank Ltd – Shares	81,795	-
Security Property	9,020	-
Special Deposits	37,591,826	27,324,912
Special Loans	-	75,000
Special Meeting Expenses	-	40,539
Staff Incentives	492	-
Staff Loans	-	39,564
Staff Training and Development	30,071	46,564
Standing Order Deposits	424,979	235,252
Standing Orders Payable	583,174	205,974
Storage Expense	15,755	13,331
Supervisory Expenses	695	1,243
Telephones	74,166	80,423
Uniforms Expenses	-	11,570
Unit Trust (Income and Growth Fund)	13,000,000	7,500,000
Vehicle Loans	3,675,497	3,065,630
Visa Debit Card Income	-	180
	<u>\$90,481,268</u>	<u>\$69,557,998</u>
	=====	=====
<u>RECEIPTS CONTINUED</u>	<u>2020</u>	<u>2019</u>
Opening Balance	12,805,620	4,080,543
Total Receipts	83,513,074	78,283,075
Less: Payments	(90,481,268)	(69,557,998)
	<u>\$5,837,426</u>	<u>\$12,805,620</u>
	=====	=====
<u>Represented By:</u>		
Cash at Hand and at Bank	<u>\$5,837,426</u>	<u>\$12,805,620</u>
	=====	=====

TRANQUILITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 2020

1. REGISTRATION AND PRINCIPAL ACTIVITY

The Society is registered under the Co-operative Societies Act Ch 81:03 and operates under the Co-operatives Society Act of 1971. Its objective is to promote the economic welfare of its members, self-help and co-operation and to support the development of co-operative ideas.

2. ACCOUNTING POLICIES

(a) Basis of Accounting

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

(b) New Accounting Standards and Interpretations

(i) Standards, amendments and interpretations to existing Standards applicable to the Society in the current year which were adopted by the Society.

IFRS 16 Leases superseded IAS 17 Leases and its related interpretations. IFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. Under IFRS 16, leases are recorded on the Statement of Financial Position by recognizing a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the Statement of Financial Position (within right-of-use assets) or together with Property, Plant and Equipment. The most significant effect of the new requirements will be an increase in recognized lease assets and financial liabilities. However, IFRS 16 does not require a lessee to recognise assets and liabilities for short term leases and leases of low-value assets. IFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to be the lease component. IFRS 16 applies to annual periods commencing on or after 1st January, 2020. The adoption of this standard has no significant impact on the Society's Financial Statements.

(ii) Standards, amendments and interpretations to existing Standards that are not yet effective and have not been early adopted by the Society.

There were no standards, amendments and interpretations to existing standards, which are relevant to the society and requires disclosures.

(iii) Standards, amendments and interpretations to existing Standards early adopted by the Society.

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

(c) 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 judgment in the process of applying the Society's accounting policies. It also requires the use of assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(d) Property, Plant and Equipment

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 in the Statement of Comprehensive Income.

The Depreciation Rates used are as follows:

Computer	-	25%
Furniture and Fixtures	-	12.5%

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

Property, Plant and Equipment (Cont'd)

Equipment	-	20%
Leasehold Improvements	-	5%

(e) Financial Assets

The Society classifies its investment financial assets as, Amortised cost, Fair Value through Other Comprehensive Income or Fair Value through Profit or Loss. The classification depends on the purpose for which the financial assets were acquired or originated.

Amortised Cost

Financial Assets measured at amortised cost include corporate bonds, notes, repurchase agreements and fixed deposits.

These are the financial assets with fixed or determinable payments and fixed maturity that the Society has the intent and ability to hold to maturity. They are initially measured at cost, being the fair value plus the transaction cost that is directly attributable to the acquisition of the investment. All non-trading Financial Liabilities and Financial Assets measured at Amortised Cost are subsequently measured at Amortised Cost less impairment losses. Amortised Cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the interest rate of the instrument. The amortization of premiums and discounts are taken to the Statement of Profit or Loss and Other Comprehensive Income.

Fair Value through Profit or Loss (FVTPL)

Certain equity instruments and receivables (for example Trade Receivables) are classified as Fair Value Through Profit or Loss (FVTPL).

The equity instruments are either acquired for generating a profit from short-term fluctuations in price or are securities included in a portfolio in which a pattern of short-term profit taking exists. These instruments are initially measured at fair value plus transactions costs that are directly attributable to their acquisition.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value, based on their quoted market price at the reporting date without any deduction for transaction costs or their recoverable value. Gains and losses both realised and unrealized, arising from the change in the fair value of equity instruments at fair value through profit or loss are recognized in net surplus for the year.

Fair Value through Other Comprehensive Income (FVOCI)

Financial Assets measured at fair value through Other Comprehensive Income includes certain equity instruments, corporate bonds, notes and repurchase agreements.

These financial assets are investments that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables.

These financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition.

After initial recognition, investments which are classified as "fair value through other comprehensive income" are measured at fair value with realised gains or losses on revaluation recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative loss or gain previously reported in the capital reserve is included in Statement of Profit or Loss and Other Comprehensive Income

TRANQUILITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

(f) **Impairment**

Financial Assets

At the reporting date, the Society assesses on a forward-looking basis, the credit losses associated with its financial assets measured at amortised cost and air value through Other Comprehensive income (excluding equity instruments).

The Society measures loss allowances on its debit instruments at an amount equal to lifetime credit losses, except in the following cases, for which the amount recognized is 12 months credit losses.

For receivables the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

See note 2 (h) for details of credit losses recognition on loans to members.

All impairment losses are recognized in the Statement of Profit or Loss and Other Comprehensive Income. Any cumulative loss in respect of investments measured at fair value through other comprehensive income recognized previously in equity is transferred to the Profit or Loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and at fair value through other comprehensive income that are debt securities, the reversal is recognised in the Statement of Profit or Loss and Other Comprehensive Income. For investments measured at fair value through other comprehensive income that are equity securities, the reversal is recognized directly in equity.

Non- Financial Assets

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

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future Cash Flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time, value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing uses that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

(g) **Cash and Cash Equivalents**

Cash and Cash Equivalents are short-term, highly-liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost, which is equivalent to fair value.

Cash and Cash Equivalents also comprise cash balances which are payable on demand and deposits with maturities of Three (3) months or less from the date of acquisition. Bank overdrafts are disclosed as current liabilities.

(h) **Loans to Members**

Members loans are initially measured at cost, net of loan origination fees and inclusive of transaction costs incurred. They are subsequently measured at amortised cost, using the effective interest rate method, less any impairment losses. Loans to members are reported at their recoverable amount representing the aggregate amount of principal, less any allowance or provision for impaired loans.

TRANQUILITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

Loans to Members (Cont'd)

Impairment provisions for loans to members are recognized based on the three stage approach within IFRS 9 as follows:

Stage 1 represents 12 month expected credit losses (gross interest)

- Applicable when there is no significant increase in credit risk
- Entities continue to recognize 12 month expected losses that are updated at each reporting date
- Presentation of interest on gross basis

Stage 2 represents lifetime expected credit losses (gross interest)

- Applicable in case of significant increase in credit risk
- Recognition of lifetime expected losses
- Presentation of interest on gross basis

Stage 3 represents lifetime expected credit losses (net interest)

- Applicable in case of credit impairment
- Recognition of lifetime expected losses
- Presentation of interest on net basis

(i) **Members' Deposits**

Members' Deposits are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the instrument. Members' deposits are subsequently measured at amortised cost, using the effective interest rate method.

(j) **Members' Shares**

Members shares are classified as Long Term Liability 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. Members can withdraw all or any portion of their unencumbered shares from the Society at any time.

Members' shares are classified as financial liabilities under the International Accounting Standard (IAS) 32 Financial Instruments: Disclosure and Presentation and are measured at par value.

Dividends are paid on an annual basis at rates that are determined at the Annual General Meeting of members of the Society. Dividends are calculated based on the monthly minimum share balance of each active member of the Society and distributed via additional shares and credits to members' deposits.

(k) **Revenue Recognition**

(i) **Loan Interest**

Interest charged on all loans to members is calculated between 0.50% 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 a cash basis which is the acceptable standard practice for this industry and acceptable manner under the Co-operative Societies Act. This basis is a departure from IAS 1 which requires that an entity prepare its Financial Statement, except for the cash flow information, using the Accrual basis of accounting.

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.

TRANQUILITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

Revenue Recognition (cont'd)

(ii) 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 Financial Reporting Standard (IFRS 15).

(i) 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.

(m) Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago Dollars at rates 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 the Statement of Profit or Loss and Other Comprehensive Income.

(n) 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.

(o) 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 it 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 Society'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.

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

3. FINANCIAL RISK MANAGEMENT (Cont'd)

(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 controls are reported to the Board of Directors regularly. In order to effectively manage credit risk, the following are considered:

- a) Proper judgement of 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) Minor exposure 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 reinvestments 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 Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive 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 comprises current asset to current liabilities is 0.17 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 member to save using the 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 of 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.

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

3. FINANCIAL RISK MANAGEMENT (Cont'd)

(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 minimize 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 and 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 publicity 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 to minimize this risk.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions in the process of applying the Society's accounting policies.

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 Profit or Loss and Other Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Financial Statements, are as follows:

- i) Whether investments are classified as held-to-maturity investments, available-for-sale or loans and receivable.
- ii) Which depreciation method for property and equipment is used.

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

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

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 the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amounts.

ii) Equipment

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

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

5. PROPERTY PLANT AND EQUIPMENT

	Computers	Furniture & Fixtures	Equipment	Land & Building (Maraval Road)	Total
<u>Cost</u>					
At January 1, 2020	854,974	655,018	492,909	9,876,347	11,879,248
Additions	108,807	36,664	22,640	441,617	609,728
<u>At December 31, 2020</u>	<u>963,781</u>	<u>691,682</u>	<u>515,549</u>	<u>10,317,964</u>	<u>12,488,976</u>
<u>Depreciation</u>					
At January 1, 2020	420,121	348,677	157,830	-	926,628
Charge for the Year	123,983	40,569	25,451	-	190,003
<u>At December 31, 2020</u>	<u>544,104</u>	<u>389,246</u>	<u>183,281</u>	<u>-</u>	<u>1,116,631</u>
<u>Net Book Value 31.12.20</u>	<u>\$419,677</u>	<u>\$302,436</u>	<u>\$332,268</u>	<u>\$10,317,964</u>	<u>\$11,372,345</u>

	Computers	Furniture & Fixtures	Equipment	Land & Building (Maraval Road)	Total
<u>Cost</u>					
At January 1, 2019	673,313	648,472	499,407	9,876,347	11,697,539
Additions	272,709	17,842	-	-	290,551
Disposals	(91,048)	(11,296)	(6,498)	-	(108,842)
<u>At December 31, 2019</u>	<u>854,974</u>	<u>655,018</u>	<u>492,909</u>	<u>9,876,347</u>	<u>11,879,248</u>
<u>Depreciation</u>					
At January 1, 2019	380,868	311,131	132,298	-	824,297
Charge for the Year	101,232	42,614	26,598	-	170,444
Disposals	(61,979)	(5,068)	(1,066)	-	(68,113)
<u>At December 31, 2019</u>	<u>420,121</u>	<u>348,677</u>	<u>157,830</u>	<u>-</u>	<u>926,628</u>
<u>Net Book Value 31.12.19</u>	<u>\$434,853</u>	<u>\$306,341</u>	<u>\$335,079</u>	<u>\$9,876,347</u>	<u>\$10,952,620</u>

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

6. MEMBERS' LOANS

Members' Loans are stated at principal outstanding, net provision for loan losses. The provision for loan losses is based on the Board of Directors' evaluation based on the expected credit loss method.

		<u>2020</u>	<u>2019</u>
Loans to Members	(i) below	90,812,410	84,281,644
Provision for loan losses		(4,265,717)	(4,161,318)
		<u>\$86,546,693</u>	<u>\$80,120,326</u>
<u>Provision for loan losses:</u>			
Balance, beginning of the year		4,161,318	3,378,268
Charge for the year		104,399	783,050
		<u>\$4,265,717</u>	<u>\$4,161,318</u>

(i) Loan to Members

	<u>2020</u>	<u>2019</u>
General Loans	63,217,224	57,586,895
Mortgage Loans	4,873,602	5,441,274
Appliance Loans	34,941	34,941
Vehicle Loans	15,335,892	12,984,692
Food Voucher Loans	560,885	512,240
Special Loans	138,543	159,694
NPMC Computer Loans	154,907	165,953
Promotion Loans	12,675	12,675
Small Business Demand Loans	46,559	69,154
Line of Credit	1,749,867	1,989,198
Staff Loans	727,614	860,468
Future Cash Investment Loans	6,192	6,192
Appliance Promo	363,007	228,095
DSR Loans	2,043,665	2,295,368
Share Builder Loans	56,649	122,726
Savings Plus	897,426	1,238,129
NPMC Bank Pay Loan	389,004	410,000
NPMC Cola Loan	203,758	163,950
	<u>\$90,812,410</u>	<u>\$84,281,644</u>

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

7. (a) LONG-TERM INVESTMENTS

	<u>2020</u>	<u>2019</u>
Agostini Limited	327,128	340,900
Angostura Holdings Ltd	164,000	-
Ansa McAl Ltd	240,750	-
First Citizens Bank Ltd – I.P.O.	1,733,849	1,793,083
Home Mortgage Bank Ltd	2,000,000	-
Massy Holdings Limited	386,799	386,862
NCB Financial Services Limited	249,006	332,621
NIF - Series A	226,352	224,000
NIF - Series B	1,536,760	1,524,824
Republic Bank Ltd (Income and Growth Fund)	2,632,441	3,123,021
Royal Scandia (E.W.B)	98,541	89,903
Roytrin Mutual Fund	2,000,825	1,872,200
Scotiabank Trinidad and Tobago Ltd	174,000	-
Shares – Co-operative CU League	10,000	10,000
Shares – National Flour Mills	43,000	27,000
T & T Unit Trust Corporation – Income and Growth Fund	32,076,374	18,684,379
Towers Consortium Loan Notes	390,170	833,431
Trinidad and Tobago NGL Limited	489,600	690,048
West Indian Tobacco Company Limited	235,976	276,039
	<u>\$45,015,571</u>	<u>\$30,208,311</u>

(b) SHORT TERM INVESTMENTS

	<u>2020</u>	<u>2019</u>
Money Market Fund:		
- Trinidad and Tobago Unit Trust Corporation	1,378,903	1,358,752
- Republic Bank Limited	62,633	61,738
Home Mortgage Bank Ltd – Samaan Tree Fund	3,074,352	-
First Line Securities Oil Note	2,121,800	2,121,800
	<u>\$6,637,688</u>	<u>\$3,542,290</u>

8. RECEIVABLES AND PREPAYMENTS

	<u>2020</u>	<u>2019</u>
National Petroleum Marketing Company	709,062	659,449
Other Receivables	129,742	122,026
Accrued Interest on Oil Notes	111,042	44,074
Prepayments	55,726	64,192
Loan Deferral Interest	541,961	-
	<u>\$1,547,533</u>	<u>\$889,741</u>

9. CASH AT BANK AND IN HAND

	<u>2020</u>	<u>2019</u>
Cash in Transit	493,894	292,031
Republic Bank Limited – Current Account	4,699,648	11,349,041
JMMB Bank Limited	643,884	1,164,548
	<u>\$5,837,426</u>	<u>\$12,805,620</u>

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

10. MEMBERS' SHARES

	<u>2020</u>	<u>2019</u>
Members' Shares	62,996,965	58,587,422
Share Drive Promotion	134,000	150,000
	<u>63,130,965</u>	<u>58,737,422</u>
	=====	=====

11. MEMBERS' SAVINGS AND DEPOSITS

	<u>2020</u>	<u>2019</u>
Regular Savings Deposit	1,145,137	748,061
Special Deposits	35,893,865	28,914,278
F.I.P. Deposits	138,097	126,656
Standing Order Deposits	148,599	103,240
Members Fixed Deposits	42,684,976	36,576,915
Debit Card Deposits	12,203	-
Group Health Plan Deposits	91,988	-
	<u>80,114,865</u>	<u>66,469,150</u>
	=====	=====

12. PAYABLES AND ACCRUALS

	<u>2020</u>	<u>2019</u>
Accrued Expenses	601,448	262,125
Fixed Deposit Interest Payable	276,546	193,287
Audit Fees	36,563	31,500
Other Payables	420	101,072
	<u>914,977</u>	<u>587,984</u>
	=====	=====

13. 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

	<u>2020</u>	<u>2019</u>
Due from Directors, Committee Members and Key Management Personnel	<u>6,410,020</u>	<u>6,382,136</u>
	=====	=====
Due to Directors, Committee Members and Key Management Personnel	<u>5,901,423</u>	<u>5,010,292</u>
	=====	=====

TRANQUILITY CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2020

14. FAIR VALUE

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 fair values of various classes of financial assets and liabilities:

a) Current Assets and Liabilities

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

b) Members' Loans

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

c) Investments

The fair value of investments are determined on the basis of market prices available at 31st December, 2020

15. 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 saving facilities. The Society's overall strategy remains unchanged from previous years.

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

16. LOAN INSTALLMENT DEFERRAL PROGRAMME

The Board of the Tranquility Union Co-operative Credit Union Co-operative Society Limited were advised in letter dated 22nd March, 2021 from the Commissioner for Co-operative Development to:

- i. Grant members a moratorium on the loan and interest for the period of the Deferral Programme, March to July 2020, in accordance with Regulation 43 of the Co-operative Societies Act.
- ii. Extend the Loans of the members who had taken advantage of the Loan Deferral Programme by the period of the Programme, which was Five (5) months. That is, if the member's final loan payment was due on 31st December 2020; the final payment will now be due 31st May, 2021.
- iii. Reverse the allocation made to interest during the Deferral Programme since the resumption of loan payments to members' accounts with effect from August 2020.

It should be noted that the issue may have resolved itself if members have refinanced their loans.

These Financial Statements do not reflect the reversal of the allocations made to interest accrued during the Loan Deferral Programme since the resumption of loan payments to members' accounts with effect from August 2020.

17. OTHER INCOME

	<u>2020</u>	<u>2019</u>
Other Income	83,432	171,054
Visa Card Income	10,287	14,559
Processing Fees – Debit Card	-	900
Processing Fees – Loans	133,956	177,043
Gain on Foreign Exchange	8,638	16,288
Loss)/Gain on Investments	(198,785)	1,531,349
	<hr/>	<hr/>
	\$37,528	\$1,911,193
	=====	=====

Budget

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LTD PROJECTIONS - 2021

	Budgeted 2021	Audited 2020
ASSETS		
Non-Current Asset		
Property, Plant and Equipment	\$11,328,308	\$11,372,345
Members' Loans	94,284,386	86,546,693
Long Term Investments	46,704,207	45,015,571
Total Non-Current Assets	<u>152,316,901</u>	<u>142,934,609</u>
Current Asset		
Short-Term Investments	\$10,654,391	\$6,637,688
Inventory	28,352	35,440
Receivable and Prepayments	1,543,066	1,547,533
Cash at Bank and in Hand	3,546,866	5,837,426
Total Current Asset	<u>15,772,675</u>	<u>14,058,087</u>
TOTAL ASSETS	<u>\$168,089,576</u>	<u>\$156,992,696</u>
MEMBERS' EQUITY AND LIABILITIES		
MEMBERS' EQUITY:		
Investment Re-measurement Reserves	1,062,971	\$1,062,971
Reserve Fund	1,165,151	5,406,982
Education fund	7,320,145	1,172,691
Undivided Earnings	3,342,973	5,180,768
Total Members' Equity	<u>12,891,240</u>	<u>12,823,412</u>
Non-Current Liabilities		
Members' Share Balance	<u>\$67,676,395</u>	<u>\$63,130,965</u>
Current Liabilities		
Members' Savings and Deposit Accounts	\$1,063,683	\$80,114,865
Payable and Accruals	86,458,258	914,977
Taxation	-	8,477
Total Current Liabilities	<u>87,521,941</u>	<u>81,038,319</u>
TOTAL LIABILITIES	<u>155,198,336</u>	<u>144,169,284</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$168,089,576</u>	<u>\$156,992,696</u>

Budget

TRANQUILLITY CREDIT UNION CO-OPERATIVE SOCIETY LTD PROJECTIONS - 2021

	Budgeted 2021	Audited 2020
INCOME		
Interest on Members' Loans	\$9,845,994	\$9,002,938
Investments Income	1,090,861	698,055
Other Income	347,512	37,528
Total income	<u>\$11,284,367</u>	<u>\$9,738,521</u>
EXPENDITURE		
Annual General Meeting	\$164,560	\$194,776
Special General Meeting	-	-
Audit Fees	40,000	39,063
Bad Debts	208,066	104,399
Bank Charges	138,751	140,423
Co-operative Activities	76,000	68,629
Cuna Insurance Premiums	386,879	379,098
Depreciation	215,591	190,003
Directors' Expenses	266,400	255,483
Donation	20,000	17,868
Ex Gratia Payment	119,122	105,886
Green Fund Levy	33,853	29,216
Insurances	88,475	91,305
League Dues	16,601	16,241
Legal and Professional Fees	231,895	215,274
Loss on Disposal	-	-
Marketing Expenses	225,687	136,082
Members' Fixed Deposits Interest	1,775,695	1,747,184
Members' Premium Deposits Interest	1,119,889	1,049,321
Office Supplies	102,991	106,768
Postage	7,832	7,678
Printing and Stationery	32,754	34,478
Rental	125,700	127,700
Repairs and Maintenance	234,433	222,848
Salaries and Wages	1,770,586	1,640,005
Security Courier	156,566	161,070
Staff Benefits	116,400	110,199
Staff Training and Development	70,000	30,241
Sundry Committees	108,600	99,405
Telephone Expenses	79,733	77,472
Uniforms	20,398	-
Utilities	46,992	48,390
Total expenses	<u>\$8,000,448</u>	<u>\$7,446,504</u>
Net surplus for the year	<u>\$3,283,919</u>	<u>\$2,292,017</u>

Board of Directors Statement on the Loan Instalment Deferral Facility of 2020

The novel coronavirus threw the world into turmoil in 2020 and continues into 2021. To curb the spread of the Covid-19 Virus, the Government imposed a nationwide lockdown in March 2020. In addressing the Nation, the Honourable Prime Minister, Dr. Keith Rowley, called on Financial Institutions and Credit Unions to adopt a human approach to customers/members who may have suffered a financial hardship such as a reduction in income due to the initial Covid-19 lockdown period. Tranquillity Credit Union immediately responded to the clarion call of both the Government and our membership and implemented the Loan Instalment Deferral Facility for three months from March 2020 as a temporary financial support measure to assist members with the socio-economic uncertainties caused by the COVID-19 pandemic.

On March 23, 2020, the General Manager issued a memorandum to all TCU members and staff outlining details of the Loan Instalment Deferral Facility and a list of loan categories included in the facility. Initially, the Loan Instalment Deferral Facility provided our members with the option of applying to have their entire loan instalment/s, which is both interest and principal payments, refunded to them for a maximum period of three (March-July) months. Members were also informed that the Loan Instalment Deferral Application Forms were available at the Credit Union's Head Office and website. A link to download the same was provided.

At the Board of Directors meeting held on June 1, 2020, the Board approved extending the Loan Instalment Deferral Facility for a further two months (June and July) based on numerous requests received from our members and the high liquidity position of the Credit Union. Accordingly, on June 2, 2020, the General Manager issued a memorandum to the membership advising of the extension of the Loan Instalment Deferral Facility.

Towards the end of the Loan Instalment Deferral extension period, the Board was advised that some senior staff members received complaints from a couple of members that they were unaware of and, in some instances, were made to believe that they would not have been charged interest on their loans during the deferral period.

On the directive of the Board of Directors, the General Manager wrote to all members on August 20, 2020, advising that it was apparent that there were misconceptions regarding the Loan Deferral Facility, and confirmed that the facility did not constitute a waiver of the member's payment obligation but "an extension of the loan payments" and that interest would continue to accrue for the period of the deferral as reflected in the Credit Union's internal records.

During the five months of the Loan Instalment Deferral Facility (March to July 2020), the Credit Union approved 995 loan instalment deferral applications and refunded 193 members a total of \$3,406,767.30 for the period of the facility, inclusive of interest of \$1,561,274.80. A total of 388 members opted not to take the facility and continued their monthly loans payments to the Credit Union.

By letter dated November 5, 2020, the Credit Union was advised by the Co-operative Development Division that a complaint was received from a member who stated that the Credit Union failed to disclose the terms and

conditions of the Loan Deferral Programme prior to its acceptance by members and asked for the intervention of the Commissioner for Co-operative Development. The letter further stated that in accordance with Section 67(2) of the Co-operative Societies Act, the Co-operative Development Division proposed to conduct an investigation into the issue on November 17, 2020, and that upon the conclusion of the investigation:

- a. ***Both the Petitioner and the Respondent shall be advised of the outcome of the investigation;***
- b. ***Where applicable, conciliatory proceedings will be attempted between the parties to endeavour to bring about a voluntary settlement;***
- c. ***Failure to reach a voluntary settlement at b. will result in the matter being forwarded for hearing and determination by the Commissioner for Co-operative Development."***

On March 22, 2021, the Credit Union received a letter from the Commissioner for Co-operative Development on the investigation conducted into the Loan Instalment Deferral Facility with their findings and recommendations. In the letter, the Commissioner recommended that the Credit Union:

- (a) *Grant members a moratorium on the loan and interest for the period of the Deferral Programme, March to July 2020, in accordance with Regulation 43 of the Act.*
- (b) *Extend the loans of the members who have taken advantage of the Loan Deferral Programme by the period of the programme (5 months).*
- (c) *Reverse the allocations made to interest accrued during the Deferral Programme since the resumption of the loan payments to members accounts with effect from August 2020.*

The Board disagrees with the findings and recommendations (a) and (c) of the above. It has serious concerns with the process employed in the dispute resolution mechanisms, as it was not in accordance with Section 67(2) of the Co-operative Societies Act. Consequently, the Board sought legal and financial counsel, and these concerns/objections have been formally recorded and submitted to the Commissioner for Co-operative Development. The implications and merit of the recommendations were examined from a legal and financial perspective, and the following must be noted:

- (a) *Regulation 43 of the Co-operative Societies Regulations, Chapter 83:01 provides as follows:*

Where owing to sickness or some other cause, a member finds that he will be unable to discharge his obligations to the society in respect of any loan made to him and notifies the Secretary in writing before the time fixed for repayment of the loan or the payment of any instalment, the Board or committee, as the case may be, may extend the time fixed for repayment of the loan or payment of the instalment, as the case may be, on such conditions as it thinks fit.

For this Regulation to apply, the member must have notified the Secretary in writing before the repayment time, and the Board must have extended the time. It is impractical to apply the Commissioner's recommendation as this Regulation makes no reference to the granting of any moratorium on interest or principal but provides an avenue for the Board or Committee to extend the repayment period for a loan. Additionally, if the Credit Union accepts this recommendation, not only is there a legal and financial cost

that all members will bear for the benefit of a few, but also the Commissioner will be effectively altering the intention of the Credit Union to grant a moratorium on the principal and interest when it was never the intention of the Board that a moratorium on interest on loans would be granted.

- (b) The Board has no objection to the second (b) recommendation as it already formed part of the conditions of the Deferral Facility.*
- (c) Implementation of the Commissioner's third recommendation (i.e., reversing the allocation made to interest accrued during the deferral period since the resumption of the loan payments to members accounts with effect from August 2020) will result in: -*
 - i. A reduction of the total 2020 interest on members' loans by 17% from \$9M to \$7.4M.*
 - ii. A reduction of total 2020 total income by 16% from \$9.7M to \$8.1M*
 - iii. A reduction of net surplus (income over expenditure) by 68% from \$2.2M to \$730,742.*
 - iv. Affect the ability of the Credit Union to pay dividends and reduce the quantum of dividends payable to all members by 2%.*
 - v. Confer a benefit to borrowers at the expense of the entire membership, thereby benefiting a few at the expense of many. It is not only inequitable but also affects the majority of members.*
 - vi. An unfair advantage or benefit to borrowers, as not only will they have had the benefit and use of the interest component of the instalment through the deferral, but they will be exempted from the repayment of same and the Credit Union (and ultimately all members) will be made to bear that loss.*

Having regard to the foregoing, the Board has not implemented and/or accepted the advice provided by the Commissioner and has subsequently challenged same due to:

- i. The fact that the Commissioner has neither made an order nor a decision nor heard and determined the dispute in question, for the purposes of Section 67 of the Co-operative Act. In this regard, the actions identified in its findings and recommendations as advised in the Commissioner's letter dated March 22, 2021, to the Credit Union are neither mandatory nor binding on the Credit Union".*
- II. The direct adverse impact that this will have on the Credit Union's profitability and reputation;*
- III. Indirect negative impact on all members by way of dividend reduction; and*
- IV. If the recommendations are accepted, it could be construed as an acceptance of the findings/ recommendations and the flawed process and estop the Credit Union from challenging/ objecting to the same.*

It should be noted that to date, the Credit Union still awaits a response from the Commissioner for Co-operative Development to its letters dated April 13 and June 15, 2021, in reference to Commissioner's findings/ recommendations letter dated March 22, 2021.

A significant adverse effect of the Commissioner's recommendations abetted the initial decision of Auditors to withhold and not sign off on the Auditor's Report for the financial year 2020 until they received a response to their letters dated April 30 and May 28, 2021, to Commissioner for Co-operative Development. The Auditors

requested the Commissioner for Co-operative Development to advise them on whether or not the Credit Union must implement the advice or recommendations. To address this impasse and resolve the situation, the Board again had to seek independent professional guidance/ advice. As a result of this advice, the Auditors were written accordingly to sign off the Auditor's Report for the financial year-end 2020, which was eventually finalised in July 2021. This issue resulted in a further delay to host our AGM.

We provide this information for the benefit of our valued members on the position of the Board of Directors to clarify the matter of the Loan Instalment Deferral Facility 2020. We wish to reaffirm the Board's commitment to always act in the best interest of all of our membership for the furtherance of good governance, accountability, transparency, and financial prudence.

APPENDIX 1

RESOLUTION: LOAN INSTALMENT DEFERRAL

Whereas Tranquillity Credit Union, based on a call by both the Government and membership, implemented the Loan Instalment Deferral Facility in 2020 as a temporary financial support measure to assist members with the socio-economic uncertainties caused by the COVID-19 pandemic.

And whereas the Loan Instalment Deferral Facility provided our members with the option of applying to have their entire loan instalment/s, which is both interest and principal payments, refunded to them for a maximum of five months.

And whereas the Loan Instalment Deferral Facility was never intended to constitute a waiver of the member's payment obligation, but an extension of the loan term/payments and that interest would continue to accrue for the period of the deferral.

And whereas it is not in the Credit Union's best interest to implement the recommendations of the Commissioner for Co-operative Development as it relates to:

- I. Grant members a moratorium on the loan and interest for the period of the Deferral Programme, March to July 2020, in accordance with Regulation 43 of the Act.*
- II. Reverse from the Credit Union's income/surplus and refund to 193 members their portion of \$1,561,274.80 representing interest charged on their loans during the Loan Instalment Deferral period of March – July 2020.*

Be it resolved that this Annual General Meeting firmly rejects the Commissioner's recommendations and mandates the Board of Directors **NOT** to implement the recommendations/advice of the Commissioner for Co-operative Development on the Loan Instalment Deferral Facility.

**Approved By The
Board of Directors**

Resolutions

For the year ended December 31, 2021

1. Loan Instalment Deferral

Whereas Tranquillity Credit Union, based on a call by both the Government and membership, implemented the Loan Instalment Deferral Facility in 2020 as a temporary financial support measure to assist members with the socio-economic uncertainties caused by the COVID-19 pandemic.

And whereas the Loan Instalment Deferral Facility provided our members with the option of applying to have their entire loan instalment/s, which is both interest and principal payments, refunded to them for a maximum of five months.

And whereas the Loan Instalment Deferral Facility was never intended to constitute a waiver of the member's payment obligation, but an extension of the loan term/payments and that interest would continue to accrue for the period of the deferral.

And whereas it is not in the Credit Union's best interest to implement the recommendations of the Commissioner for Co-operative Development as it relates to:

- *Grant members a moratorium on the loan and interest for the period of the Deferral Programme, March to July 2020, in accordance with Regulation 43 of the Act.*
- *Reverse from the Credit Union's income/surplus and refund to 193 members their portion of \$1,561,274.80 representing interest charged on their loans during the Loan Instalment Deferral period of March - July 2020.*

Be it resolved that this Annual General Meeting firmly rejects the Commissioner's recommendations and mandates the Board of Directors NOT to implement the recommendations/advice of the Commissioner for Co-operative Development on the Loan Instalment Deferral Facility.

2. Appointment of Auditor 2020

Whereas the Society shall appoint at a General Meeting an Auditor for the ensuing term from among the list of Auditors approved by the Commissioner for Co-operative Development.

And whereas the Society was unable to hold its AGM in 2020 due to the COVID-19 pandemic restrictions imposed by the Government.

And whereas the Board of Directors vested with the authority to take such practical and expedient decisions for the good management and governance of the Society, engaged an Auditor from among the list approved by the Commissioner for Co-operative Development to audit the accounts for the financial year ended 2020.

Resolutions

For the year ended December 31, 2021

Be it resolved that the Annual General Meeting ratify the decision of the Board and appoint the firm HLB Montgomery & Co as Auditors from Tranquillity Credit Union Co-operative Society Limited for the financial year 2020.

3. Dividends 2019

Whereas the COVID-19 pandemic negatively impacted Tranquillity Credit Union from the holding of its Annual General Meeting in 2020 and which affected the governance issue of Dividend approval by the Annual General Meeting.

And whereas the Commissioner for Co-operative Development advised that, in accordance with Section 47 (2) of Co-operative Societies Act, that consideration shall be given for approval of an Interim Payment to members of no more than 75% of the proposed Dividend on the recommendation from the Board of Directors.

And whereas the Credit Union requested and received approval to pay an Interim Payment to members of no more than 75% of the proposed Dividend of 4.5% for the financial year ended 2019.

And whereas the Credit Union made an Interim Payment of 75% of the proposed Dividends to members of the Credit Union in accordance with Bye-Law Distribution of Surplus 13 (b).

Be it resolved that the Annual General Meeting ratify and approve Dividend Payment of 4.5% for the financial year 2019 in accordance with Bye-Law Distribution of Surplus 13 (b).

Be it further resolved that Dividends due to members whose accounts have become delinquent be credited to their outstanding loans and interest balances.

4. Honorarium 2019

Be it resolved that in accordance with Bye-Law Distribution of Surplus 13 (C), the Annual General Meeting approves Honorarium in the sum of \$50,000.00 to be distributed among the Board of Directors, Credit Committee and the Supervisory Committee for the financial year ended 2019.

5. Dividends 2020

Be it resolved that in accordance with Bye-Law Distribution of Surplus 13 (b), Dividend Payment of 3% be approved consistent with Bye-Laws Distribution of Surplus (13) (b) for the financial year ended 2020.

And be it further resolved that Dividends due to members whose accounts have become delinquent be credited to their outstanding loans and interest balances.

Resolutions

For the year ended December 31, 2021

6. Honorarium 2020

Be it resolved that in accordance with Bye-Law Distribution of Surplus 13 (C), the Annual General Meeting approves Honorarium in the sum of \$45,000.00 to be distributed among the Board of Directors, Credit Committee and Supervisory Committee for the financial year ended 2020.

7. Appointment of Auditor 2021

Whereas the Society shall appoint at a General Meeting an Auditor for the ensuing term from the list of Auditors approved by the Commissioner for Co-operative Development.

And whereas through a mutual agreement between the Credit Union and HLB Montgomery Co that they are not considered from among the list of Auditors approved by Commissioner for Co-operative Development to audit the accounts at any future date.

And whereas the Credit Union invited and received proposals from among Auditors approved by the Commissioner for Co-operative Development to audit the accounts of the Credit Union.

Be it resolved that the Annual General Meeting appoints Hakeem Ahmad & Co Chartered Accountants as Auditors of the Tranquillity Credit Union Co-operative Society Limited for the financial year 2021.

8. Maximum Liability

Whereas the Society shall, from time to time, fix at a General Meeting the maximum liability it may incur in respect of loans or deposits, whether from members or non-members.

And whereas no Society shall receive loans or deposits in excess of the maximum liability approved or fixed by the Commissioner.

And whereas the Society liability approved by Commissioner is \$80 Million.

And whereas the Society liability as at December 31st, 2020, stood at \$144 Million.

Be it resolved that the Society Maximum Liability be increased to \$160 Million.



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A graphic showing a hand pointing at a network of glowing nodes and lines, with several dollar signs scattered throughout. In the background, there is a blurred image of a hand using a pen on a document with a grid, and a computer keyboard.

www.tranquillitycu.com