



**TRANSCORP  
CREDIT UNION**  
CO-OPERATIVE SOCIETY LIMITED

46th Annual  
**GENERAL  
MEETING  
REPORT**  
**2018** 

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Let's **Grow** Together

**BACK BY POPULAR DEMAND!**

# **Eat Yuh CAKE and have it LOAN**



## **REQUIREMENTS**

1. Dividend Loan granted to double the value of your 2018 dividend
2. 2 valid forms of ID's
3. Recent pay slip
4. Utility Bill no older than 3 months [ In your name or with Authorization Letter]
5. Admin Fee \$25.00 [ Can be deducted from Loan]
6. Your Bank Account Information for Direct Deposit to bank account [ OPTIONAL]



**TRANSCORP  
CREDIT UNION**  
CO-OPERATIVE SOCIETY LIMITED

## **Visit an office Today**

Head Office  
#60 Fifth Street,  
Barataria  
Tel: 675-3053

Tobago  
D Fort Plaza, Dutch Fort,  
Scarborough, Tobago  
Tel: 639-3847

San Fernando  
2nd Floor Ritz Plaza  
Cor. St.James & Penitence St.  
Tel: 657-9245

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# The National Anthem

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

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

Here every Creed and Race  
Find an equal place  
And may GOD BLESS OUR NATION

Here every Creed and Race  
Find an equal place  
And may GOD BLESS OUR NATION

# Prayer of St. Francis of Assisi

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  
Where there is sadness, joy.

O divine master,  
Grant that i may not so much  
Seek to be consoled as to console,  
To be understood as to understand  
To be loved as to love.

For it is in giving that we receive  
It is in pardoning that we are pardoned  
And it is in dying that we are born to eternal life.

TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

# NOTICE OF 46th ANNUAL GENERAL MEETING

**Date:** Saturday May 18th 2019

**Venue:** Hyatt Regency Hotel, Wrightson Road, Port of Spain

**Time:** 9.30 A.M. to 1.00 P.M.

**Registration:** begins at 8:00 A.M.

## AGENDA

1. Call to Order - National Anthem
2. Invocation
3. Reading of Notice convening the 46th Annual General Meeting
4. President's Opening Address
5. Greetings from Affiliated Credit Unions and Other Organizations
6. Adoption of Standing Order
7. Confirmation of Minutes of the 45th Annual General Meeting
8. Presentation of Door Prizes
9. Presentation of Reports
  - : Board of Directors
  - : Credit Committee
  - : Supervisory Committee
  - : Education Committee
10. Education Brief
11. Motion to Adopt Statement of Incremental Budgeted Income and Expenditure for period January 1 to December 31, 2019
12. Auditors report for the Financial Period January 1st – December 31st 2018
13. Amendments to Bye Laws
14. Resolutions/Recommendations
15. Nomination Committee Report
16. Election of Officers
17. Presentation of Door Prizes
18. General Business
19. Election Results
20. Motion to Destroy Ballots
21. Closure

By Order,



Anthony Thompson  
SECRETARY-BOARD OF DIRECTORS

# Standing Orders

1. (a) A member shall stand when addressing the Chair.  
(b) Speeches shall be clear and relevant to the subject before the meeting.
2. A member shall address the meeting when called upon by the Chairman to do so, after which he shall immediately take his seat.
3. No member shall address the meeting except through the Chairman.
4. A member may not speak twice on the same subject, except:-
  - (a) As the mover of the motion – who has the right to reply.
  - (b) He/She rises to object or to explain (with the permission of the Chair).
5. No speeches shall be made after the “question” has been put and carried or negated.
6. The mover of a “procedural motion” – (adjournment, lay on the table a motion to postpone) shall have no right to reply.
7. 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).
8. (a) A member shall not “call” another member “to order” but may draw the attention of the Chair to a “breach of order”.  
  
(b) A member, on no account, can call the Chair “to order”.
9. Only one amendment shall be before the meeting at one and the same time.
10. When a motion is withdrawn, any amendment to it fails.
11. The Chairman shall have the right to a “casting vote” .
12. If there is an equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
13. Provisions should be made for protection by the Chairman from vilification – (personal abuse).
14. No member shall impute improper motives against another.

# Code of Ethics

## CO-OPERATIVE MISSION

To improve the Socio-economic standards of the membership, by providing and maintaining the highest level of service.

## CO-OPERATIVE GOALS

To develop the mechanisms of efficient and sound business practices, always with the needs of our membership in focus, relating to the economics of the day, in search of continuity, high standards and profitability.

To establish and maintain the respect and trust of other co-operative organizations.

## CONDUCT

Confidentiality must silence querulous or malicious urges and will certainly guarantee the development of integrity in our organization. Members forming the Board of Directors, Supervisory Committee, Credit Committee, Management and Staff are to conduct themselves in a manner that will boost the image and reputation of this organization. Members should refrain from making damaging statements, which cannot be supported with evidence. The curse of bribery or any compromising of function that results in personal gain will not be condoned. Relying on fraudulent means to effect any transaction within the organization will be discouraged by exposure and termination. Theft or misappropriation of funds by a member of the Board, Supervisory Committee, Credit Committee, Management or Staff will be dealt with according to the laws of the land.

Any member of the Board, Supervisory Committee or Credit Committee who publicly makes unfounded and slanderous remarks that are derogatory to the image and standing of this organization will be disciplined.

# Vision, Mission and Value Statements

## VISION STATEMENT

To become the credit union of choice within T&T by providing innovative financial products and superior services to our members.

## MISSION STATEMENT

To Foster, Encourage, Empower and Develop our stakeholders, through the provision of provident and productive services while maintaining the credit union philosophy.

## VALUE STATEMENT

### **Integrity:**

Integrity is the underlying value in everything Transcorp does, communicating openly and honestly, delivering what we promise, and doing the right thing, not merely doing things right. To us integrity directly addresses the concepts of honour and duty, which is the public's expectation of a financial institution.

### **Forward-Looking:**

Transcorp continuously scans the horizon, plans how to address and acts upon emerging issues sufficiently in advance to provide timely and cost effective solutions where warranted.

### **Responsiveness:**

Transcorp will continue to provide policies and procedures that are effective, yet serve to facilitate our growth and development while preserving the overall integrity of our organization.

### **Teamwork:**

Teamwork inspires, motivates and guides Transcorp towards its goals. Credit Unions were created from a group identity commitment, team spirit, open mindedness and a willingness to work together for the benefit of all members; it is that same focus and identity that sustains us today.



Let's **GROW** Together

# MINUTES OF 45th GENERAL GENERAL MEETING

## 1.0 Call to Order/National Anthem

- The meeting was called to order at 1.30 p.m. The security briefing was played followed by the National Anthem.
- Mr. Shawn Mason, Chairman of the Supervisory Committee noted that the credential report taken at 1.20 p.m. revealed that there were 125 members present.

## 2.0 Invocation

- 2.1 The membership, led by Secretary Winton Gordon recited the Credit Union Prayer.

## 3.0 Notice of Meeting

- 3.1 Secretary Winton Gordon read the official notice of the 45th Annual General Meeting.

## 4.0 President's Opening Address

- 4.1 President Jacqueline Bowen extended greetings to specially invited guests and the membership in attendance at the 45th Annual General Meeting of the Transcorp Credit Union and referred to the President's address on page 24 of the brochure.
- 4.2 Noting the theme of the meeting 'Dreams Thrive Here' President Bowen attested to the success stories of a significant number of members, from home acquisitions and renovations to vehicle purchases, to providing for the educational needs of members and their children and for ceremonial needs such as weddings and graduations. She highlighted the front cover of the brochure which prominently displayed SEA award recipients Amy Narine and Samara Gordon, who together with the other recipients over the years represented the future of the Credit Union.
- 4.3 President Bowen asserted that the Credit Union has stood out and survived the challenges of the economic climate because of the continued support of the membership by entrusting the Credit Union to be the custodian and protector of their funds. She expressed that the evidence of the Credit Union's prudence and efficiency is represented in the balance sheet as at December 31, 2017, as the total asset base increased from \$77Mn in 2016 to \$84Mn in 2017, an increase of \$7,905,173 or 10% and an increase in members' shares from \$57Mn to \$64Mn in 2017
- 4.4 On the point of delinquency, which she noted was a sore point for every financial organization, President Bowen affirmed that the Credit Union continues to aggressively manage the delinquency portfolio as exhibited by the decrease in the delinquency ratio from 3.54% to 3.17% in 2017. She advised that Pearls Ratio, which is the operating standard under which Credit Unions are assessed, mandates that a Credit Union's delinquency ratio should not exceed 5%, and the Credit Union was well within that ratio.
- 4.5 President Bowen boasted that as a medium sized Credit Union, Transcorp is considered to be one of the leading societies by many of the Credit Union cohorts and Management continues to forge relationships with personnel in the Credit Union industry through representation at forums both locally and internationally

- 4.6 She referred to the President's message on page 24 of the brochure which provided insight on the strategic undertakings of the Board of Directors in 2017 with particular attention paid to the SWOT analysis. She noted that the current financial year has commenced with specific focus placed on enhancing the ongoing Compliance programme which is a statutory requirement and an auditing requirement under the newly introduced IFRS 9 accounting standard.
- 4.7 President Bowen stated that during the year 2017, great emphasis was placed on the 'Retrospective Due Diligence' exercise where members were required to update their records as part of the compliance programme. She thanked the members for their continued participation in the exercise and urged those who have not to visit the offices to complete the necessary forms.
- 4.8 She advised that an education brief on the implementation of the IFRS 9 accounting standard, within which all Credit Unions are mandated to report as at January 1, 2018 will be provided later in the meeting. She revealed that this new standard will have implications for the members particularly as it relates to the repayment of loans. She emphasized the importance of making timely payments of loans to avoid delinquency.
- 4.9 She took the opportunity to thank all supporters, well-wishers, stakeholders, officers, staff and members, for making 2017 the year that the Credit Union celebrated its 50th Anniversary, a bumper year. She noted that alliances continued with stakeholders such as the Co-operative Division of the Ministry of Labour, Small and Micro-enterprises, the Port of Spain City Corporation, Central Finance Facility, the Insurance Depositors Fund MEM Consulting, Guardian Life of the Caribbean, Firstline Securities Limited and other Credit Unions
- 4.10 President Bowen expressed her gratitude to the members of the Board and Committees for their unwavering support. Proclaiming that her personality may be overwhelming at times, she thanked them for recognizing her task master spirit as she believes it gets the job done
- 4.11 In closing, she implored the membership to put their house in order, whether it is with the repayment of loans, increasing their savings, taking full advantage of fixed deposit and the wealth builder interest rates or ensuring that their loved ones are provided for in the event of their demise.

## **5.0 Greetings from Affiliated Credit Unions and other Organizations**

- 5.1 Secretary, Winton Gordon acknowledged the presence of the following representatives of affiliated Credit Unions and other organizations:
- Mr. Brian Mathews – Aero Services Credit Union
  - Mr. Wesley Francis – Banking, Insurance and General Workers Union
  - Mr. Learie Parris – Director, Central Finance Facility/CEO Clico Credit Union
  - Mr. Ashford Duncan – Clico Credit Union
  - Mr. Steven Dottin – Clico Credit Union
  - Mrs. Jonelle Skinner - Ballantyne - Cuna Caribbean Insurance
  - Ms. Sharon Nicholson – Trinidad and Tobago Fire Services Credit Union
  - Mr. Raphael Bournes - Guardian Life Insurance
  - Mr. Anthony Elias – Chairman, Credit Union Deposit Insurance Fund
  - Mr. Horace Leach – TDC/Broadgate
  - Mr. Steven Harper – Port of Spain City Cooperation
  - Ms. Keisha Wong, Ms. Reisa Williams and Mr. David Greaves - Co-operative Development Division of the Ministry of Labour and Small and Micro Enterprise Development

- 5.2 Mr. Greaves congratulated the Credit Union on having its AGM within the stipulated timeframe which he noted sends a positive message to the Co-operative Division and to the membership. He reiterated the Division's commitment to giving 100% support to the Credit Union.
- 5.3 In bringing greetings, Mr. Brian Mathews noted that he was particularly impressed with the Credit Union's ability to reduce its delinquency portfolio especially in these economic times.
- 5.4 Mr. Learie Parris extended congratulations to the Credit Union on its achievements and wished all the best in leading the co-operative activities, while Ms. Sharon Nicholson urged the leadership team to ensure that the 'Members Dreams continue to Thrive Here'.
- 5.5 Mr. Anthony Elias extended congratulations on the continued progress of the Credit Union and implored the members to protect their funds by ensuring that delinquent members repay their loans.
- 5.6 Noting the increase in membership and assets and the recommendation for the payment of 5% dividends, Mr. Horace Leach congratulated the Credit Union on a successful 2017.
- 5.7 President Bowen thanked the specially invited guests for their support and words of encouragement. She apologized for the absence of Directors Carlton Jackson and Anthony Thompson and Mr. Harold Collins of the Supervisory Committee.

## **6.0 Adoption of Standing Orders**

- 6.1 President J Bowen referred the membership to the standing orders of the Society found on page 6 of the brochure. The Standing Orders were taken as read and the contents noted. Member Legon Robinson moved a motion to adopt the Standing Orders; member Lionel Joseph seconded and there being no votes against, the motion was carried.

## **7.0 Confirmation of the minutes of the 44th Annual General Meeting**

- 7.1 President J. Bowen referred members to the Minutes of the 44th Annual General Meeting commencing on page 10 of the brochure.
- 7.2 There being no omissions and corrections, a motion for the acceptance of the minutes of the 44th Annual General Meeting was moved by member Aklilon Providence and was seconded by member Beresford Pierre. The motion was carried with majority votes in favour.

## **8.0 Matters Arising from the Minutes**

- 8.1 There were no matters arising out of the minutes of the 44th Annual General Meeting.

## **9.0 Presentation of Reports**

- 9.1 Board of Directors Report
- 9.2 President Bowen referred the membership to the Board of Directors report commencing on page 26 of the brochure. The report was taken as read and the contents noted. President Bowen advised the

membership that the Errata Sheet relative to the composition of the Board and their attendance at meetings replaced pages 26 and 27 of the brochure

- 9.3 There being no questions, concerns or matters arising from the report, member Finbar Small moved to accept the Board's Report and member Paula Ghany seconded. There being no votes against, the motion carried.

## **10.0 Credit Committee Report**

- 10.1 Committee Chairman Anthony Newton and Secretary Geeta Telucksingh- Ali presented the report of the Credit Committee commencing on page 38 of the brochure
- 10.2 There being no questions, concerns or matters arising from the report, member Angelo Joseph moved to accept the Credit Committee Report, member Anderson Francis seconded and There being no votes against, the motion was carried.

## **11.0 Supervisory Committee Report**

- 11.1 Committee Chairman Shawn Mason and Secretary Sevel Nicholls presented the report of the Supervisory Committee commencing on page 44 of the brochure. Apologies were again extended for the absence of Committee member Harold Collins.
- 11.2 There being no questions, concerns or matters arising from the report, member Kyle Brathwaite moved to accept the Supervisory Report, member Persel Jack seconded and there being no votes against, the motion was carried.

## **12.0 Education Committee Report**

- 12.1 Committee Secretary, Natasha Bowen and Director Clyde Parris presented the report of the Education Committee commencing on page 48 of the brochure. Ms. Bowen recognized the members of the Committee and thanked them for their service
- 12.2 Member Clyde Parris thanked members for their attendance at the last Education seminar held at the UWI Sport and Physical Education Center. He encouraged the membership to make greater efforts to attend future seminars as the attendance continues to be low and asserted that the information shared at these seminars are vital to the growth and development of the Credit Union.
- 12.3 There being no questions, concerns or matters arising from the report, member Adigun Samuel moved to accept the Education Committee Report, member Avril Baptiste seconded and there being no votes against, the motion was carried.

## **13.0 Education Brief – Adoption of IFRS 9 Accounting Standard**

- 13.1 President Bowen introduced Ms. Shinelle Gittens, Internal Auditor, to present an education brief on the adoption of the IFRS 9 accounting standard.

- 13.2 In presenting Ms. Gittens advised that the accounting standard previously used, IAS 39 was replaced with IFRS 9 as all financial institutions including Credit Unions were mandated to implement IFRS 9 for their fiscal year commencing January 1st 2018. She noted that the presentation sought to update members on the new requirements, implications, benefits and members role in its adoption.
- 13.3 She explained that IFRS 9 is an accounting standard which requires an entity to recognize a financial asset or a financial liability in its statement of financial position when it becomes party to its contractual provision of the instrument. It focuses on Classification and Measurement, Impairment and Hedge Accounting.
- 13.4 She revealed that the Implications of IFRS 9 were as follows:
- While the Credit Union is accustomed to making loan loss provisions for bad loans, the new standard requires that provisions are made for both bad and good loans.
  - IFRS 9 changes accounting rules with respect to loan losses, as the Credit Union is now required to recognize future expected loan losses.
  - Loan loss provisions are now made as soon as a loan is approved. This occurs even before any money is given to the applicant.
  - Credit Union's disclosure and financial statement presentation will be affected, as much larger credit loss provisions would be required. This would in turn impact on the credit union's bottom line.
- 13.5 She noted that all late, missed and unpaid loan payments will impact the Society, since under IFRS 9, the Society must make the necessary provision for such loan by increasing the loan loss provision which will affect the bottom line thereby resulting in reduced dividends. She urged members to practice financial prudence in order to safeguard their investments in the Society by the timely and consistent repayment of loans, living within their means and maintaining a debt service ratio of 40%.
- 13.6 Ms. Gittens affirmed that the Society plans to manage the risk by conducting extensive due diligence on loan applications, conducting in-depth risk assessments in order to derive a members' risk rating, only granting loans to members who meet all requirements for the relevant loan facility, significantly increasing the level and complexity of judgment when assessing and granting loans and investing in infrastructure that will estimate and book an upfront, forward-looking expected loss over the life of the financial facility and monitor for ongoing credit quality deterioration
- 13.7 She noted that the risk rating determinants can be external factors such as the unemployment rate, interest rates, inflation, gross domestic product (GDP), industry factors and trends and foreign exchange rates or the Member's/loan characteristics such as current credit score, the loan to value, employment status, debt service ratios (DSR), payment behavior and life events (e.g. marriage, divorce, death, new born).
- 13.8 In emphasizing some of the benefits of IFRS 9, Ms. Gittens revealed that the expected Credit Loss Model is more consistent with the economic value of a financial asset and takes a more proactive approach in an economic downturn in ensuring the Society's survival. She revealed also that IFRS 9 will enhance the Credit Union's financial stability by creating a strong foundation. As another benefit she acknowledged that prudential consideration suggests higher reserves which will enable the Credit Union to absorb greater unexpected losses without failure, while the standard will also serve as an incentive to keep non-performing assets under control.
- 13.9 In closing, Ms. Gittens reminded the membership of the old adage 'Plan for the best....Prepare for the worst!' and underscored the importance of the timely repayment of loans and practicing sound financial prudence.

## 14.0 Statement of Incremental Budget

- 14.1 President Bowen referred the membership to the Statement of Incremental Budgeted Income and Expenditure for the period January 1st to December 31st, 2018 found on page 56 of the brochure.
- 14.2 In presenting, Mrs. Bowen noted that the projected total income for the period was \$11.2Mn, the total projected expenditure \$6.4Mn and the Net Surplus \$4.7Mn.
- 14.3 There being no questions, concerns or matters arising from the budget, member Paul Sylvester moved to accept the Statement of Incremental Budgeted Income and Expenditure for the period January 1st to December 31st, 2018, member Legon Robinson seconded and there being no votes against the motion was carried.

## 15.0 Special Presentations

- 15.1 Mr. Sherwin Joseph and Mr. Brian Johnson were recognized for their many years of committed service as Officers of the Credit Union and special presentations were made to them. Both gentlemen took the decision not to present themselves for future election.
- 15.2 A Special presentation was also made to Director Paula Yarde on the occasion of her 62nd birthday and to staff member Gillian Mannelle for her yeoman service in executing the 50th Anniversary celebratory activities in 2017.

## 16.0 Auditor's Report for the Financial Period

- 16.1 Ms. Allison Cooper of the Firm Garrison & Co, Chartered Accountants read the Independent Auditors' Report for Transcorp Credit Union Co-operative Society Limited as at December 31, 2017. On the agreement of the membership, the Auditors report for the Consolidated Financial Statement as stated on pages 91 and 92 was not read.
- 16.2 Treasurer Gemma Bowen referred the membership to the Statement of Financial Position on page 65 of the brochure and highlighted the main features of the organization's financial performance during the period.
- 16.3 In comparing the 2016 and 2017 financial statements, Treasurer Mrs. Gemma Bowen noted the increase in assets from \$77.5Mn to \$85.4Mn. The Statement of Comprehensive Income reflected an increase in Revenue from \$9.6Mn to \$10.3Mn. Treasurer Bowen explained that Expenditure moved from \$5.2Mn to \$6.1Mn, an increase which can be attributed to the 50th Anniversary celebratory activities. She noted however, that the total Comprehensive Income is \$4.2Mn.
- 16.4 Treasurer Bowen highlighted the mandatory appropriations made under reserves in the Statement of Changes in Equity on page 67 of the brochure. Referring to the funds in accounts payable awaiting payment to beneficiaries, Treasurer Bowen reminded the family of deceased members to visit the office to verify whether or not there were benefits to be received.
- 16.5 There being no questions, concerns or matters arising, member Carol Walters moved a motion to

accept the Financial Statements of Transcorp Credit Union for the year ended December 31, 2017, member Sherwin Joseph seconded and the motion was carried. Member David Gopaul moved a motion to accept the Consolidated Financial Statements for the year ended December 31, 2017, member Dion Joseph seconded and there being no votes against, the motion was carried.

## 17.0 Special Presentations 2

17.1 Special presentations were made to the following members of the Society, dubbed the 'Spirit of Transcorp', for their participation and support to the various 50th Anniversary celebration activities undertaken during the period under review.

- John Ray
- Haydon London
- Carlton Felician
- Avril Baptiste
- Peter Burgess

17.2 Member Beresford Pierre was recognized and awarded for his continued contribution to the Credit Union. President Bowen noted that Mr. Pierre served as an Officer and Director of the Credit Union in the past and continues to be an asset to the organization as a Human Resource Consultant.

17.3 Member Raphael Bournes received an award for accumulating the most savings as at December 2017.

## 18.0 Nominations Committee Report

18.1 The Nomination Committee report was presented by President Bowen, in her capacity as Chairman of the Nomination Committee and Director Clyde Parris. Members were referred to the Nomination Committee report on page 116 of the brochure which contained information on the nominees vying to be elected on the various committees.

18.2 Director Clyde Parris noted that the Committee was guided by the Bye Laws of the Society as it relates to the general requirements of members nominated to be Officers of the Society and ensured that all nominees were thoroughly assessed.

18.3 President Bowen noted that pursuant to the Committees review of nominations, there were insufficient nominees for the Credit Committee and a recommendation was made to the Board that Bye Law 17 (iii) be invoked at this Annual General Meeting as nominations from the floor is deemed necessary for the proper constitution of the Credit Committee.

18.4 Member Christopher Pegus moved a motion to accept the report of the Nominations Committee and was seconded by member Joanne Chow Yeun. There being no votes against, the motion was carried with majority votes in favour.

## 19.0 Election of Officers

19.1 President Bowen introduced Mr. Kester Hamlet as the Returning Officer for the election process.

- The Returning Officer advised that there were only five (5) pre-selected nominees for the Credit Committee and that there should be five (5) members of the Committee and two (2) alternates. As per the recommendation of the Nomination Committee, nominations were invited from the floor.
- Member **Christopher Pegus** was nominated by member Kathy Ann Pegus and seconded by member Dion Joseph.
- Member **Anderson Francis** was nominated by member Steven Garraway and seconded by member Angelo Joseph.
- Member Legon Robinson moved that nominations cease, member Lionel Joseph seconded.
- The Returning Officer briefly outlined the electronic election process. He explained that members were to remain seated as the designated ushers will distribute the ballot papers in exchange for the ballot chits given at registration. He noted that ballots were not to be folded or creased in any way and members were required to shade the desired area in the black ink pens provided only. He stressed that failure to follow the instructions could result in a spoilt ballot as the machine may not recognise it. He advised that the credential report taken at 3.40 p.m. declared that there were **298 members** eligible to vote.
- The Returning Officer reminded members that they were to only vote for four (4) persons for the Board of Directors, five (5) persons for the Credit Committee and three (3) persons for the Supervisory Committee.
- Ballots were casted and the Returning Officer declared that the election process was concluded.
- President Bowen took the opportunity to introduce the members of staff to the membership. She expressed her gratitude for their continued hard work, dedication and support to the Credit Union.

## 20.0 Resolutions

### 20.1 Maximum Liability Limit

20.2 President Bowen read the resolution for the 'Maximum Liability Limit' as follows;

***“Be it resolved that the maximum liability limit of the Transcorp Credit Union Co-operative Society Limited for loans inclusive of deposits is set at Ten Million, Five Hundred Thousand Dollars (\$10,500,000.00) for the financial year ending December 31, 2018.”***

20.3 Member Persel Jack moved a motion to accept the Resolution for the Maximum Liability as recommended by the Board of Directors and was seconded by member Carol Walters and there being no votes against, the resolution was carried.

### 20.4 Dividends

20.5 President Bowen read the resolution for the payment of dividends as follows;

***“Be it resolved that in accordance with Bye Law (11A) a dividend of 5% be approved for payment to members for the period January 1, 2017 to December 31, 2017; And be it resolved that the***

**dividend due to members be disaggregated as follows: 4% in cash and 1% deposited on shares. And be it further resolved that the dividends to be paid to members of age sixty (60) years and over receive the entire dividend in cash. And be it resolved that the dividend due to members whose accounts have become delinquent be credited to their outstanding loan interest and principal balances.**

20.6 Member Legon Robinson moved a motion to accept the Resolution of the payment of dividends of 5% as recommended by the Board of Directors and was seconded by member Sherwin Joseph. There being no votes against, the resolution was carried. President Bowen announced that Dividends would be paid by May 2, 2018.

#### 20.7 *Honorarium*

20.8 President Bowen read the Resolution for the payment of Honorarium as follows;  
**Be it resolved that in accordance with Bye Law, (11B) that an Honorarium not exceeding \$100,000.00 be approved to be paid to officers; And be it further resolved that the Honorarium paid to each Officer be disaggregated as follows: 80% to be paid in cash and 20% to be deposited on the Officer's Share Account.**

20.9 Member Legon Robinson moved to accept the resolution for the payment of an honorarium not exceeding \$100,000.00 to be paid to Officers, member Paul Sylvester seconded and with the majority in favour and one (1) vote against, the resolution was carried.

#### 20.10 *Appointment of Auditors for the financial year 2018*

20.11 President Bowen read the resolution for the appointment of auditors as follows; Be it resolved that the firm Garrison & Co Chartered Accountants be appointed auditors for the financial year January 1st, 2018 to December 31st, 2018.

20.12 Member Deborah Mitchell moved a motion that the accounting firm, Garrison & Co Chartered Accountants be retained as auditors for the financial year 2018, member Daniel Constantine seconded. There being no votes against, the resolution was carried.

## 21.0 Presentation of Door Prizes

21.1 The winners of doors prizes were as follows;

- #5984414 - Roselyn Thomas
- #5984354 - Burton Merit
- #5984376 - Mahindra Beharry
- #5984381 – Darrel Holder
- #5984359 – Sandra Wright
- #5984332 – Ainsley John

## 22.0 General Business

22.1 Member Lennox Phillip voiced his displeasure with the quality of the meal provided. President Bowen noted the members concern, as this was the general consensus of the members in attendance.

22.2 Referring to loan disbursements, member Andre Prescod expressed his dissatisfaction with the Credit Union's policy of writing cheques for loan payments to the supplier instead of to the members. In

response, President Bowen revealed that in the past, loans were taken for home renovations and the funds disbursed were mismanaged, hence the Board took the decision that cheques were to be made out to third parties. She explained further that the member's debt service ratio, the difference between the member's share and loan balances and the recommendations of the Credit Committee are also considered.

- 22.3 President Bowen implored the membership's indulgence for the acceptance of the Society's policies, as they aim to strike a balance between appeasing the membership and practicing financial prudence in an effort to keep the delinquency portfolio to a minimum and meeting statutory requirements and obligations for compliance with the new standards of operation.
- 22.4 Member Tedd Taylor requested an update on the Credit Union's investment in land at Las Lomas. In response, President Bowen referred to page 30 of the Board of Directors report and reminded that as expressed in the 2017 Annual Report, the developer was unable to obtain the full approvals to develop the land and hence, the Credit Union instituted legal proceedings against the Developer, Mitchell Investments Limited for either a full refund of deposits or in the alternative, completion and transfer of the subject land. She advised that as at March 2018, the Developer has proposed settlement of this matter out of Court which included a proposal to repay the deposits over a 90 day period. This proposal is currently engaging the attention of the Credit Union's attorneys and a resolution to benefit both parties is expected.

## 23.0 Results of the Election of Officers

### Supervisory Committee

#### Elected Officers

Shawn Mason  
Sevel Nichols  
Calleand Quarles  
Harold Collins: *1st Alternate*  
Shermica Graham: *2nd Alternate*

#### Number of votes received

182  
162  
132  
114  
98

### Credit Committee

#### Elected Officers

Anthony Newton  
Dexter Ian Ghany  
Geeta Teelucksingh-Ali  
Charles Hadaway  
David Alexis  
Christopher Pegus: *1st Alternate*  
Anderson Francis: *2nd Alternate*

#### Number of votes received

247  
247  
203  
191  
141  
87  
59

### Board of Directors

#### Elected Officers

Gemma Nurse-Bowen  
Anthony Thompson  
Mc Lean Charles  
Eva Aneisha Abraham  
Ivor Skinner: *1st Alternate*  
Finbar Small: *2nd Alternate*

#### Number of votes received

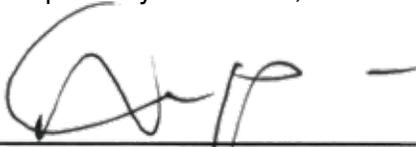
206  
193  
190  
147  
102  
62

- 23.1 The Returning Officer congratulated all elected officers and thanked the membership for their patience during the process. He requested that a motion be moved for the destruction of the ballots.
- 23.2 Member Anderson Francis moved a motion for the destruction of the ballots, member Dion Joseph seconded. There being no votes against, the motion was carried.
- 23.3 President Bowen thanked Mr. Hamlet for his service as Returning Officer and noted that this is the third year he has offered his service. Newly appointed director to the Board, Eva Abraham presented a token of appreciation to Mr. Hamlet.

## 24.0 Closure

- 24.1 President Bowen thanked the membership for their attendance and continued support. She wished them all the best for the rest of the financial year.
- 24.2 There being no further business, the meeting ended at 4.56 p.m.

Respectfully Submitted,



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Anthony Thompson  
SECRETARY-BOARD OF DIRECTORS

Transcorp Credit Union  
46th Annual General  
Report



Let's **GROW** Together

# THE PRESIDENT'S MESSAGE

# President's Message

Our Society has done it again. Our journey on the road of success has proven our resilience in charting our destiny as a premier organization which balances the needs of our members in “fulfilling their dreams” with the attributes of efficacy required to maintain good corporate governance.

In the year 2018, our 52nd year of service to you, our Society tasked itself with the responsibility of aligning our in-house technologies with the aim of providing quick and efficient service to you. In so doing, the upgrade of our Emmortelle operating system to the 9.1 model with IFRS 9 competencies has now positioned us in 2019 to move a step closer in achieving one of our main objective of providing e-services including online loan applications, accessing balances and making deposits.

A review of our operations in 2018 has now allowed us the opportunity to better equip the Society with a more focused management and product delivery strategy to weather the storm associated with the macro-economic realities within Trinidad and Tobago; the factors of which includes declining and diminishing returns, low productivity, demotivated and emotionally challenged workforce and the general feeling of financial strife.

Amidst it all, we are proud to proclaim another year of return on your investments with your Society, as our financial year ended December 31, 2018 declared an increased asset base from \$85.4Mn in 2017 to \$89.77Mn with an increased net surplus of \$5.38Mn up from \$4.2Mn in 2017. The main contributors to these escalations are the dedicated, devoted and unyielding support of our members and their decision to make Transcorp their number 1 choice in doing business. Your loyalty in utilizing our services is the main thrust upon which our Board decided to recommend for the membership’s approval, not only an above market rate dividend payment of 3.5%, but also a rebate on loan interests of 2%.

Arising out a Special General Meeting of our members in 2018, approval was given to acquire two (2) neighbouring properties to our Barataria offices, namely #59 Fifth Street, Barataria and #106 Sixth Street, Barataria. We are currently in the process of closing these purchases and developing strategic plans to utilize these strategically placed properties in advancing your health and welfare needs inclusive of a gym.

In assessing the opportunities arising out of 2018, the Board has now focused its attention on the finalizing our Strategic Plan 2019-2021 which aims at utilizing part proceed of the Net Income after distribution towards our branch expansion exercises for Tobago, San Fernando and Arima/Sangre Grande. Further, as an investment opportunity, it is projected that these intended income generating assets will generate returns to the benefit of you, our members. Our Board of Directors Report, to be conveyed to this 46th Annual General Meeting has particularized other mandated deliverables for 2019.

As we “Grow Together”, I continue to encourage you to enjoin your children, friends and family as members of your Society to repeat the rewards for further educational endeavours and self-empowerment through financial independence. I continue to employ our young members to present themselves for reactivation of the Youth Arm. I look forward to my usual socializing and bonding with you at our upcoming events which encourages comradry in the spirit of true co-operativism.

I take this opportunity to welcome Mr. Eugene Atwell, our new General Manager, to our Society. Mr. Atwell comes to us with more than thirty (30) years experience in the credit union and financial sector and trust that our staff will continue to provide him with the necessary support to activate the Society’s mandate. I also take this opportunity to thank our staff for their service on a daily basis. To our stakeholders, we undertake to continue to contribute towards the macro philosophy of good governance in corporatism.

In conclusion, I continue to rely upon the intervention of our Almighty Father in guiding, protecting, navigating this ship and keeping our Society on the sustainability and growth part.

Co-operatively yours,



JACQUELINE BOWEN  
PRESIDENT  
May 07, 2019



Let's **GROW** Together

# **BOARD OF DIRECTORS REPORT**

# Board of Directors Report

## EXECUTIVE SUMMARY

The year 2018 was yet another successful year at Transcorp Credit Union Co-Operative Society Limited, wherein the Board of Directors is confident in recommending a high dividend distribution of 3.5% and for the first time in its history, a rebate of loan interest of 2.0% resulting in a payout of over \$2.5 Mn. This was no means an easy feat in a national economic environment that has been quite challenging over the past few years, with marginal growth experienced in previous years, with predictions for 2019 being almost the same.

In the year 2018, the job market suffered serious job losses arising from the restructuring of major state owned enterprises including Petrotrin, retrenchment at Telecommunications Services of Trinidad and Tobago (TSTT). Further, in 2018 although



Mrs. Jacqueline Bowen - Rodriguez - President

the Central Government increased its borrowings on the local market to meet its financial obligations, it also reduced its spending which impacted both the public and private financial sector, ultimately creating a challenge for the lower to middle income individuals who conduct business with the credit unions. It is therefore with this backdrop that one can be heartened with the performance of the Credit Union in 2018.

Heartfelt thanks and appreciation are therefore extended to all our valued members, directors, officers, staff, all our stakeholders and well-wishers who contributed to our success in 2018, without whom the Society would not have made the strides that it did in 2018.

Your immeasurable support and loyalty remained steadfast throughout the year displaying the true meaning of the co-operative spirit. The Board is therefore pleased to report on the financial performance and activities of your Society for the financial year ended December 31, 2018.

This report details a review of the performance of your Society together with comparative figures for the four years prior. During this time your Society has made steady progress despite the many challenges we would have encountered along the way.

## COMPOSITION OF THE BOARD OF DIRECTORS

Following the election of officers by the members at the 45th Annual General Meeting (AGM) held on April 22, 2018, at Central Bank Auditorium in Port of Spain, the following officers were elected to serve:

Mrs. Gemma Nurse-Bowen  
Ms. Eva Abraham  
Mr. Anthony Thompson  
Mr. Mc Lean Charles

It is to be noted that prior to the election, two stalwarts of the Society Messrs Brian Johnson and Sherwin Joseph indicated their intentions not to offer themselves for re-election. These two gentlemen together have provided over forty years of service to the Society. We take this opportunity to thank them for their immense support and service to the members of Transcorp and wish them well for the future.

Jacqueline Bowen-Rodriguez  
Carlton Jackson  
Gemma Nurse-Bowen  
Anthony Thompson  
Paula Yarde  
Haulister Walcott

President  
Vice-President  
Treasurer  
Secretary  
Assistant Secretary  
Director

Winton Gordon	Director
Melville Dyer	Director
Clyde Parris	Director
Mc Clean Charles	Director
Clyde Best	Director
Eva Abraham	Director

Following the election of directors at the 45th AGM the election of the executive which was supervised by officers of the Office of the Commissioner of Co-operative Development and the Supervisory Committee, Mrs. Jacqueline Bowen-Rodriguez was returned as President, while Mr. Carlton Jackson was elected Vice President of the Society. Mr. Anthony Thompson was elected as Secretary to the Board while Mrs Paula Yarde was elected Assistant Secretary. Mrs Gemma Nurse-Bowen was elected Treasurer. We welcome Ms. Eva Abraham, our newest Director and look forward her contributions in the coming years.

It will be remiss of us not to mention that Mr. Dyer, who also served as President of the Society during 2001, has indicated his intention to not offer himself for re-election and therefore we take this opportunity to extend our heartfelt appreciation for the many years of yeoman service he gave to the Board and his committed service to the members. We wish him well in his endeavours.



Mr. Carlton Jackson - Vice President

## ATTENDANCE RECORD OF BOARD OF DIRECTORS

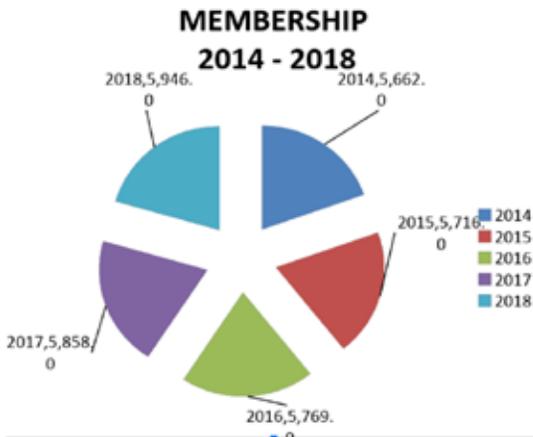
The table under represents the attendance record of the Directors at Statutory and Special Board Meetings for the period May, 2018 to April 23, 2019.

**TABLE 1: ATTENDANCE OF DIRECTORS**

	Statutory Meetings			Special Meetings		
	Present	Excused	Absent	Present	Excused	Absent
Jacqueline Bowen - Rodriguez	12	-	-	6	-	-
Carlton Jackson	9	3	-	6	-	-
Gemma Bowen	11	1	-	5	1	-
Anthony Thompson	11	1	-	5	-	1
Paula Yarde	11	1	-	5	1	-
Haulister Walcott	9	3	-	1	4	1
Winton Gordon	10	2	-	4	2	-
Melville Dyer	10	2	-	4	1	1
Clyde Parris	12	-	-	6	-	-
Mc Lean Charles	11	1	-	4	1	1
Clive Best	8	2	2	4	1	1
Eva Abraham	9	3	-	5	1	-

## MEMBERSHIP

In 2018, the Society experienced another year of low growth in its membership with a net increase of eighty-eight (88) members. However, 2018 experienced a slightly higher number of new members in the amount of One Hundred and Sixty-one (161) as compared to One Hundred and Forty-five in 2017, an increase of 11% while resignations amounted to seventy-three (73) members as compared to fifty-seven (57) the previous year, an increase of 28%. The importance of increases in both membership and their contributions to the Society are imperative factors for the continued growth of the Society. The majority of the resignations however, were linked to the misnomer that when one resigns or retires from his job that he must also resign from the Society – this is a misnomer that the Society has been trying to correct for several years.



We take this opportunity to welcome the new members and trust that they will find their experience with us a rewarding one. We continue to strive for an annual increase in membership of Five Hundred (500), however, your Society as all other Co-operative Societies, continues to experience an onslaught of competition from other financial institutions where interest rates are higher and conditions more onerous as compared to your Society where each person is treated as an individual and not just an account number.

The financial institutions feed on the insatiable appetite of members to borrow for the wrong reasons which is indicative of the thinking of a number of our members. While the purpose of one's loans is a personal choice, members must also consider giving priority to the needs versus wants. As always, we encourage our members to "stay the course" and do not be swayed by the "great expectations of grandeur and promises by the hope of greener pastures" only to return to the Society with a depleted shares and savings which were built up over the years as a member of the Society.

The Society continues to provide **expense-free and fully subsidised insurance** coverage to its members on both loans up to a maximum value of \$85,000 and deposits, protecting the members' loved ones in the event of death from having to repay loans previously granted to the member. **It should be noted that at other financial institutions, the customer pays for the insurance coverage.** In 2018, 16% of the Society's expenditure was utilized towards maintaining this benefit for its members to the value of \$939,536.00

The Society continued to host several seminars for the benefit of its members during 2018 at the same time continuing efforts to increase its membership through collaborative efforts with the marketing committee. Notwithstanding the efforts of the various committees, these seminars continue to be poorly attended. Those who attended would have been exposed to sound advice which would be of benefit to them in the future.



Mrs. Gemma Nurse-Bowen - Treasurer

**LIAISON OFFICERS**

In an effort to improve member communication, participation and to address concerns in the shortest possible times, Liaison Officers were appointed by the Board of Directors to assist members. These officers are as follows:

- San Fernando/Point Fortin - Mr. John Ray
- Arima/Sangre Grande - Ms. Avril Baptiste, and
- Chaguanas - Mr. Hayden London

These members are authorised to address any complaint, query, assist with the dissemination of information to members in the various regions, advising them of upcoming events etc;. The officers however, are not allowed access to the personal information of any member.

**DECEASED MEMBERS**

Our sincerest condolences go out to the families of those members who departed this life from our last AGM to date. At this juncture we wish to make special mention of the death of one of our past Presidents, Mr. Paul Sylvester who served in this capacity from 1983-1986. Also, one of our longest serving past employee Ms. Ingrid Cupid died during the year 2019. We continue their respective families our continued support.

Once again, we wish to encourage survivors and beneficiaries to file early for Letters of Administration and Probate of Wills so as to access any



Mr. Anthony Thompson - Secretary

outstanding balances payable to the beneficiaries of the estate of the deceased members. We also encourage members to attend our annual seminar which deals with the Preparation and Probate of Wills and the Filing of Letters of Administration.

## FINANCIAL PERFORMANCE

For the Financial Year ended December 31, 2018, the Society once more surpassed the \$10.0 Mn. threshold in REVENUE as it reached \$10.9 Mn. with an increase of 5% or \$0.6 Mn., up from the previous year's figure of \$10.3 Mn. Over the five year period covering 2014 to 2018 (see Graph – Gross Revenue), your Society has increased its Revenue from by \$2.45 Mn or 29% from \$8.5 Mn in 2014 to \$10.95 Mn in 2018. This increase was primarily due to an improvement in the performance of the Loan portfolio. Interest on loans grew by 6% or \$0.63 Mn, while Investment Income grew by 30% or \$52k.

The growth in Investment Income from \$0.17 Mn to \$0.23 Mn was due to the increase in size of the Investment Portfolio as well as the improved returns on the said investments. Your Credit Union will continue to search for investment opportunities that provide good returns at acceptable risk.



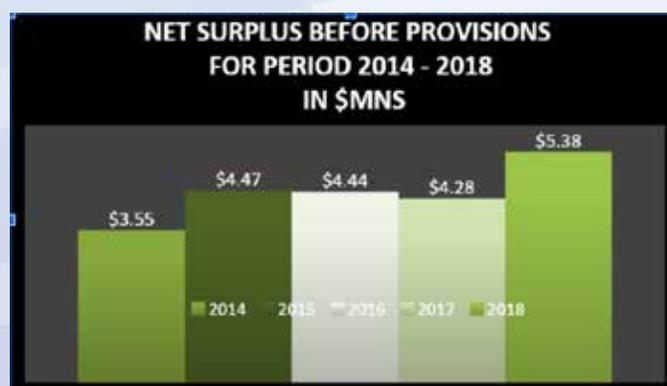
## OVERHEAD EXPENSES

Total expenses for 2018 amounted to \$5.57 Mn, down from \$6.1 Mn in 2017 or by 9% or \$0.54 Mn. The total in **OVERHEAD EXPENSES** remained relatively unchanged at \$5.8 Mn for 2018. The period 2014 to 2018 (see graph –Overhead Expenses) saw a growth of 29% or \$1.3 Mn in Overhead Expenses as proper controls were instituted to ensure minimal expenses associated with the organisation. There was a minimal reduction in the Bank Charges which moved from \$98K to \$93K. These charges can be further reduced should members increase the use of the Automated Clearing House System (ACHS) which would allow loan proceeds to be transferred directly into the member's bank account, permitting for a quicker receipt of loan proceeds instead of having to carry the risk of encashing a cheque at the bank.



## NET SURPLUS

The performance of your Society in 2018 can only be described as commendable in the face of many challenges, as Transcorp was able to surpass its 2017 performance of **NET SURPLUS** before Provisions by 25%, or \$1.10 Mn, up from \$4.28 Mn in 2017 to \$5.38 Mn in 2018. During the five year period 2014 to 2018, (see graph – Net Surplus Before Provisions) Net Surplus before Provisions increased from \$3.55 Mn in 2014 to \$4.47 Mn in 2015, before reducing marginally in the following two years to \$4.28 Mn. This improved performance of \$5.38 Mn in 2018 was due to the improvement in Revenue while maintaining control of expenses.



The **TOTAL ASSETS** of the Society continued its upward trend, increasing by 5.1% or \$4.32 Mn as it moved from \$85.4 Mn in 2017 to \$89.76 Mn. in 2018 with Other Assets decreasing by 2.3% or \$1.6 Mn. However, net loans to members decreased from \$62.9 Mn to \$59.8 Mn or 5.2%. Total Cash Resources increased by 44% or \$5.99 Mn from \$13.43 Mn in 2017 to \$19.42 Mn in 2018 as Cash at Bank increased by 147% from \$1.2 Mn in 2017 to \$2.9 Mn in 2018 while and Short Term Investments increased by 37% from \$11.74 Mn to \$16.03 Mn. Over the five year period, 2014 to 2018, the Total Assets of the Credit Union increased by 38% or \$25.4 Mn from \$66.76 Mn in 2014 to \$89.76 Mn in 2018 (see graph Total Assets). It is expected that there will be continued growth as the Society prepares to roll out its Strategic Plan 2019 – 2021.



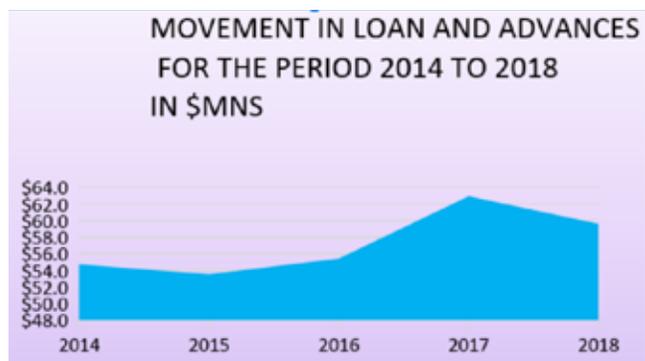
**CASH AND SHORT TERM INVESTMENTS**  
FOR PERIOD 2014 - 2018  
IN \$MNS



The increase in the **Total Cash Resources** of 44% from \$13.43 Mn in 2017 to \$19.42 Mn in 2018 was mainly attributable to an increase in Short Term Investments which increased from \$11.74 Mn in 2017 to \$16.03 Mn in 2018. This major increase saw the Society reduce its investments in one Short Term instrument by \$1.0 Mn or 50% while increasing its investments in the Abercrombie Fund by 83% or \$4.98 Mn from \$6.0 Mn in 2017 to \$10.99 Mn in 2018. Other increases which are reflected in the Financial Statements relate mainly to the reinvestment of interest in our investment in ANSA Merchant Bank Income Fund and dividends in our investment in Income and Growth Fund with the Unit Trust Corporation.

## LOANS AND ADVANCES

Both experienced a small decline of 5.3% or \$3.3 Mn. in 2018 from \$62.9 Mn in 2017 to \$59.6 Mn in 2018. This reduction in the loan portfolio can be attributed to the increasing competition from the financial institutions and the change in the Loan Policy of the Society. The latter was required in order to deal with the introduction of the new IFRS 9 accounting standards



which required significant adjustments to the manner in which provisions were to be made for loan losses. In order to minimise the effect on the loan portfolio, it was necessary to amend the Debt Servicing Requirement and also improve on the collateral requirements for loans. Notwithstanding, the Society would have experienced a steady growth of 9.0% or \$5Mn over the past five years, moving from \$54.6Mn in 2014 to \$59.6Mn. in 2018 (see Graph Movement in Loans and Advances).

The Society also experienced some members repaying loans by liquidating their shares as a result of their retirement from employment, financial challenges and the search for greener pastures. As a result of the aforementioned, the Board made special efforts to reach out to members with debt restructuring and loan consolidation. Our experience with members who changed their financial arrangements is one where more than 60% of the members returned to Transcorp as our service and products offered are unmatched.

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Notwithstanding the challenges faced by the Society in 2018, **SHARE BALANCES** continued to increase steadily as the organisation experienced yet another year of growth in shares over the last five years (see graph – Share Balances) improving by a moderate amount of 2.0% or \$0.98Mn up from \$64.34 Mn in 2017 to \$65.32 Mn in 2018 and an overall increase of 26% or \$13.54 Mn from 2014 to 2018.



The Society's **LONG-TERM INVESTMENTS** grew in 2018 by 22% or \$0.5 Mn with the purchase of Four Hundred and Forty-eight Thousand Dollars (\$448,000) in the Government of the Republic of Trinidad and Tobago National Investment Fund Series A – 5 Years Fixed Rate 4.5% Bond as your Board widened its “basket of investments”. The total value of our long term investments in quoted securities now stands at \$2.66 Mn, up from \$2.18 Mn the

previous year. In 2013, the Credit Union purchased 44,403 shares in the First Citizens Bank at a cost of \$22.00 each or \$9.76 Mn. As at December 31, 2018, the share price stood at \$33.97, an increase of 54.4% or \$11.97. The current value of the investment is now \$1.508 Mn. This resulted in the share value improving from \$1.42 Mn in 2017 to \$1.51Mn at the end of 2018. In September 2017, the Society acquired 17,431 shares in TTNGI at a cost \$21.00 per share and a total of \$0.366 Mn. As at December 31, 2018, the value of the shares increased by 38% to \$0.507 Mn. Over the last year, the shares had gained \$45K

or 9.8%, up from \$0.462 Mn as at December 31, 2017.

The aforementioned investments continue to provide improved dividend income to the organisation which increased by 7% or \$5.0 K from its 2017 position to \$75.8K in 2018.

In relation to our investment in the 5 acre parcel of land at Las Lomas, the developer has been unable to obtain the full approvals from the Ministry and Statutory Bodies. As expressed in the Annual Report 2017, the Society had instituted legal proceedings against the Developer for either a full refund of deposits or in the alternative, completion, and transfer of the subject lands. In this regard, the Board reports that High Court judgement has been received in favour of the Society and a charge has been placed in favour of the Society over the 13 acre parcel from which the 5 acre forms a part. The Society's attorneys are currently engaged in enforcement proceedings against the developer at the High Court.



Mrs. Paula Yarde – Assistant Secretary

## HUMAN RESOURCES

The current serving General Manager of the Society is Mr. Eugene Atwell who joined our Society with an extensive wealth of knowledge and experience in the Credit Union and financial services industries spanning over a period of 30 years.

The Society continues to provide opportunities for young members to obtain experience in the financial services by engaging past recipients of the SEA award with the intention of enhancing their respective résumés and in them attaining the necessary experience in preparation for the world of work. The current structure of the organisation includes a staff of 16 employees and when the need arises engages the services of temporary personnel for project purposes.



Haulister Walcott - Director

The Board wishes to thank our staff for their efforts and contributions in delivering service to our members via the various branches.

We also say thank you to the various security personnel who continue to ensure that members, officers, and staff operate within a safe and comfortable environment.

## DELINQUENCY

In 2017, the Society had provided the sum of \$2.065 Mn for Doubtful Debts. The Board is pleased to state that in 2018 as a result of the prudence exercised in the past, this provision has now been reduced to \$1,816,237 which permitted a write-back of \$414,510 and which is reflected in the Statement of Comprehensive Income. For the year ended 2018, the value of instalments in arrears amounted to \$3.16 Mn an increase by 19% or \$0.514 Mn from \$2.64 Mn in 2017.

The Society shall continue its proactive approach towards the collection of arrears by maintaining direct contact with the members immediately after the loan becoming in arrears. Further, we shall continue to provide financial solutions to the member in the form of Debt Restructuring and Debt Consolidation in order to ensure that the member has an adequate cash flow.



## COMPLIANCE

In 2018, the Society continued the strengthening of its Compliance mandate and rigidly adhered to its Compliance Programme which entailed among other things annual audits by both internal and external auditors. The Society has diligently met its annual requirement in accordance with the Financial Obligations Regulations of the Proceeds of Crime Act Chap 11:27 by ensuring that:

1. Both officers and staff are trained in accordance with the statutory requirements;
2. Our members complete the 'Retrospective Due Diligence Forms' and update their personal record;
3. Our suppliers are required to complete the requisite Know Your Supplier Forms and provide supporting documents.

We continue to implore all members to be compliant and co-operative with your Society in fulfilling a macro legislative campaign of implementing anti-money laundering policies, practices and procedures within individual organisation.

## TRAINING AND DEVELOPMENT

In keeping with one of its mandate to afford its human resource capital the requisite training to ensure maximum efficiency to our service to our members, the Society's officers and staff attended several training programs. These included the introduction of the new accounting IFRS 9 standard and Credit Management both conducted by NEM Leadership Consultants.

In May 2018, five directors attended the Annual Governance and Leadership Conference in Miami, Florida hosted by the Trinidad and Tobago Credit Union Deposit Insurance Fund Co-Operative Society Limited (TTCUDIF). Resulting from our participation, the Board of Directors were retooled with the necessary strategies to improve service delivery. Further training was conducted throughout the year in Anti-money Laundering and Counter Financing of Terrorism as required by the legislation.

The Society wishes to take this opportunity to advise its members that the first recipient of its Tertiary Award, Mr. Marcus Mc Gilvery has now graduated from the University of the West Indies with a Bachelor of Medicine and Bachelor of Surgery degree. The Society extends congratulations to Mr. Mc Gilvery on his achievement and wishes him further success during his internship period at the nation's hospitals as he moves forward in his medical career.

## CELEBRATING OUR MEMBERS

During the reporting year, the Society held a number of events to demonstrate appreciation for the loyalty and support from our member. Among these events included our annual Car Park Jam held in February 2018, Our Fathers Who Could Cook in October 2018 and Credit Union Day Celebration in October 2018. Additionally, in December 2018 we celebrated the yuletide season with our children at our annual Christmas Children's party and hosted our annual Parang Cruise.

In August 2018, following the announcement of the SEA results in 2018, the two recipients of the SEA Awards were Mr. Dimitri Pinto who now attends St. Mary's College and second place student Ms. Rianna Samsingh who attends Holy Faith Convent, Couva. Further, the 2018 recipient of the Tertiary Grant is Ms. Kerchelle Browne. She is presently pursuing her degree in Accounting at the University of the West Indies (U.W.I.) St. Augustine. We extend heartfelt congratulations to these students and undertake our continued support.



Mr. Winton Gordon - Director



Mr. Melville Dyer - Director



Clyde Parris - Director



Mr. Mc Clean Charles - Director



Mr. Clyde Best - Director



Ms. Eva Abraham - Director

## PROPERTY ACQUISITION INITIATIVES

A Special General Meeting of our members was convened on August 2nd 2018 for the purpose of approving the purchase of two properties adjacent to our Barataria office viz. #59 Fifth Street, and #106 Sixth Street. We can now report that having satisfied the required due diligence, your Society has now initiated proceedings for the acquisition of the properties which will add greater flexibility to its operations.

## TECHNOLOGY

The Board of Directors and Management continue to make efforts towards enhancing the technology that is currently being utilised at Transcorp with the primary objective of improving efficiency and improving on our service delivery to you. In this regard we have now upgraded our system software which brought with it much needed new and improved functionality. This has gone a long way in making your interaction with us a bit easier.

At present we continue discussions with our service provider with the aim of introducing those functions on the system that will permit for mobile and on-line services inclusive of online application forms to enhance our product delivery.

In 2018 greater use was made of our Facebook page and website to communicate with our members and it is expected that greater use will be made of the social media in our communication efforts.

## LET'S GROW TOGETHER – A STRATEGIC APPROACH

The Board of developing its 2019 – 2021 Strategic Plan for the Society with emphasis on the following areas:

- Development of effective strategies to increase membership in the Society;
- Development of effective strategies to improve customer service and awareness of the products and services of the Society;
- Enhancing the communication between members and the Society;
- Identification of technological tools to increase operating efficiency;
- Procedures for minimising delinquent loans;
- Increasing the competitiveness of our products in the market place; and
- Rationalising the branch network.

The Society will continue to assist its members in meeting their financial obligations in these challenging times through seminars, loan products and counselling where necessary. The Board has therefore given itself a mandate to devise new products that will contribute towards the financial stability and development of the member.

## CONCLUSION

As we move further into 2019, the Board is cognisant of the fact that the country will face yet another year of low growth as projected by many agencies and experts which will affect the performance of most financial institutions. Having regard to the aforesaid, we encourage our members to be prudent in their financial affairs and continue to support your Society in which you are an owner and not just a customer.

We wish to express our thanks and gratitude to all who participated in the Society's events which have been geared towards improving the camaraderie among members, officers, staff and management. We also wish to thank the Office of the Commissioner of Co-operative Development who have provided us with the necessary support and guidance.

Once again, the Board thanks the membership for the opportunity to serve you and look forward to another successful year in all aspects of our operations where you the member benefit from our desire to serve you.

Kind Regards,



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Jacqueline Bowen-Rodriguez  
President  
Dated: May 7th 2019



# List of Debtors 2019

Anyone with information concerning the whereabouts of the following individuals is kindly asked to contact our office.  
All information would be treated with the strictest of confidence

MEMBER'S NAME	LAST KNOWN ADDRESS
ABIOLA SHEPPARD	BLD.6 APT.S2-3, MALONEY GARDENS,D'ABADIE
ADRIAN ARCHER	PLAISANCE ROAD, JOHN JOHN, EAST DRY RIVER
ALFRED MC DONAL CLARKE	16 WARDLANE GONSALES P.O
ANDY PHILBERT	BON ACCORD, TOBAGO
ANDY RODNEY	RITA STREET ENTERPRISE, CHAGUANAS LP#3
ANGELA GARCIA-THOMAS	#19A SHELBOURNE STREET, PLYMOUTH, TOBAGO
ANN-MARIE WILKINS	62 QUARRY DRIVE, CHAMPS FLEUR
ANTHONY BROWNE	35-37 DUNCAN STREET, PORT OF SPAIN
ANTHONY CAESAR	ROCKLEY VALE, SCARBOROUGH, TOBAGO
ANTHONY ROSALLE	PHASE 4 5418 LA HORQUETTA, ARIMA
AVALON CHARLES	36 EASTERN MAIN ROAD, LAVENTILLE
AVERIL YORKE	UPPER BOURNES RD, ST. JAMES
BERNARD RODNEY	26 FOSTER ROAD, SANGRE GRANDE
BERTRAM COX	BOURG MULATRESSE, LOWER S/CRUZ
BRENSLY MC NISH	214 SIXTH COMPANY ROAD, NEW GRANT, PRINCESS TOWN
BRIAN PHILLIPS	KEANE STREET, SCARBOROUGH, TOBAGO
CALVIN CAYENNE	CORNER SANFORD & WEST BOUNDRY STREET CALIFORNIA
CARROL THOMAS	#67 ST LUCIAN ROAD, DIEGO MARTIN
CLAUDIA CAESAR	#5 MARTIN TRACE, EL SOCORRO, SAN JUAN
CLEMENT BLAKE	14 BRYCE ROAD, POINT FORTIN
DANIEL BLACKMAN	23RD STREET #16 PHASE 4, BEETHAM GARDENS, PORT OF SPAIN
DANIEL HERNANDEZ	LP# 91A CHINAPOO VILLAGE, SUPERVILLE HILL, MORVANT
DARIN JOBITY	#4 TEAM DRIVE, MAJUBA CROSS ROAD, PETIT VALLEY
DAWN DURITY JOHN	15 CLARKE BLVD, MAUSICA LANDS , ARIMA
DENISE WILLIAMS	MENTOR ALLEY, UPPER LAVENTILLE ROAD, LAVENTILLE
DEXTER CYRUS	OPP. HEALTH OFFICE, LOS CHAROS, PALO SECO
DIPCHAN BRIDGEMOHAN	PENAL ROCK RD, PENAL
DIRVES MOSES	APT.4-11 SPREE SIMON APTS. ST PAUL STREET, PORT OF SPAIN
EARL MARSHALL	48 JASPER AVENUE,DIEGO MARTIN
ERNEST DANN	146 ST.NICHOLAS STREET, DIEGO MARTIN
EZEKIEL KING	7TH AVE MALICK 202, BARATARIA
FRANK. WILLIAMS	MON REPOS RD. MORVANT, COCOA RD.
FRANKLIN REDHEAD	57 BELL-EAU ROAD, BELMONT
GAARON MAUGHN	26 PASEA MAIN RD, TUNAPUNA
GARFEILD HAZEL	7 COURT DRIVE, TUMPUNA
GARVIN ASSING	123 HELECONIA CRESCENT, LA HORQUETTA, ARIMA
GARY JAMES	C/O LEE-A-PINGS RESIDENCE 1 LA PUERTA AVE, DIEGO MARTIN
HAYLE JOSEPH	5TH STREET FIVE RIVERS, AROUCA
JANICE N. BELGRAVE	POLE #40 SADDLE ROAD SAN JUAN
JASON EWING	103 OLD ST.JOSEPH ROAD, LAVANTILLE
JASON WALKER	39 LA RUFFIN ROAD, LA LUNE, MORUGA
JEFFREY MAYNARD	17 DONALDSON ST, SAN FERNANDO
JEFFREY ORR	14 SPRING TRACE, DARREL SPRING, SCARBOROUGH, TOBAGO
JEREMIAH JAMES	#6 FIRST STREET BEETHAM, ESTATE LAVENTILLE
JOSHUA SEON BAPTISTE	139 SIXTH STEET, BARATARIA
JUDY ANN VILLAFANA	APT 4D BLDG 5, EL DORADO HIGHTS, EL DORADO
KAMARIA SOVERALL	24 GREAT STREET, PLYMOUTH

KATHLEEN PATROVANIE  
 KEITH MODESTE  
 KELVIN FRANK  
 KENRICK FRANCIS  
 KENRICK. HAYLING  
 KERN PLACIDE DOUGLAS  
 LEARIE JOSEPH  
 LENNOX CARUTH  
 LESLEY HANSON  
 LISA NATALIE WILSON  
 LYNDON BISHOP  
 MAHASE. BHOWRAM  
 MARLENE FREDERICK-BENJAMIN  
 MARTIN WALLACE  
 MAURICE ROBINSON  
 MAURICIA JOHNSON  
 MESCAL WILSON  
 MICHAEL BARCLAY  
 MICHAEL CHARLES  
 MICHELLE LINTON  
 MOHAN RAMESAR  
 NATALIE GIFT  
 NATASHA GARCIA  
 NEZEKA NICHOLAS WALKER  
 OMA KANHAI  
 OSWALD BRITTO  
 OSWALD IFILL  
 PAMELA BAIN  
 PATRICIA WALKER  
 PAUL CHABILAL  
 PAULUS ALEXANDER  
 PHILLIP GODDARD  
 RAGBIR MATHURA  
 RAMNATH RAMBERRAN  
 RENWRICK BARROW  
 ROBERT HENRY  
 ROMEL BASTEIN  
 RONALD ARISMENDEZ  
 RONALD JOSEPH  
 RONALD PHIPPS  
 RONNIE JOHNSON  
 ROSBY JUNIOR QUACCOO  
 ROSLYN PRICE  
 RUBY ORR  
 RUDDER BURKE  
 RUDRANATH MAHARAJ  
 SAMUEL DAVID  
 SEAN THOMPSON  
 SIMONE L.SOLOMO RAMLAKHAN  
 STEFAN PHILLIP  
 STERLING JACOB  
 STEVE ABBAY  
 SYLVESTER LOCKHART  
 THOMAS LEWIS  
 TRACY PAUL  
 URSIL HOLMES  
 VERONICA BOYNES  
 VINCENT HERNANDEZ  
 VINCENT MARK  
 YVONNE E. MC KENZIE

10 INVERNESS AVENUE, COCOYEA VILLAGE, SAN FERNANDO  
 3B ROY JOSEPH SCHEME, SAN FERNANDO  
 ROCHARD DOUGLAS RD., BARRACKPORE.  
 #5 BACCUS TRACE,HERMITAGE, ROAD,ST MARGARETS VILLAGE, CLAXTON BAY  
 UPPER BUSHE ST, SAN JUAN.  
 #6 BUSBY STREET BATTOO LANDS, MARABELLA  
 BLDG 1 ALMOND DRIVE, NEVER DIRTY MORVANT  
 POLICE STATION STREET, ROXBOROUGH, TOBAGO  
 009 BLOCK U EMBACADERE, SAN FERNANDO  
 KENNY CYRUS ROAD, ENTERPRISE  
 #51 RAMGOLIE EAST TRACE, CHIN CHIN, CUNUPIA  
 #28 ANGOSTURA STREET PHASE 5, BEETHAM ESTATE, LAVENTILLE  
 18/22 APARTMENT 4-1, JACKSON PLACE, EAST DRY RIVER  
 DARREL SPRING, SCABOROUGH, TOBAGO  
 BLDG 40 APT Q NELSON STREET, PORT OF SPAIN  
 #LP56B UPPER QUARRY STREET, DIEGO MARTIN  
 # 5 FIRST STREET, WEST, CAZABON AVE, TRINCITY  
 #6 FIRST STREET BEETHAM, ESTATE LAVENTILLE  
 3 CAIMITE ST, MORVANT  
 #6 GERBERA AVENUE, MACOYA GARDENS, MACOYA  
 87 MARAJ STREET, EL SOCORRO ROAD, SAN JUAN  
 LP # 37 SIGNAL HILL, TOBAGO  
 #102 OLIVE DRIVE, PINERIDGE HOUSING DEV. LOPINOT, AROUCA  
 COR.WATTS & BEDESHI TR, MALABAR, ARIMA.  
 #63 PINTO ROAD, ARIMA  
 TEXEIRA STREET, DIEGO MARTIN  
 BEVERLY HILLS, JOHN JOHN MARCANO QUARRY  
 CREAM & BROWN HOUSE, ALICE STREET, CUREPE  
 NIMBLETTE STREET, ENTERPRISE, CHAGUANAS.  
 ROUSILLAC VILLAGE, SAN FERNANDO  
 LAVENTILLE RD, FEBEAU VLG, SAN JUAN  
 QUARRY STREET, DIEGO MARTIN  
 PRESCOTT LANE, PASEA VLG, TUNAPUNA  
 3/4 MILE ROCHARD RD, PENAL  
 ST MADELINE, SAN FERNANDO  
 SECOND CALEDONIA, MORVANT  
 58 BALTHAZAR STREET, TUNAPUNA  
 BORDE STREET, POS  
 #226 EASTERN MAIN ROAD, AROUCA  
 79 ST BABBS ROAD, LAVENTILLE  
 #73 MAYO ROAD, WHITELAND  
 STORE BAY,LOCAL ROAD, BON ACCORD, TOBAGO  
 14 CROTTON LANE, CASCADE  
 #41 ROMAIN LANDS, MORVANT  
 SANGSTER HILL, SCARBOROUGH, TOBAGO  
 WATERLOO ROAD, AROUCA  
 ALEXANDER STREET, WARDEN RD, PT LIGOURIE  
 LOT#268 KESTREL BLVD, EDBINBURGE 500, CHAGUANAS  
 NEMBLETL STR. ENTERPRISE, CHAGUANAS  
 #14 PALM AVENUE, PERSEVERANCE, COUVA  
 QUARRY RD, SAN JUAN  
 #52 CARATAL ROAD, CARATAL SECTION 2, GASPARILLO  
 SAHADAM TR VEGA DE OROPOUCHE, SANGRE GRANDE  
 59 BAMBOO VILLAGE, SAN FERNANDO  
 #31 GORDEN STREET, SAN FERNANDO  
 LOWLANDS ROAD, TOBAGO  
 LP#6 MARAJ AVENUE MISSION ROAD SAN JUAN  
 SOUTHERN MAIN RD, WARRENVILLE, CUNUPIA  
 VALENCIA RD, VALENCIA  
 BLDG 1 APT 1-3 MALONEY GARDENS, D'ABADIE



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# **CREDIT COMMITTEE REPORT**

# Credit Committee Report 2018

## 1.0 INTRODUCTION

1.1 The Credit Committee respectfully reports on its activities for the Financial period January 01, 2018 to December 31, 2018 in accordance with the Bye-Laws of the Transcorp Credit Union.

## 2.0 COMPOSITION OF THE CREDIT COMMITTEE

2.1 The Credit Committee was elected at the 45 th Annual General Meeting of the Society held on Sunday 22nd April 2018 at the Central Bank Auditorium, Eric Williams Plaza, Port of Spain at which the following members were elected to serve:

- Mr. Anthony Newton
- Mr. Dexter Ian Ghany
- Mr. Charles Hadaway
- Mr. David Alexis
- Mrs. Geeta Teelucksingh-Ali



**Left to Right:** David Alexis, Anthony Newton, Charles Hadaway, Dexter Ian Ghany, Geeta Teelucksingh-Ali

Mr. Anderson Francis and Mr. Christopher Pegus were elected as first and second alternates respectively. Ms. Calleand Quarles, did not offer herself for re-election and therefore we take this opportunity to thank her for her services during the period.

## 3.0 MEETINGS

3.1 The inaugural meeting of the new Credit Committee was held on 24th April, 2018 and was supervised by the Supervisory Committee. Mr. Anthony Newton was elected Chairperson and Mrs. Geeta Teelucksingh-Ali was elected Secretary.

3.2 Statutory meetings were held as required under the Bye-laws while additional meetings were convened to meet the demands of the large volume of applications with the commencement of Stabilizer and Christmas Voucher Loans. In addition, the Committee attended the monthly Statutory meetings of the Board of Directors to present the Committee's reports.

3.3 The table below indicates the **attendance record** of the Credit Committee for the period April 24, 2018 to April 23rd, 2019

STATUTORY MEETINGS		
Officers	Present	Excused
Anthony Newton	55	8
Charles Hadaway	60	3
Dexter Ian Ghany	60	3
David Alexis	52	11
Geeta Teelucksingh-Ali	60	3

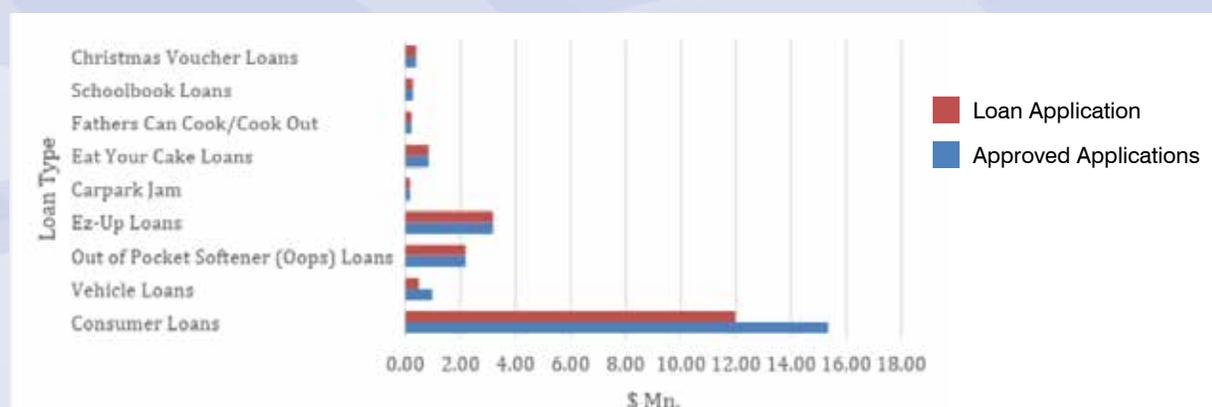
## 4.0 LOAN APPLICATIONS

- 4.1 During the period under review, a total of Three Thousand, Two Hundred and Seventy-Three (3,273) loan applications were submitted amounting to Twenty-three Million, Six Hundred and Twelve Thousand, and Fifteen Dollars. (\$23,612,015).
- 4.2 Of the aforementioned applications, a total of Three Thousand, One Hundred and Fifty-Four (3,154) loans were approved which amounted to Nineteen Million, Seven Hundred and Sixty Thousand and Forty-eight Dollars (\$19,760,048) with Consumer Loans representing 60.63% or \$11.98 Mn of total loans approved.
- 4.3 The Table given under outlines the loans applications made and that approved during the year 2018. This is also represented graphically in Graph 1

**Table 1:  
BREAKDOWN OF ALL LOANS APPLIED AND APPROVED FOR THE PERIOD JANUARY 2018 TO DECEMBER 2018**

LOAN APPLICATION	No. of Loans Applied for	Value (\$)	No. of Loans Approved	Value (\$)
Consumer Loans	951	15,347,430	835	11,981,959
Vehicle Loans	11	977,215	8	490,719
Out of Pocket Softener (Oops) Loans	1026	2,189,760	1026	2,189,760
Ez-Up Loans	607	3,182,591	607	3,182,591
Carpark Jam	113	169,500	113	169,500
Eat Your Cake Loans	169	846,094	169	846,094
Fathers Can Cook/Cook Out	228	228,000	228	228,000
Schoolbook Loans	89	276,425	89	276,425
Christmas Voucher Loans	79	395,000	79	395,000
<b>TOTAL</b>	<b>3,273</b>	<b>23,612,015</b>	<b>3,154</b>	<b>19,760,048</b>

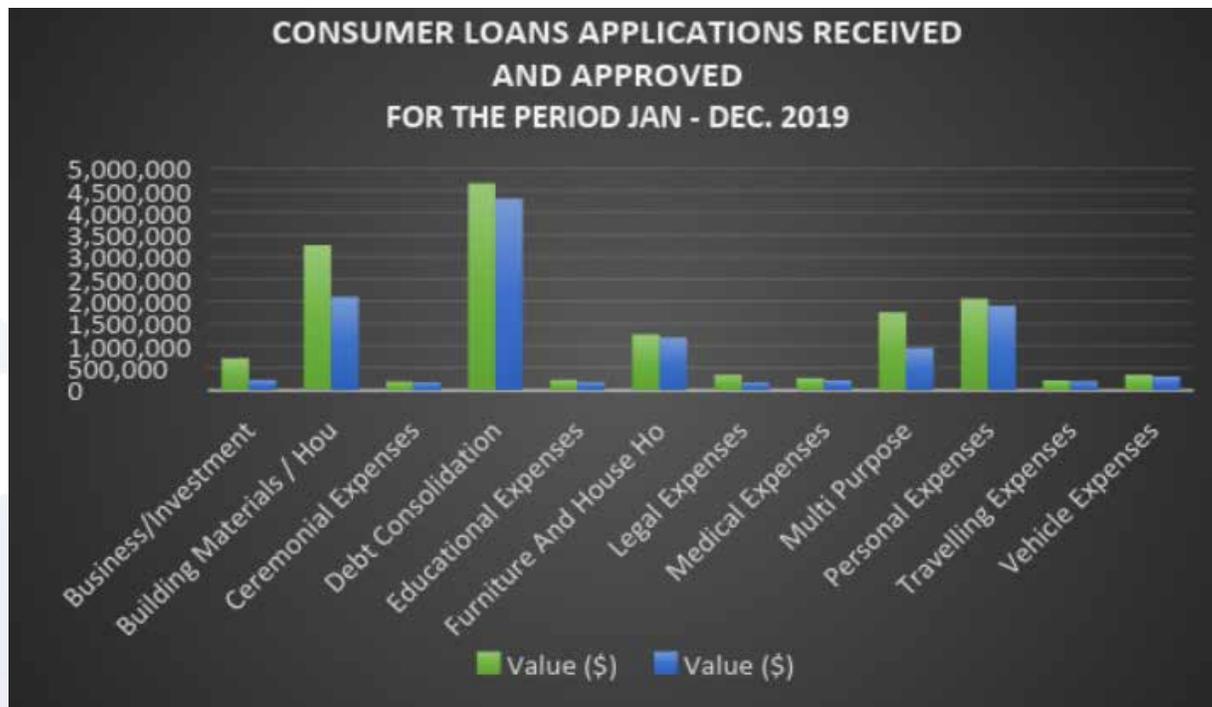
**Graph 1:  
LOANS APPLIED/ APPROVED - Jan - Dec 2018**



**Table 2:**  
**BREAKDOWN OF ALL CONSUMER LOAN APPLICATIONS APPLIED FOR AND APPROVED IN VALUE FOR THE PERIOD JANUARY 2018 TO DECEMBER 2018**

LOAN APPLICATION	No. of Loans Applied	Value (\$)	No. of Loans Approved	Value (\$)
Business/Investment	17	723,139	11	231,164
Building Materials / House Renovations	82	3,268,995	58	2,103,270
Ceremonial Expenses	17	196,000	16	178,374
Debt Consolidation	196	4,657,066	184	4,317,919
Educational Expenses	26	232,098	21	184,720
Furniture and House Hold Appliances	55	1,257,570	53	1,186,465
Legal Expenses	12	349,475	8	177,173
Medical Expenses	24	272,850	20	224,525
Multi-Purpose	93	1,756,768	67	954,505
Personal Expenses	378	2,062,047	352	1,905,340
Travelling Expenses	20	221,792	19	205,781
Vehicle Expenses	31	349,630	26	312,724
<b>TOTAL</b>	<b>951</b>	<b>15,347,430</b>	<b>835</b>	<b>11,981,959</b>

**Graph 2**



**Table 3:**  
**COMPARATIVE ANALYSIS OF ALL LOANS APPROVED IN 2017 AND 2018**

LOAN APPLICATION	2017		2018	
	No. of Loans Approved	Value (\$)	No. of Loans Approved	Value (\$)
Consumer Loans	1797	21,784,977	835	11,981,959
Vehicle Loans	27	1,818,525	8	490,719
Out Of Pocket Softener (Oops) Loans	1327	2,723,630	1026	2,189,760
Ez-Up Loans	539	2,199,810	607	3,182,591
Bligh Loans	341	680,000	-	-
Carpark Jam	-	-	113	169,500
Eat Your Cake Loans	180	1,077,222	169	846,094
Fathers Can Cook/Cook Out	140	140,000	228	228,000
Schoolbook Loans	315	945,000	89	276,425
Christmas Voucher Loans	60	331,575	79	395,000
Let We Parang Loans	236	229,200	-	-
<b>TOTAL</b>	<b>4962</b>	<b>31,929,939</b>	<b>3154</b>	<b>19,760,048</b>

## 5.0 ACTIVITIES

### 5.1 Processing of Applications

- For the period under review, the Credit Committee met once a week to deliberate on loan applications in accordance with Bye-Laws 22 and 23 and followed the guidelines as set out in updated Loan Policy.
- Interviews were conducted to better understand the needs of the members and financial counselling was offered where necessary to find solutions that work for the mutual benefit of both the member and the Credit Union.
- Our activities included site visits to members who requested loans for house construction and home renovations.
- The Credit Committee assessed members' financial position in order to ascertain their ability to meet their loan obligation and to ensure loans were fully secured.
- Applications were referred to the Board of Directors for waiver of the Loan Policy for loans in excess of the loan to share ration of 2:1 in order for the committee to further consider the applications.
- It should be noted that in 2018 the number of loan applications received and approved was 63% and 64% respectively of that compared to 2017. This significant reduction could be attributed to the amendments to the loan policy which was done in order to address the introduction of the IFRS 9, a new accounting standard which required a more stringent approach to the security provided for loans and well as a reduction of the Debt Servicing Ratio.

## 5.2 Training

The Credit Committee attended the following mandatory training programs:

- IFRS 9 Training Session – To be compliant with new accounting standards
- Anti-Money Laundering and Counter Financing of Terrorism Training Session (AML/CTF) – To identify the signs for money-laundering and to understand the fines and charges under the law.
- Credit Management Training – In October 2019 the Credit Committee participated along with staff and directors in a comprehensive training sessions with special emphasis on Credit Analysis and Evaluation, loan risks, Debt Service Ratio and developing strategies to improve Credit Management.

## 6.0 DELINQUENCY

6.1 The Recoveries Department continues to work assiduously to recover our funds as loan delinquency often result in losses that affects the Credit Union's profit margin.

6.2 In an effort to safeguard ourselves against delinquency, proper security for all loans is a must as a high delinquency affects our returns on our investment and ultimately the dividends paid to your our members, Members must take full responsibility for ensuring their commitments to the Credit Union are met on time and also assist the Society by encouraging fellow members to pay their loans in a timely manner.

6.3 A review of the payment performance of the members for the year ending December 2018 indicated that of the loans granted in 2018, twenty-eight members were in arrears with a total sum of One Hundred and Four Thousand Six Hundred and Forty Dollars (104,640) or 3.9% of the total arrears position as at December 31, 2018 of \$2.67 Mn. The principal balance outstanding on the twenty-eight loans in arrears from those issued in 2018 amounted to Six Hundred and Fifty-one Thousand, Three Hundred and Seventy-four Dollars (\$651,374)

## 7.0 COMMENTS/ ADVICE

- The Credit Committee continues to urge members to save and access the services of the Credit Union in a responsible manner, i.e. financial planning and budgeting, setting goals and working towards them, as these will allow for easier access to loan facilities.
- When applications are made, it is imperative to produce proper documents for loan requests as inaccurate documentation or records which are not up to date generally cause delays in processing of loans.
- Members are reminded that it is important when applying for a loan, to state exactly the purpose of the loan as an application can be disqualified outright and or it can present difficulty for the Committee to grant approval. As stated in 7.3 of the Updated Loan Policy, "any loan approved for members who give false information to the society becomes repayable immediately upon discovery of the falsehood in accordance with the Co-operative Society Act Chapter 81.03 regulation #44".

## 8.0 CONCLUSION

8.1 The Credit Committee wishes to thank all members for giving us the opportunity to serve you. To the Board of Directors, the Supervisory Committee, the Education Committee, the Manager and Staff, we say thank you for your support during the year 2018.

We sincerely pledge our commitment to the TRANSCORP Credit Union Co-operative Society Limited.



Geeta Teelucksingh-Ali  
Secretary



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# **SUPERVISORY COMMITTEE REPORT**

# Supervisory Committee Report 2018

## 1.0 INTRODUCTION

The Supervisory Committee is pleased to present the report of its activities for the period of January 2018 to December 2018. The activities for the period was carried out in an environment of continued concern for the economic environment and the needs to protect the assets of the organisation and its members while seeking to continue its core functions of monitoring the efficacy and effectiveness of the divisions and providing them with the guidance necessary to grow and make a better organisation.



Left to Right: Ms. Sevel Nicholls & Mr. Shawn Mason

## 2.0 OPERATIONS OF THE COMMITTEE:

At the 45th Annual General Meeting of the Transcorp Credit Union, held on the 21st April, 2018 at the Central bank Auditorium. The following officers were elected:

- |                      |                      |
|----------------------|----------------------|
| • Mr Shawn Mason     | Chairman             |
| • Ms Sevel Nicholls  | Secretary            |
| • Ms Calleand Quales | Member               |
| • Ms Shermica Graham | 1st Alternate Member |
| • Mr Harold Collins  | 2nd Alternate Member |

### Programme of Activities

The Committee undertook the following activities set by the Bye-laws of TRANSCORP Credit Union:

- Monthly reviews of the Financials and confirming its correctness.
- Review of the compliance Manual developed to meet the requirements of the FIU;
- Cash counts and Bank reconciliations;
- Providing a monthly summary of its findings to the Board of Directors
- System upgrading
- Dormant accounts

## 3.0 ATTENDANCE AT MEETINGS

The members of the Supervisory Committee attended meetings on a monthly basis, and at special occasions when called upon;

## 4.0 OUTCOME OF THE ACTIVITIES

### 4.1 Monthly Financial Statements

- 4.1.1 The Committee reviewed all the financial statements to October 2018. There were no significant issues. The statements remained stable during the year. With all audit procedures carried out in accordance with the International Standards on Auditing. All Financial Statements were signed off by the committee.

#### 4.2 **Compliance Manual:**

4.2.1 The Supervisory Committee reviewed the list of the Operations and requirements of the developed Compliance Manual. The present form and content reflects the objectives that ought to be held by the organisation.

#### 4.3 **Cash Counts and Bank Reconciliation**

4.3.1 The committee conducted cash counts and bank reconciliation activity throughout the year under review and found them to all be satisfactory.

4.3.2 We offer thanks to the staff members for their co-operation during these exercises.

#### 4.4 **System Upgrading**

4.4.1 The committee is pleased to report that the long awaiting upgrade has been an overwhelming success. Records now show a more accurate and justifiable reporting so all members can be clear on the information that is asked and given.

4.4.2 The implementation of the IFRSS has also made a great impact on the reporting's for the organisation. This has ensured that the organisation is up to standards on international levels of financial reporting and securing our future.

4.4.3 We offer thanks to the Board for expressing the importance of training geared towards our understanding of the IFRS9, to share accurately to our members.

#### 4.5 **Dormant accounts**

4.5.1 The committee conducted reviews on an ongoing project list to curb the delay in communication with members and to re-establish contact with them

## 5.0 **RECOMMENDATIONS**

5.1 The committee strongly recommend that the Bye Laws, need to be reviewed on a regular basis to always fall in line with existing practices

## 6.0 **CONCLUSIONS**

6.1 Transcorp Credit Union Cooperative Society has had another successful year, where it is evident that there is proper management of the funds of the society. The members can rest assure and feel confident that their investments are being properly managed, given the tough economic times.

6.2 The Committee sincerely congratulates the President, manager, Board of Directors and Staff for their commitment to the organisation and wishes them the best in all their future endeavours. The members of the 2018 Supervisory Committee extends its thanks to the members for the opportunity to serve you.

Respectfully submitted, For and on behalf of the Supervisory Committee



Sevel Nicholls  
Secretary  
March 18, 2019



Transcorp Credit Union  
Co-operative Society Limited

# BUILDING or RENOVATING your HOME



**Just  
PROVIDE  
us with**

Title Deed for the property proving ownership  
Not the owner? Written consent from the owner  
Updated Land and Building Taxes  
Updated WASA Clearance Certificate  
Life Insurance assigned to the Society (to cover the entire risk  
Valuation report)  
Certificate of Assessment (for Home purchase)  
Statutory Approval for building and approved plans  
Builder's Detailed Estimate  
Building Contract

## Contact your nearest office

Head Office  
#60 Fifth Street,  
Barataria  
Tel: 675-3053

Tobago  
D Fort Plaza, Dutch Fort,  
Scarborough, Tobago  
Tel: 639-3847

San Fernando  
2nd Floor Ritz Plaza  
Cor. St. James & Penitence St.  
Tel: 657-9245



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# **EDUCATION COMMITTEE REPORT**

# Education Committee Report 2018-2019

## 1.0 INTRODUCTION

From inception, the Education Committee of the Transcorp Credit Union Co-operative Society Limited was given the mandate for education, publicity and outreach through the provision of productive, meaningful seminars, workshops and events geared towards information sharing and active learning for our members. Today, our responsibilities have expanded, and the Board of Directors has placed more trust and confidence in the Committee's ability to be actively involved in the issues that affect our members so that we can deliver timely and relevant education and training programmes. The philosophy of co-operativism remains true today, as we continue as a Credit Union to learn from one another and further expand our reach as an organization.



Left to Right: Mr. Sherwin Joseph, Mr. Clyde Parris, Ms. Natasha Bowen, Mr. Clive Best and Mr. Anthony Thompson

## 2.0 PRESENT COMMITTEE

In accordance with the guidance received from the Board of Directors subsequent to the 45th Annual General Meeting in 2018, the members of the Committee for the period April 2018 to April 2019 comprised the following persons:-

- |                        |   |           |
|------------------------|---|-----------|
| • Mr. Anthony Thompson | - | Chairman  |
| • Ms. Natasha Bowen    | - | Secretary |
| • Mr. Clive Best       | - | Member    |
| • Ms. Karen Woods      | - | Member    |
| • Mr. Clyde Parris     | - | Member    |
| • Mr. Sherwin Joseph   | - | co-opted  |

In response to its mandate, the Committee held monthly meetings to organize and execute a schedule of activities as follows:

## 3.0 COMMITTEE ACTIVITIES

### SECONDARY ENTRANCE EXAMINATION (SEA) AND TERTIARY GRANT AWARD.

Following the announcement of the SEA results in 2018, the Committee opened and received applications from parents on behalf of our young members. Of the applicants, two (2) students were selected and received their grants along with the eight (8) other recipients for the years 2014-2017. We extend heartfelt congratulations to first place student Mr. Dimitri Pinto and second place student Ms. Rianna Samsingh. Both students now attend St. Mary's College and Holy Faith Convent, Couva respectively.

Regarding the tertiary grant award, two (2) applications were received and the 2018 recipient, Ms. Kerchelle Browne, was selected; as at the time of selection, the second applicant was not accepted at a tertiary institution. Ms. Browne is presently pursuing her degree in Accounting at the University of the West Indies

(U.W.I.) St. Augustine. Our student selection criteria has been revamped, and students are chosen not just on academic qualification but on financial need. Our students continue to shine, and we encourage them to give back to the Credit Union in a meaningful way and also entreat all members to continue to support our youth membership.

### **3.1.1. STUDENT ASSESSMENT PROCEDURE**

In our efforts to track the progress of our students, the Committee has formulated and implemented the Student Assessment Procedure. An assessment form is given to each student to be completed by the senior school official of his/her institution that evaluates areas of academic performance, school conduct, attendance and other areas of educational importance. All students are required to maintain a B+ average in order to ensure continuation of their receipt of the Grant. The first distribution of assessments took place in March 2019, and feedback would be given in a subsequent report.

### **CREDIT UNION NEWSLETTER**

The Credit Union newsletter was distributed to our membership in December 2018, and highlighted the achievements of our Credit Union, activities throughout the years and gave pertinent financial advice. This publication intends to be produced bi-annually so members can look out for the next edition. The newsletter, a collaborative effort between the Education Committee and the Marketing Committee, intends to promote pride and excitement among our membership as we continue to press forward as an organization.

### **3.3. CREDIT UNION CALENDAR OF EVENTS**

We continue to celebrate our members and appreciate their attendance and participation in the activities of the Credit Union, and out of this passion a calendar was formulated and distributed to the membership. This inaugural publication features pictures of past events and highlights dates of upcoming events and activities for each month of the year. Members received this calendar as a keepsake and are encouraged to attend Credit Union events.

### **3.4. CREDIT UNION DAY**

The Committee played a key role in the celebration of Credit Union Day, which was honoured in the month of October 2018 and featured a health fair.

### **3.5. 'YOUR LIFE, YOUR HEALTH, YOUR CHOICE'**

This seminar was held on Saturday 25th August 2018 at the Legions of the Commonwealth Building, Barataria, and highlighted personal development and awareness regarding health and wellness. Presentations were made by Mr. Marlon Bascombe, Executive Director of Caribbean Associates for Life Skills, Mediation and Management (C.A.L.M.M.), Mrs. Gemma Bowen, Treasurer of Transcorp Credit Union, and Dr. Ayanna Richardson. Topics presented include the values of leadership, parenting roles and responsibilities and the dangers of substance abuse and addiction. The Committee also used this opportunity to present our 2018 SEA recipients with their awards and congratulated them on their continued achievements.

## **CLOSING REMARKS AND VOTE OF THANKS**

As we look forward to the 46th Annual General Meeting of the Transcorp Credit Union Co-operative Society, the Education Committee remains indelibly grateful to the Board of Directors, Committee members and Management and Staff of the Credit Union for its patience, foresight, creativity, commitment and energy during our tenure. It is with heartfelt thanks that we express indebtedness to those who encouraged and

supported our events and activities, our membership.

The Education Committee members endeavor tirelessly to the development and improvement of the membership through mandatory programs and events. By this token, it is imperative that the necessary support be given in order to strengthen the success of such initiatives. The Committee strongly entreats for the increased visibility and participation of Board officers, other committee members and the membership at functions and seminars. In the promotion of leadership through exemplary tactics, it is the Committee's hope that such an appeal would stir hearts and hands towards the development and outward progress of the Credit Union. We look forward to 2019 and beyond with hope, expectancy and positive reward.

God's richest blessings to all.

*Natasha Bowen.*

Natasha Bowen  
Respectfully submitted  
Secretary, On Behalf Of Chairman  
Education Committee



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# PHOTO CORNER



Staff Pic Left -to right [Back ] Kevin Oliver, Janelle Millette, Nikeshia La Chapelle, Sheldon Seale, Mrs. Dixie Ann Burnett - Roachford , Deanna Dass, Mrs. Aleeyia Paul - Cox. [FRONT] Shinelle Gittens, Mrs. Brittany Laloo - Ramkallawan, Mrs. Deneille Joseph, Mrs Ranah Gobin - Jagram, Mrs Kerina Alexander Mc Lean, Patsy Patrice, Gillian Mannette, Shawnella Burgess, Abigail Munroe

Liaison Officers Mr. Hayden London - Chaguanas Branch and Ms. Avril Baptiste Sangre Grande Branch .



General Manager - Mr. Eugene Stephenson Atwell



Car Park Jam 2018





Parang Lime 2018



Father's Who Can Cook 2018



Boat Cruise 2018



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# STATEMENT OF INCREMENTAL BUDGET 2019

# Statement of Incremental Budgeted Income & Expenditure

Period: January 1st to December 31st 2019

INCOME	\$	\$
<b>INTEREST INCOME</b>		
Interest On Consumer Loans	8,360,000	
Interest On Education Loan	2,591	
Interest On Vehicles Loan	50,000	
Interest On Loan Ez-Up	851,497	
Interest On Long Term Loan	711,945	
Interest On Oops Loan	526,958	
Interest On School Book Loans	17,332	
Interest On Transformer Loan	2,473	
Interest On Vacation Loan	990	
Interest On Voucher Loan	17,919	
Interest Stabilizer Loan	350,000	
<b>TOTAL INTEREST INCOME</b>		10,891,705
<b>INTEREST INCOME</b>		
Administration Fees	350,000	
Dividend Income	78,245	
Entrance Fees	2,356	
Fip Dividend Income	35,600	
Income From Cookout	35,000	
Income From Fcb Abercrombie Fund	84,570	

Statement continued on Next Page

INCOME	\$	\$
Income From Unit Trust	40,000	
Income On Standing Orders	705	
Income Received From Cu Events	78,258	
Interest Income- Fonl Investment	75,000	
Interest On Ansa Merchant Fund	15,500	
Interest On Other Accounts	273	
Other Income	16,914	
Sale Of Pass / Rule Books	1,114	
<b>TOTAL OTHER INCOME</b>		813,535
<b>TOTAL INCOME</b>		11,705,240

EXPENDITURE	\$	\$
<b>OPERATING COSTS</b>		
Interest Paid On Members' Fixed Deposits	26,162	
Interest Paid On Members' Saving	8,736	
		34,898
<b>PERSONNEL COSTS</b>		
N.I.S Employer's Contributions	184,835	
Salaries And Wages	1,890,610	
Severance Payments	128,025	
Staff Grants	21,655	
Staff Gratuity Expense	108,948	
Staff Training	20,000	
Staff Uniforms	35,000	
Subsistence-Staff Welfare	8,389	
		2,397,462

Statement continued on Next Page

## Statement of Incremental Budgeted Income &amp; Expenditure 2019

EXPENDITURE	\$	\$
<b>ACCOMODATION COSTS</b>		
General Insurance	50,000	
General Maintainance Building	87,104	
Office Rent	200,000	
Security	298,000	
		635,104
<b>BUSINESS COSTS</b>		
Advertising And Public Relations	125,000	
Annual General Meeting	225,000	
Audit Fees	100,000	
Bank Charges	60,000	
Computer Supplies/Expenses	95,000	
Credit Union Week Expenses	14,215	
Cuna Insurance Premium	968,848	
Donations	20,000	
Electricity And Water	40,000	
Equipment Rental	43,095	
Marketing Committee Expenses	191,454	
Postage And Stamps	3,152	
Repairs., Renewals And Maintain	14,535	
Stabilization Fund	35,000	
Stationery And Printing	141,865	
Strategic Planning Expenses	15,000	
Telephone	90,992	
Water Rates And Building Taxes	18,000	
		2,201,156

Statement continued on Next Page

INCOME	\$	\$
<b>COMMITTEE COSTS</b>		
Board Of Directors Expenses	138,921	
Credit Committee Expense	29,313	
Education Expenses	5,154	
Human Resources Expenses	19,575	
Supervisory Committee Expenses	9,429	
		202,392
<b>TRAVEL AND SUBSISTENCE</b>		
	205,200	
Board Of Directors Subsistence	66,000	
Credit Committee Subsistence	14,400	
Education Committee Subsistence	18,000	
Liaison Officers Subsistence	32,400	
Supervisory Committee Subsistence		336,000
<b>GENERAL EXPENSES</b>		
Bad Debt	100,000	
Consultants Fees	50,000	
Contract Services	12,661	
Legal Fees	35,000	
Newspaper And Magazines	2,000	
Office Expense	91,561	
Professional Fees	60,287	
Seminar/Conventions	80,000	
Storage	14,860	
Subscription Fees	5,156	
Transportation	742	
Travelling Expenses	33,397	
Vehicle Expenses	19,299	
		504,963
<b>TOTAL EXPENDITURE</b>		6,311,975
<b>NET SURPLUS</b>		5,393,265



Transcorp Credit Union  
Co-operative Society Limited



# *Save with our FIXED DEPOSITS*

## **AMOUNTS**

\$1000 - \$15,000  
\$15,000 - \$30,000  
More than \$30,000

## **RATES DURATION**

	3 Months	6 Months	12 Months
\$1000 - \$15,000	1.00	1.25	1.55
\$15,000 - \$30,000	1.25	1.50	1.70
More than \$30,000	1.75	1.75	2.00

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2nd Floor Ritz Plaza  
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# **FINANCIAL STATEMENTS 2018**

**TRANSCORP CREDIT UNION CO-OPERATIVE  
SOCIETY LTD.**

FINANCIAL STATEMENTS  
(with auditors' report thereon)  
December 31, 2018

**GARISON & CO.**



Reg. No. 317

# Transcorp Credit Union Co-op Society Ltd.

## EXECUTIVE:

### PRESIDENT

*Jacqueline Bowen*

### VICE PRESIDENT

*Carlton Jackson*

### TREASURER

*Gemma Bowen*

### SECRETARY

*Anthony Thompson*

### ASST. SECRETARY

*Paula Yarde*

## DIRECTORS:

*Melville Dyer*

*Clyde Parris*

*Winton Gordon*

*Haulister Walcott*

*Mc Lean Charles*

*Clive Best*

*Eva Abraham*

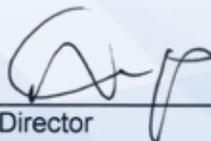
## Statement of Management's Responsibilities

It is the responsibility of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Transcorp Credit Union Co-operative Society Ltd. (Credit Union) as at the end of the financial year and of the operating results of the Credit Union for the year. It is also the responsibility of management to ensure that the Credit Union keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union. Management is also responsible for safeguarding the assets of the Credit Union.

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

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Financial Reporting Standards. Management is of the opinion that the financial statements present fairly in all material respects, the state of the financial affairs of the Credit Union and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that Transcorp Credit Union Co-operative Society Ltd. will not remain a going concern for at least the next twelve months from the date of this statement.

  
\_\_\_\_\_  
Director

May 8, 2019

  
\_\_\_\_\_  
Director

May 8, 2019

**Table of Contents****TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**

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## INDEPENDENT AUDITORS' REPORT

### The Members

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**

### Opinion

We have audited the financial statements of Transcorp Credit Union Co-operative Society Ltd. (the Credit Union) which comprise the statement of financial position as at December 31, 2018, the statement of comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and 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 Transcorp Credit Union Co-operative Society Ltd. as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the 2018 Annual Report but does not include the financial statements and our auditors' report thereon.

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 identified above 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. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

(1)

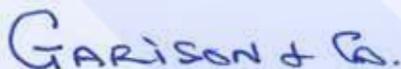
**INDEPENDENT AUDITORS' REPORT****The Members****TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.****Auditors' Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 auditors' 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 auditors' 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Port of Spain  
TRINIDAD  
W.I.

May 8, 2019

(2)

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## STATEMENT OF FINANCIAL POSITION

December 31, 2018

ASSETS	NOTES	2018	2017
<b>Cash Resources</b>			
Cash on Hand	5	\$ 484,680	515,964
Cash at Bank	5	2,898,439	1,173,757
Short Term Investments	6	16,033,079	11,736,808
Total Cash Resources		<u>19,416,198</u>	<u>13,426,529</u>
<b>Other Assets</b>			
Accounts Receivable and Prepayments	7	1,894,080	585,605
Members' Loans	8	59,831,630	62,930,665
Investment in Instruments	6	2,463,612	1,982,818
Due from Subsidiary	11	-	500,000
Investment in Land	10	1,500,000	1,500,000
Investment in Subsidiary	6	198,073	198,073
Property, Plant & Equipment	12	4,460,439	4,314,687
Total Other Assets		<u>70,347,834</u>	<u>72,011,848</u>
<b>Total Assets</b>		<b>\$ <u>89,764,032</u></b>	<b><u>85,438,377</u></b>
<b>Liabilities</b>			
Accounts Payable and Accruals	13	\$ 4,178,761	3,172,458
Members' Deposits	14	6,008,177	5,839,159
Members' Shares	15	65,320,524	64,340,079
Total Liabilities		<u>75,507,462</u>	<u>73,351,696</u>
<b>Members' Equity</b>			
Retained Earnings		6,217,634	5,100,738
Reserve Fund		5,321,475	4,783,423
Education Fund		1,061,884	851,388
Building Fund		1,376,203	1,107,177
Building Revaluation Reserve		(304,260)	(304,260)
Investment Revaluation Reserve		583,634	548,215
Total Members' Equity		<u>14,256,570</u>	<u>12,086,681</u>
<b>Total Liabilities &amp; Members' Equity</b>		<b>\$ <u>89,764,032</u></b>	<b><u>85,438,377</u></b>

(The accompanying notes form part of these Financial Statements)

These financial statements were approved by the Board of Directors and authorised for issue on 2019 May 08 and signed on their behalf by:

President: [Signature] - Treasurer: [Signature] Supervisory Committee Member: [Signature]

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2018

	<u>NOTES</u>	<u>2018</u>	<u>2017</u>
<b>Revenue</b>			
Loan Interest		\$ 10,183,043	9,553,758
Investment Income		223,385	171,042
Dividend Income		75,878	70,880
Other Income		466,689	592,751
Total Revenue		<u>10,948,995</u>	<u>10,388,431</u>
<b>Expenses</b>			
Depreciation	12	212,856	183,607
Administrative and Other	16 (a)	2,795,068	3,031,330
Officers and Board Expenses	16 (b)	706,645	560,309
Employee Costs	16 (c)	2,174,302	2,090,113
Interest and Bank Charges	16 (d)	93,176	98,200
Loan Loss (IAS 39)		-	140,000
Expected Credit Losses (IFRS 9)		(414,510)	-
Loss on Disposal of Property, Plant & Equipment		934	-
Total Expenses		<u>5,568,471</u>	<u>6,103,559</u>
Net Surplus		5,380,524	4,284,872
<b>Other Comprehensive Income</b>			
Items: that are or may be classified to profit and loss:			
Gain / (Loss) on financial assets classified as FVOCI		35,419	(8,934)
Total Comprehensive Income		<u>\$ 5,415,943</u>	<u>4,275,938</u>

(The accompanying notes form part of these Financial Statements)

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## STATEMENT OF CHANGES IN MEMBERS' EQUITY

Year ended December 31, 2018

	<u>Retained</u> <u>Earnings</u>	<u>Reserve</u> <u>Fund</u>	<u>Education</u> <u>Fund</u>	<u>Building</u> <u>Fund</u>	<u>Building</u> <u>Revaluation</u> <u>Reserve</u>	<u>Investment</u> <u>Revaluation</u> <u>Reserve</u>	<u>Total</u>
<b>Balance as at December 31, 2017</b>	<b>5,100,738</b>	<b>4,783,423</b>	<b>851,388</b>	<b>1,107,177</b>	<b>(304,260)</b>	<b>548,215</b>	<b>12,086,681</b>
<b>Impact of initial adoption of IFRS 9</b>	(165,490)	-	-	-	-	-	(165,490)
<b>Balance as at January 1, 2018</b>	<b>\$ 4,935,248</b>	<b>4,783,423</b>	<b>851,388</b>	<b>1,107,177</b>	<b>(304,260)</b>	<b>548,215</b>	<b>11,921,191</b>
Total Comprehensive Income	5,380,524	-	-	-	-	35,419	5,415,943
10% to Reserve Fund	(538,052)	538,052	-	-	-	-	-
5% to Education Fund	(269,026)	-	269,026	-	-	-	-
5% to Building Fund	(269,026)	-	-	269,026	-	-	-
Honorarium Paid re 2017	(98,467)	-	-	-	-	-	(98,467)
	<u>9,141,201</u>	<u>5,321,475</u>	<u>1,120,414</u>	<u>1,376,203</u>	<u>(304,260)</u>	<u>583,634</u>	<u>17,238,667</u>
Education Fund Expenses	-	-	(58,530)	-	-	-	(58,530)
Dividends Paid re 2017	(2,923,567)	-	-	-	-	-	(2,923,567)
<b>Balance as at December 31, 2018</b>	<b>\$ <u>6,217,634</u></b>	<b><u>5,321,475</u></b>	<b><u>1,061,884</u></b>	<b><u>1,376,203</u></b>	<b><u>(304,260)</u></b>	<b><u>583,634</u></b>	<b><u>14,256,570</u></b>

(The accompanying notes form part of these Financial Statements)

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**

**STATEMENT OF CHANGES IN MEMBERS' EQUITY**

Year ended December 31, 2018

	<u>Retained</u> <u>Earnings</u>	<u>Reserve</u> <u>Fund</u>	<u>Education</u> <u>Fund</u>	<u>Building</u> <u>Fund</u>	<u>Building</u> <u>Revaluation</u> <u>Reserve</u>	<u>Investment</u> <u>Revaluation</u> <u>Reserve</u>	<u>Total</u>
<b>Balance as at December 31, 2016</b>	<b>\$ 4,925,180</b>	<b>4,354,936</b>	<b>683,853</b>	<b>892,933</b>	<b>(304,260)</b>	<b>557,149</b>	<b>11,109,791</b>
Total Comprehensive Income	4,284,872	-	-	-	-	(8,934)	4,275,938
10% to Reserve Fund	(428,487)	428,487	-	-	-	-	-
5% to Education Fund	(214,244)	-	214,244	-	-	-	-
5% to Building Fund	(214,244)	-	-	214,244	-	-	-
Honorarium Paid re 2016	(100,000)	-	-	-	-	-	(100,000)
Reversal of Provision	65,960	-	-	-	-	-	65,960
	<u>8,319,037</u>	<u>4,783,423</u>	<u>898,097</u>	<u>1,107,177</u>	<u>(304,260)</u>	<u>548,215</u>	<u>15,351,689</u>
Education Fund Expenses	-	-	(46,709)	-	-	-	(46,709)
Building Revaluation- Barataria	-	-	-	-	-	-	-
Dividends Paid re 2016	(3,218,299)	-	-	-	-	-	(3,218,299)
<b>Balance as at December 31, 2017</b>	<b>\$ <u>5,100,738</u></b>	<b><u>4,783,423</u></b>	<b><u>851,388</u></b>	<b><u>1,107,177</u></b>	<b><u>(304,260)</u></b>	<b><u>548,215</u></b>	<b><u>12,086,681</u></b>

(The accompanying notes form part of these Financial Statements)

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**

**STATEMENT OF CASH FLOWS**

Year ended December 31, 2018

	<u>2018</u>	<u>2017</u>
<b><u>Operating Activities:</u></b>		
Net Income for the year	\$ 5,380,524	4,284,872
<i>Adjustment for reconciling net surplus for the year to net cash provided by operating activities:</i>		
Loss on Disposal of Property, Plant & Equipment	934	-
Depreciation	212,856	183,607
Expected Credit Losses	(414,510)	65,960
Net change in Investment Revaluation Reserve	35,419	(8,934)
Honorarium Paid re 2017	(98,467)	(100,000)
Education Fund Expenses	(58,530)	(46,709)
 <i>Working Capital Changes</i>		
Net change in Accounts Receivable and Prepayments	(1,308,475)	2,231
Net change in Members' Loans	3,348,055	(7,523,432)
Net change in Accounts Payable & Accruals	1,006,303	10,428
Net Cash Provided by / (Used in) Operating Activities	<u>8,104,109</u>	<u>(3,131,977)</u>
 <b><u>Investing Activities:</u></b>		
Net change in Long-Term Investments	(480,794)	(329,601)
Increase in Property, Plant & Equipment	(359,542)	(193,173)
Net change in Due from Subsidiary	500,000	-
Net Cash Used in Investing Activities	<u>(340,336)</u>	<u>(522,774)</u>
 <b><u>Financing Activities:</u></b>		
Dividends Paid	(2,923,567)	(3,218,299)
Net change in Members' Shares	980,445	6,416,582
Net change in Members' Deposits	169,018	501,273
Net Cash (Used in) / Provided by Financing Activities	<u>(1,774,104)</u>	<u>3,699,556</u>
Increase in cash	5,989,669	44,805
Cash resources at beginning of year	13,426,529	13,381,724
Cash resources at end of year	\$ <u><u>19,416,198</u></u>	\$ <u><u>13,426,529</u></u>
 <b><u>Represented by:</u></b>		
Cash in hand and at bank	\$ 3,383,119	1,689,721
Short-term Investments	16,033,079	11,736,808
	\$ <u><u>19,416,198</u></u>	\$ <u><u>13,426,529</u></u>

(The accompanying notes form part of these Financial Statements)

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.****NOTES TO THE FINANCIAL STATEMENTS****December 31, 2018****(1) REGISTRATION AND OBJECTIVES**

Transcorp Credit Union Co-operative Society Ltd. was registered under the Co-operative Societies Act of Trinidad and Tobago Ch: 81:03 on July 7, 1969.

The registered office of the Credit Union is situated at 60 Fifth Street, Barataria with branch operations in San Fernando and Scarborough, Tobago.

Its objectives are to improve the social and economic welfare of its members, encourage the spirit and practice of thrift, self-help, and co-operation among its members and to promote the development of co-operative ideas.

It is governed by the Laws of the Republic of Trinidad and Tobago and its Bye-laws as adopted by members, at general meetings.

The Credit Union has an 85.5% shareholding in its subsidiary Transcorp Development Company Limited.

**(2) SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in these financial statements have been applied consistently to all periods presented in the financial statements unless otherwise stated.

**(a) Basis of Preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and are stated in Trinidad and Tobago dollars, which is the functional currency, and rounded to the nearest whole dollar. This is the first set of the Credit Union's annual financial statements in which IFRS 9, Financial Instruments and IFRS 15, Revenue from Contracts with Customers have been applied. Changes to significant accounting policies are described in Note 2(d). These financial statements are stated on the historical cost basis, except for the measurement at fair value or amortised cost of certain financial instruments and property.

**(b) Use of Estimates**

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and 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 reported amounts 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 management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

**(c) New Accounting Standards and Interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2019, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Credit Union, except for IFRS 16 (Leases), (effective for accounting periods beginning on or after 1 January 2019) and could change the classification and measurement of financial assets. The Credit Union does not plan to adopt this standard early and the extent of the impact has not been determined.

**(d) Changes in Accounting Policies**

In these financial statements, the Credit Union has applied IFRS 9 and IFRS 15, effective for annual periods beginning on or after 1 January 2018, for the first time. The Credit Union has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

#### (d) Changes in Accounting Policies (Cont'd)

##### (a) IFRS9 Financial Instruments

IFRS 9 replaces IAS 39 - Recognition and Measurement for annual periods on or after 1 January 2018.

##### (i) Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the contractual cash flow characteristics of the financial asset.

The Credit Union reassesses its business model each reporting period to determine whether they have changed. No such changes have been identified for the current year.

The IAS 39 measurement categories of financial assets (fair value through profit and loss (FVTPL), available for sale (AFS) and held-to-maturity at amortised cost have been replaced by:

- Debt instruments at amortised  
Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at FVOCI, with no recycling of gains or losses or profit or loss on derecognition;
- Financial assets at FVTPL

The accounting for financial liabilities remain largely the same as it was under IAS 39.

##### (ii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

##### (iii) Measurement categories of financial assets and liabilities

From January 1, 2018, the Credit Union classifies all of its financial assets based on the business model for

- Amortised cost
- FVOCI
- FVTPL

From January 1, 2018, the Credit Union only measures cash and cash equivalents and loans to members and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

#### (d) Changes in Accounting Policies (Cont'd)

##### (iv) *Changes to impairment calculation*

The adoption of IFRS 9 has fundamentally changed the Credit Union's accounting for loan loss impairments by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Credit Union to record an allowance for expected credit loss (ECL) for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination.

##### (v) *Transition*

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied.

##### (vi) *Business model assessment*

The Credit Union determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

##### (b) *IFRS15 Revenue from contracts with customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces IAS 18 Revenue.

The Credit Union initially applied IFRS 15 on January 1, 2018 retrospectively in accordance with IAS 8 - Changes in Accounting Principles without any practical expedients. The impact of IFRS 15 was limited to the new disclosure requirements.

- The parties to the contract have approved the contract.
- The Credit Union can identify each party's rights regarding the contract.
- The Credit Union can identify the payment terms for the contract.
- The contract has commercial substance.
- It is probable that the Credit Union will collect the consideration to which it is entitled in exchange for the goods or services contract given to the member. In evaluating whether collectability of an amount of consideration is probable, the Credit Union shall consider only the member's ability and intention to pay that amount of consideration when it is due.

#### (e) Property, Plant & Equipment

Property, Plant & Equipment are stated at historical cost or valuation less accumulated depreciation. Depreciation is provided at the following rates considered appropriate to write off the assets over their estimated useful lives:

Vehicle	-	25% on the reducing balance
Furniture and Office Equipment	-	20% on the reducing balance
Furniture and Fixtures	-	20% on the reducing balance
Computers and Accessories	-	20% on the reducing balance

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

**(e) Property, Plant & Equipment (Cont'd)**

Air Condition Units	-	20% on the reducing balance
Building	-	2% on the straight-line basis

No depreciation is provided on Land.

The assets' residual values and useful lives are reviewed at each Statement of Financial Position date, and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the Statement of Comprehensive Income.

**(f) Financial Instruments**

Financial instruments carried on the statement of financial position include cash and cash equivalents, investments, investments securities, loans to members, accounts receivable, accounts payable, members' deposits, and members' share savings. The standard treatment for recognition, derecognition, classification and measurement of financial instruments is described in notes (i) - (vii) below.

**(i) Recognition and initial measurement**

The Credit Union initially recognizes financial instruments on the date on which they are originated.

A financial asset or financial liability, except for an item not at FVTPL, is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

The Credit Union measures fair value in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**(ii) Subsequent measurement**

Those financial assets such as members' loans and receivables, which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal and interest only, are subsequently measured at amortised cost. Gains/losses arising on remeasurement of such financial assets are recognized in profit or loss as movements in Expected Credit Loss. When a financial asset measured at amortised cost is derecognized, the gain/loss is reflected in profit or loss.

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVTPL), except for equity investments, which the Credit Union opted, irrevocably, to measure at fair value through other comprehensive income (FVOCI). Gains/losses arising on remeasurement of such financial assets are recognized in profit or loss as '*Net FV gain/(loss) on financial assets classified at FVTPL*'. When a financial asset measured at FVOCI is derecognized, the cumulative gain/loss previously recognized in OCI is reclassified from equity to profit and loss.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

**(f) Financial Instruments (Cont'd)****(ii) Subsequent measurement (Cont'd)**

Gains/losses arising on remeasurement of equity investments, which the credit union has opted, irrevocably, to measure at FVOCI, are recognized in OCI as *'Items that may not be reclassified subsequently to P&L'* and are called *'Net FV gain/(loss) on equity financial assets classified as at FVOCI'*. When an equity investment measured at FVOCI is derecognized, the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss but instead, transferred within equity.

**(iii) Modification and Derecognition of Financial Assets**

The Credit Union renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk or default. This occurs particularly where, although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened. The revised terms usually include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan and/or a reduction in the amount of cash flows due. When a financial asset is modified, the Credit Union assesses whether this modification results in derecognition of the original loan, such as when the renegotiation gives rise to substantially different terms.

In the case where the financial asset is derecognized, the new financial asset will have a loss allowance measured based on twelve-month ECL. If, however, there remains a high risk of default under the renegotiated terms, the loss allowance will be measured based on lifetime ECL.

When the modification does not result in derecognition, the Credit Union will measure loss allowance at an amount equal to lifetime ECL.

**(iv) Classification**

From January 1, 2018, the Credit Union classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost, as explained in note 2(d);
- FVOCI, as explained in note 2(d);
- FVTPL

The Credit Union only measures cash and cash equivalents and loans to members and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

#### (f) Financial Instruments (Cont'd)

##### *Business model assessment*

The Credit Union determined its business model at the level that best reflects how the Credit Union manages its financial assets to achieve its business objective.

The business model is assessed based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Credit Union's original expectation, the Credit Union does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

##### *The SPPI test*

As a second step of its classification process the Credit Union assesses the contractual terms of financial instruments to identify whether they represent solely payments of principal and interest (the SPPI test).

Principal for the purpose of this test is the fair value of the financial asset at initial recognition. Interest is the consideration for the time value of money and for credit and other risks associated with the principal outstanding. Interest also has a profit margin element.

##### *Financial assets or financial liabilities held for trading*

The Credit Union classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognized in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

#### (v) Reclassification

If the business model under which the Credit Union holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model. Equity instruments which the Credit Union opted to treat at FVOCI cannot be reclassified.

#### (vi) Impairment

Financial assets at amortised costs are impaired at one of two levels:

(1) Twelve-months Expected credit loss (ECL) - These are losses that result from default events that are possible within twelve months after the reporting date. Such financial assets are at 'Stage 1'.

(2) Lifetime ECL - These are losses that result from all possible default events over the life of the financial instrument. Such financial assets are at 'Stage 2' or 'Stage 3'.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition.

For all other financial instruments, ECLs are measured at an amount equal to the twelve-month ECL.

ECL is a probability-weighted estimate of the present value of credit losses, measured as the present value of the difference between (i) the cash flows due to the Credit Union under contract; and (ii) the cash flows that the Credit Union expects to receive, discounted at the asset's effective interest rate.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

**(f) Financial Instruments (Cont'd)**Measurement of ECL

The key inputs used for measuring ECL are:

- (i) probability of default (PD);
- (ii) loss given default (LGD); and
- (iii) exposure at default (EAD).

The Credit Union measures ECL on an individual basis for all loans. The Credit Union's financial instruments are grouped on the basis of shared risk characteristics, such as:

- (i) credit risk grade;
- (ii) collateral type;
- (iii) date of initial recognition;
- (iv) remaining term to maturity;
- (v) industry;
- (vi) geographic location of the borrower;
- (vii) income bracket of the borrower; and
- (viii) the value of collateral relative to the financial asset.

The groupings are reviewed on a regular basis to ensure that each grouping is comprised of homogenous exposures.

Performing financial assets - Stage 1

For performing assets and those expected to perform normally, the loss allowance is the 12-month expected credit loss and is done immediately at initial recognition of asset.

Significant increase in credit risk - Stage 2

When an asset becomes 30 days past due, the Credit Union considers that a significant increase in credit risk has occurred and the asset is deemed to be at Stage 2 and the loss allowance is measured as the lifetime ECL.

Credit-impaired financial assets - Stage 3

A financial asset is 'credit-impaired' when events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as stage 3 assets. Evidence of credit-impairment includes observable data about one or more of the following events:

- (i) significant financial difficulty of the borrower or issuer;
- (ii) a breach of contract such as a default or past due event;
- (iii) the disappearance of an active market for a security because of financial difficulties; or
- (iv) the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

#### (f) Financial Instruments (Cont'd)

##### Credit-impaired financial assets - Stage 3 (Cont'd)

The Credit Union assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date. There is a rebuttable presumption that financial assets that are in default for more than ninety (90) days are credit impaired. The Credit Union also considers a financial asset to be credit impaired if the borrower is unlikely to pay its credit obligation. To determine this, the Credit Union takes into account both qualitative indicators such as unemployment, bankruptcy, divorce or death and quantitative indicators, such as overdue status. The Credit Union uses its historical experience and forward-looking information that is available without undue cost or effort. If there has been a significant increase in credit risk the Credit Union will measure the loss allowance based on lifetime rather than twelve-month ECL.

##### Cash and Cash Equivalents

While cash and cash equivalents are also subjected to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

##### Write-Off

Loans and receivables are written off when the Credit Union has no reasonable expectations of recovering the financial asset, for example, when the Credit Union determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the Credit Union's enforcement activities will result in gains.

##### Collateral held as security

The Credit Union holds the following types of collateral to mitigate credit risk associated with financial assets:

General loans	Shares in the credit union
Mortgage lending *	Deed of Mortgage on property
Vehicle loans	Deed of Mortgage on vehicle

\* *The Credit union holds residential properties as collateral for the mortgage loans it grants to its members. The value of the collateral for residential mortgage loans is typically based on the collateral value at origination, updated based on changes in house prices. For credit-impaired loans, the value of collateral is based on the most recent appraisal.*

##### Assets obtained by taking possession of collateral

The Credit Union did not obtain any assets during the year by taking possession of collateral held as security against loans held at the year end.

#### (vii) Financial Liabilities

Since the Credit Union does not trade in financial liabilities, and since there are no measurement or recognition inconsistencies, all financial liabilities are initially measured at fair value, net of transaction costs and subsequently, at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition. Financial liabilities recognized at amortised cost are not reclassified.

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.****NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2018

**(g) Investment in Subsidiary**

The investment was initially recognized at cost and subsequently carried at cost plus transaction cost less impairment losses.

**(h) Revenue Recognition**Loan Interest

Interest charged on loans to members is calculated on the outstanding balance at the end of each month at rates varying between 0.75% and 1.5% per month. Loan interest is accounted for on accruals basis.

Investment Income

Income from investments is accounted for on the accruals basis except for dividends, which is accounted for on a cash basis.

**(i) 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 Comprehensive Income.

**(j) Dividends payable to members**

Dividends are computed on the weighted average value of shares held throughout the year, the weighted average being determined on the basis of the value of shares held at the end of each month. Dividends that are proposed and declared after the statement of financial position date are not shown as a liability but are disclosed as a note to the financial statements.

**(k) Comparative Figures**

Certain changes in presentation have been made during the year and comparative figures have been restated accordingly.

**(l) Provisions**

Provisions are recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of expenditure required to settle the obligation at the reporting date.

**(m) Credit Union Policies**

The governance policies of the Credit Union include the following:

**(i) Reserve Fund**

In accordance with Bye-Law 30, of the Credit Union and the Co-operative Society Act, 1971, Section 47, (2), at least 10% of the net surplus of the Credit Union for the year is to be transferred to a Reserve Fund. All losses sustained through extraordinary circumstances over which the Credit Union has no control may, with the approval of the Commissioner of Co-operative Development, be written off, in the Reserve Fund.

**(ii) Education Fund**

In accordance with Bye-Laws 11 and 31 of the Credit Union, an amount of not less than 5% of the net surplus for the year, may be credited to an Education Fund. This fund is to be used for education purposes.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

#### (m) Credit Union Policies (Cont'd)

##### (iii) Dividends

Dividends are recommended by the Board of Directors and confirmed by the members at the Annual General Meeting. Dividends are computed on the basis of the weighted average value of shares in issue throughout the year, the weighted average being determined on the basis of the number of shares in issue at the end of each month. The Board of Directors has proposed a dividend of **3.5%** for the year ended December 31, 2018 to be paid to members when approved. Additionally, an interest rebate of **2%** on the interest paid by a member for loans taken during the period January 1, 2018 to December 31, 2018 will be given.

#### (3) FINANCIAL RISK MANAGEMENT

The Credit Union's activities are primarily related to the use of financial instruments and 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 is exposed to credit risk, interest rate risk, liquidity risk, operational risk, compliance risk and reputation risk in the course of its operations. The risk management policies employed by the Credit Union to manage these risks are as follows.

##### (a) Credit Risk

The Credit Union is exposed 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.

Credit risk is the most important risk for the Credit Union which principally arises in lending activities that lead to loans and other financing. In order to effectively manage credit risk the following are considered:

- i) Proper judgement of the credit worthiness of the member when analyzing the loan application.
- ii) Adequate collateral held as security for funds advanced.
- iii) Maintenance of a strict and aggressive collection policy.
- iv) Maintenance of a prudent loan provisioning policy.
- v) Regular reporting to the Board of Directors on the performance of the loan portfolio.

##### (b) Interest Rate Risk

The interest rate risk arises from the possibility that changes in the market rates will affect future cash flows or the fair values of financial instruments. The Credit Union is exposed to interest rate risks on fixed deposits and money market investments that can experience fluctuations on interest rates currently or upon reinvestment after maturity.

The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

#### (3) FINANCIAL RISK MANAGEMENT (Cont'd)

##### (c) Liquidity Risk

Liquidity Risk is the risk that the Credit Union will be unable to meet its payment obligations when they fall due under normal and stressed circumstances. Through experience and monitoring, the Credit Union is able to maintain sufficient liquid resources to meet current obligations.

##### Liquidity Gap

The Credit Union's exposure to liquidity risk is summarized in the table below which analyses financial assets and liabilities based on the remaining period from the Statement of Financial Position date to the contractual maturity date.

		2018				
Notes	On Demand	Up to 1 year	1 to 5 years	Over 5 years	Total	
	\$	\$	\$	\$	\$	
<b>Financial Assets</b>						
Cash in hand and at bank	5	3,383,119	-	-	3,383,119	
Short-term investments	6	15,033,079	1,000,000	-	16,033,079	
Long-term investments	6	2,015,612	-	448,000	2,463,612	
Members' loans	8	59,831,630	-	-	59,831,630	
		<b>80,263,440</b>	<b>1,000,000</b>	<b>448,000</b>	<b>81,711,440</b>	
<b>Financial Liabilities</b>						
Members' deposits	14	4,687,406	1,320,771	-	6,008,177	
Members' shares	15	65,320,524	-	-	65,320,524	
Accounts payable and accruals	13	4,178,761	-	-	4,178,761	
		<b>74,186,691</b>	<b>1,320,771</b>	<b>-</b>	<b>75,507,462</b>	
		2017				
	On Demand	Up to 1 year	1 to 5 years	Over 5 years	Total	
	\$	\$	\$	\$	\$	
<b>Financial Assets</b>						
Cash in hand and at bank		1,689,721	-	-	1,689,721	
Short-term investments		9,695,808	2,041,000	-	11,736,808	
Long-term investments		1,982,818	-	-	1,982,818	
Members' loans		62,930,665	-	-	62,930,665	
		<b>76,299,012</b>	<b>2,041,000</b>	<b>-</b>	<b>78,340,012</b>	
<b>Financial Liabilities</b>						
Members' deposits		4,364,945	1,474,214	-	5,839,159	
Members' shares		64,340,079	-	-	64,340,079	
Accounts payable and accruals		3,172,458	-	-	3,172,458	
		<b>71,877,482</b>	<b>1,474,214</b>	<b>-</b>	<b>73,351,696</b>	

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

#### (3) FINANCIAL RISK MANAGEMENT (Cont'd)

##### (d) Operational Risk

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

##### (e) 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 Republic of Trinidad and Tobago. The risk is limited to a significant extent due to supervision applied by the Inspector of Financial Institutions at the Central Bank of Trinidad & Tobago as well as by the monitoring controls applied by the Credit Union and the Office of the Commissioner of Co-operative Development.

##### (f) Reputation Risk

The risk of loss of reputation arising from negative publicity relating to the Credit Union's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Credit Union. The Credit Union engages in public social endeavours to engender trust and 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 judgements, estimates and assumptions in the process of applying the Credit Union'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 Credit Union makes estimates and assumptions concerning the future. However, actual results could differ from those estimates.

Revisions in accounting estimates are recognized in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

Critical judgements, and estimates with a significant risk of material adjustment in the next financial year, are as follows:

- i) Whether investments are classified as held-to-maturity investments, available-for-sale or loans and receivables.
- ii) Adequacy of allowances for credit losses on the basis described in significant accounting policy note (f).
- iii) 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 the assets.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

<b>(5) <u>CASH ON HAND AND AT BANK</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Cash on Hand:		
Float - Treasury	\$ 319,384	384,435
Cash at Tellers	165,296	131,529
	<u>484,680</u>	<u>515,964</u>
Cash at Bank:		
FCB Current Accounts	2,477,975	930,664
FCB Saving Accounts	413,662	243,093
FCB USD Accounts	6,802	-
	<u>2,898,439</u>	<u>1,173,757</u>
 Total Cash on Hand and at Bank	 <u>\$ 3,383,119</u>	 <u>1,689,721</u>

**(6) INVESTMENTS**Short-Term Investments

(a) Short-Term Investments consist of mutual fund units held and corporate notes:-

<u>Financial assets at fair value through profit and loss (FVTPL)</u>	<b><u>2018</u></b>	<b><u>2017</u></b>
Mutual Fund Units:		
Trinidad and Tobago Unit Trust Corporation - Money Market Fund	\$ 3,226,469	2,888,223
ANSA Merchant Bank Limited - Income Fund	815,916	798,903
First Citizens Bank Limited - Abercrombie Fund	10,990,694	6,008,682
 <u>Financial assets at Held-to-Maturity (Amortised cost)</u>		
Corporate Notes:		
First Line Oil Notes Limited	1,000,000	2,041,000
 Total Short-Term Investments	 <u>\$ 16,033,079</u>	 <u>11,736,808</u>

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2018**

**(6) INVESTMENTS (CONT'D)**

**(b) Long-Term Investments**

Long-Term Investments consist of equity investments held at the following institutions:-

<u>Financial assets at fair value through other comprehensive income (FVOCI)</u>	<u>2018</u>	<u>2017</u>
<b>Quoted Equity</b>		
First Citizens Bank Limited	\$ 1,508,370	1,420,896
Trinidad and Tobago NGL Limited	507,242	461,922
National Investment Fund Limited	448,000	-
<b>Unquoted Equity</b>		
The Central Finance Facility Co-operative Society of Trinidad and Tobago Limited	-	100,000
Total Investment in Instruments	<u>2,463,612</u>	<u>1,982,818</u>
Investment in Subsidiary -Transcorp Development Company Limited	<u>198,073</u>	<u>198,073</u>
Total Long-Term Investments	<u>\$ 2,661,685</u>	<u>2,180,891</u>
Total Investments	<u>\$ 18,694,764</u>	<u>13,917,699</u>

**(7) ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	<u>2018</u>	<u>2017</u>
Accounts Receivable	\$ 165	165
Payroll Receivable	982,206	142,484
Other Receivables	60,227	125,640
Members' Loan Receivable	42,422	42,422
CUNA Death Claim Receivable	556,224	219,100
Delinquency Recoverable	24,491	24,490
	<u>1,665,735</u>	<u>554,301</u>
Prepayments	<u>228,345</u>	<u>31,304</u>
Total Accounts Receivable and Prepayments	<u>\$ 1,894,080</u>	<u>585,605</u>

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

**(8) MEMBERS' LOANS**

	<u>2018</u>	<u>2017</u>
Loans to members	\$ 61,647,867	64,995,922
Less: Allowance for expected credit losses	<u>(1,816,237)</u>	<u>(2,065,257)</u>
Total loans net of expected credit losses	<u>\$ 59,831,630</u>	<u>62,930,665</u>

## Analysis of movement in provision for loan losses

Balance at beginning of year	\$ 2,065,257	1,925,257
Add: Impact of initial adoption of IFRS 9	165,490	-
Add: Additional expected credit losses	-	140,000
Less: Reduction in expected credit losses	<u>(414,510)</u>	<u>-</u>
Balance at end of year	<u>\$ 1,816,237</u>	<u>2,065,257</u>

**(9) MEMBERS' LOANS - RISK ASSESSMENT**

	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Low risk	\$ 54,729,149	-	-	54,729,149
Medium risk	-	658,532	-	658,532
Sub-standard	-	1,536,016	-	1,536,016
Doubtful	-	-	1,107,293	1,107,293
Impaired	-	-	3,616,877	3,616,877
Total gross members' loans	<u>\$ 54,729,149</u>	<u>2,194,548</u>	<u>4,724,170</u>	<u>61,647,867</u>

The table below analyses the movement of the loss allowance on Loans to members at amortised cost during the year.

	Stage 1	Stage 2	Stage 3	Total
Loss allowance, beginning of year	\$ 1,093,684	59,816	911,757	2,065,257
Net Increase /(decrease) due to changes in credit risk	17,819	33,626	(300,465)	(249,020)
<b>Loss allowance, end of year</b>	<u>\$ 1,111,503</u>	<u>93,442</u>	<u>611,292</u>	<u>1,816,237</u>

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2018**

**(10) INVESTMENT IN LAND**

This represents an investment in five (5) acres of land at Las Lomas, which will be for the benefit of members. The land is stated at cost which approximates fair value as at December 31, 2018. The Credit Union currently has a lis pendens registered on the entire 13 acres and has commenced enforcement against the vendor

	<u>2018</u>	<u>2017</u>
	\$ 1,500,000	1,500,000

**(11) RELATED PARTIES**

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.

Related Parties to the Credit Union are:

- Transcorp Development Company Limited -- a subsidiary in which the Credit Union holds 85.5% of the shares and
- Key Management Personnel -- Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Credit Union.

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. A Loan granted to Transcorp Development Company Limited was interest free and was fully repaid by December 31, 2018.

Balances and transactions with related parties during the year were as follows:

**ASSETS:**

	<u>2018</u>	<u>2017</u>
Due from Subsidiary		
Transcorp Development Company Limited	\$ -	500,000
Loans to		
Directors, Key Management personnel and Committee Members	\$ 1,486,917	1,536,205

**DEPOSITS AND OTHER LIABILITIES:**

Deposits held by		
Directors, Key Management personnel and Committee Members	\$ 135,119	144,413
Shares held by		
Directors, Key Management personnel and Committee Members	\$ 2,439,379	2,162,966

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

**(12) PROPERTY, PLANT & EQUIPMENT**

	<u>Computers &amp; Accessories</u>	<u>Furniture &amp; Office Equipment</u>	<u>Furniture &amp; Fixtures</u>	<u>Vehicle</u>	<u>Air Condition Units</u>	<u>Land</u>	<u>Building</u>	<u>Total</u>
<b>Cost</b>								
Balance at								
January 1, 2018	\$ 443,333	758,736	440,316	249,000	44,811	1,250,000	2,676,422	5,862,618
Additions	123,436	179,482	44,424	-	12,200	-	-	359,542
Disposals	(71,263)	-	-	-	-	-	-	(71,263)
Balance at December 31, 2018	<u>495,506</u>	<u>938,218</u>	<u>484,740</u>	<u>249,000</u>	<u>57,011</u>	<u>1,250,000</u>	<u>2,676,422</u>	<u>6,150,897</u>
<b>Accumulated Depreciation</b>								
Balance at January 1, 2018	360,260	584,133	279,461	146,142	30,991	-	146,944	1,547,931
<b>Depreciation</b>	<b>29,837</b>	<b>64,896</b>	<b>34,673</b>	<b>25,715</b>	<b>4,207</b>	-	<b>53,528</b>	<b>212,856</b>
Disposals	(70,329)	-	-	-	-	-	-	(70,329)
Balance at December 31, 2018	<u>319,768</u>	<u>649,029</u>	<u>314,134</u>	<u>171,857</u>	<u>35,198</u>	-	<u>200,472</u>	<u>1,690,458</u>
<b>Net book Value</b>								
Balance at December 31, 2018	<u>\$ 175,738</u>	<u>289,189</u>	<u>170,606</u>	<u>77,143</u>	<u>21,813</u>	<u>1,250,000</u>	<u>2,475,950</u>	<u>4,460,439</u>

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

**(12) PROPERTY, PLANT & EQUIPMENT (CONT'D)**

	<u>Computers &amp; Accessories</u>	<u>Furniture &amp; Office Equipment</u>	<u>Furniture &amp; Fixtures</u>	<u>Vehicle</u>	<u>Air Condition Units</u>	<u>Land</u>	<u>Building</u>	<u>Total</u>
<b>Cost</b>								
Balance at January 1, 2017	\$ 410,316	722,784	371,717	249,000	44,811	1,250,000	2,620,817	5,669,445
Additions	33,017	35,952	68,599	-	-	-	55,605	193,173
Balance at December 31, 2017	<u>443,333</u>	<u>758,736</u>	<u>440,316</u>	<u>249,000</u>	<u>44,811</u>	<u>1,250,000</u>	<u>2,676,422</u>	<u>5,862,618</u>
<b>Accumulated Depreciation</b>								
Balance at January 1, 2017	343,801	542,774	244,941	111,856	27,536	-	93,416	1,364,324
<b>Depreciation Expenses</b>	<b>16,459</b>	<b>41,359</b>	<b>34,520</b>	<b>34,286</b>	<b>3,455</b>	-	<b>53,528</b>	<b>183,607</b>
Balance at December 31, 2017	<u>360,260</u>	<u>584,133</u>	<u>279,461</u>	<u>146,142</u>	<u>30,991</u>	<u>-</u>	<u>146,944</u>	<u>1,547,931</u>
<b>Net book Value</b>								
Balance at December 31, 2017	<u>\$ 83,073</u>	<u>174,603</u>	<u>160,855</u>	<u>102,858</u>	<u>13,820</u>	<u>1,250,000</u>	<u>2,529,478</u>	<u>4,314,687</u>

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

**(13) ACCOUNTS PAYABLE AND ACCRUALS**

	<b><u>2018</u></b>	<b><u>2017</u></b>
CUNA Death Claim Payable	\$ 2,980,537	2,071,616
Provision for Severance/Gratuity	854,694	763,085
Accruals	233,892	209,282
CUNA Premiums Payable	66,204	84,219
Other Accounts Payable	43,434	44,256
Total Accounts Payable and Accruals	<b><u>\$ 4,178,761</u></b>	<b><u>3,172,458</u></b>

**(14) MEMBERS' DEPOSITS**

	<b><u>2018</u></b>	<b><u>2017</u></b>
Members' Savings Deposits	\$ 2,670,596	2,531,448
Members' Special Deposits	1,026,645	782,087
Secured Deposits	208,163	286,165
Deposits 5	66,158	121,525
Deposits 6	658,083	589,245
Members' Fixed Deposits	1,320,771	1,474,214
Other Members' Deposits	57,761	54,475
Total Members' Deposits	<b><u>\$ 6,008,177</u></b>	<b><u>5,839,159</u></b>

**(15) MEMBERS' SHARES**

	<b><u>2018</u></b>	<b><u>2017</u></b>
Members' Shares	\$ 63,554,445	61,944,885
Members' Shares 1 and 2	1,766,079	2,395,194
Total Members' Shares	<b><u>\$ 65,320,524</u></b>	<b><u>64,340,079</u></b>

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

**(16) EXPENSES**

	<u>2018</u>	<u>2017</u>
<b>(a) ADMINISTRATIVE AND OTHER</b>		
General maintenance building	\$ 84,469	90,889
Water rates	8,532	8,532
Insurance	33,838	33,907
Stationery and printing	137,572	150,500
Postage and stamps	3,056	5,919
Telephone	88,239	169,069
Electricity	35,393	34,611
Donations	52,358	17,900
Legal fees and professional fees	33,873	7,700
Advertising & public relations	61,249	5,662
Audit fees	96,400	148,513
Repairs, renewals and maintenance	14,096	11,704
Equipment rental	41,791	32,070
Credit union week expenses	13,785	31,457
Cuna insurance	939,536	930,775
Office expenses	88,791	76,824
Office rent	132,000	132,000
Special Meetings / Seminar	167,989	395,781
Annual general meeting	196,191	285,126
Vehicle expenses	18,737	22,573
Storage	14,427	-
Consultants fees	123,852	79,612
Computer supplies/expenses	110,905	85,362
Security	260,110	246,374
Travelling expenses	32,386	17,569
Cash Overage & Shortage	(227)	-
Transportation expenses	720	400
Stabilization fund expenses	-	10,501
Subscription Fees	5,000	-
	<u>\$ 2,795,068</u>	<u>3,031,330</u>

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

## (b) OFFICERS AND BOARD EXPENSES

	<u>2018</u>	<u>2017</u>
B.O.D subsistence	\$ 205,200	177,600
B.O.D expenses	73,292	75,347
Credit committee subsistence	66,000	64,900
Credit committee expenses	18,016	20,917
Supervisory committee subsistence	32,400	30,600
Supervisory committee expenses	3,784	4,951
Subsistence transferred account	77,194	70,334
Human resource committee expenses	18,983	38,055
Education committee subsistence	14,400	7,000
Education committee expenses	4,998	7,864
Marketing committee expenses	185,878	62,741
Liaison Officers subsistence	6,500	-
	<u>\$ 706,645</u>	<u>560,309</u>

## (c) EMPLOYEE COSTS

	<u>2018</u>	<u>2017</u>
Salaries and wages	\$ 1,769,222	1,705,388
N.I.S employer's contribution	145,668	130,901
Staff training and welfare	54,418	11,360
Staff uniform	17,776	36,135
Staff gratuity expense	53,940	81,174
Contract services	12,278	-
Severance payments	100,000	13,327
Staff grants	21,000	111,828
	<u>\$ 2,174,302</u>	<u>2,090,113</u>

## (d) INTEREST AND BANK CHARGES

	<u>2018</u>	<u>2017</u>
Interest paid on members' savings	\$ 8,471	7,342
Interest paid on members' fixed deposits	25,371	28,624
Bank Charges	59,334	62,234
	<u>\$ 93,176</u>	<u>98,200</u>

(17) CONTINGENT LIABILITIES

As at December 31, 2018, there were no Contingent Liabilities (2017: NIL).



Let's **GROW** Together

# **CONSOLIDATED FINANCIAL STATEMENT 2018**

**TRANSCORP CREDIT UNION CO-OPERATIVE  
SOCIETY LTD.**

CONSOLIDATED FINANCIAL STATEMENTS  
(with auditors' report thereon)  
December 31, 2018

**GARISON & CO.**



Reg. No. 317

# Transcorp Credit Union Co-op Society Ltd.

## EXECUTIVE:

### PRESIDENT

*Jacqueline Bowen*

### VICE PRESIDENT

*Carlton Jackson*

### TREASURER

*Gemma Bowen*

### SECRETARY

*Anthony Thompson*

### ASST. SECRETARY

*Paula Yarde*

## DIRECTORS:

*Melville Dyer*

*Clyde Parris*

*Winton Gordon*

*Haulister Walcott*

*Mc Lean Charles*

*Clive Best*

*Eva Abraham*

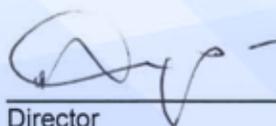
## Statement of Management's Responsibilities

It is the responsibility of management to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of Transcorp Credit Union Co-operative Society Ltd and its subsidiaries (the Group) as at the end of the financial year and of the operating results of the Group for the year. It is also the responsibility of management to ensure that the Group keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group. Management is also responsible for safeguarding the assets of the Group.

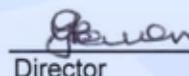
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation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

Management accepts responsibility for the annual consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Financial Reporting Standards. Management is of the opinion that the consolidated financial statements present fairly in all material respects, the state of the financial affairs of the Group and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of consolidated financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Group will not remain a going concern for at least the next twelve months from the date of this statement.

  
\_\_\_\_\_  
Director

May 8, 2019

  
\_\_\_\_\_  
Director

May 8, 2019

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# GARISON & CO.

Chartered Accountants  
Management Consultants

## INDEPENDENT AUDITORS' REPORT

The Members  
TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

### Opinion

We have audited the consolidated financial statements of Transcorp Credit Union Co-operative Society Ltd. and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at December 31, 2018, the consolidated statement of comprehensive income, consolidated statement of changes in members' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the 2018 Annual Report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

(1)

**INDEPENDENT AUDITORS' REPORT**

The Members  
TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

*GARISON + Co.*

Port of Spain  
TRINIDAD  
W.I.

May 8, 2019

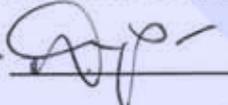
**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

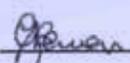
December 31, 2018

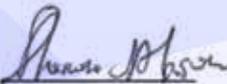
	<u>NOTES</u>	<u>2018</u>	<u>2017</u>
<b>Cash Resources</b>			
Cash on Hand /Bank	5	\$ 3,613,168	2,193,092
Short Term Investments	6	18,316,836	13,947,999
Total Cash Resources		<u>21,930,004</u>	<u>16,141,091</u>
<b>Other Assets</b>			
Accounts Receivable and Prepayments	7	2,649,285	1,682,132
Members' Loans	8	59,831,630	62,930,665
Investment in Instruments	6	2,871,727	2,190,551
Investment in Land	10	1,500,000	1,500,000
Property, Plant and Equipment	12	5,111,214	5,058,368
Total Other Assets		<u>71,963,856</u>	<u>73,361,716</u>
<b>Total Assets</b>		<b>\$ <u>93,893,860</u></b>	<b><u>89,502,807</u></b>
<b>Liabilities</b>			
Account Payable and Accruals	13	\$ 5,302,743	4,258,084
Taxation Provision		7,995	9,678
Members' Deposits	14	6,008,177	5,839,159
Members' Shares	15	65,320,524	64,340,079
Total Liabilities		<u>76,639,439</u>	<u>74,447,000</u>
<b>Members' Equity</b>			
Retained Earnings		4,888,270	3,746,816
Reserve Fund		5,321,475	4,783,423
Education Fund		1,061,884	851,388
Building Fund		1,376,203	1,107,177
Building Revaluation Reserve		(304,260)	(304,260)
Investment Revaluation Reserve		4,447,440	4,412,019
Non-Controlling Interests		463,409	459,244
Total Members' Equity		<u>17,254,421</u>	<u>15,055,807</u>
<b>Total Liabilities &amp; Members' Equity</b>		<b>\$ <u>93,893,860</u></b>	<b><u>89,502,807</u></b>

(The accompanying notes form part of these Financial Statements)

These financial statements were approved by the Board of Directors and authorised for issue on May 8, 2019 and signed on their behalf by:

Director 

Treasurer: 

Supervisory Committee: 

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Year ended December 31, 2018

<b>Revenue</b>	<b><u>NOTES</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Loan Interest		\$ 10,183,043	9,553,758
Investment Income		245,951	191,651
Gain on Investment		20,381	43,115
Dividend Income		87,636	74,799
Rental Income		1,693,994	1,983,127
Other Income		466,689	592,751
Total Revenue		<b><u>12,697,694</u></b>	<b><u>12,439,201</u></b>
<b>Expenses</b>			
Depreciation	12	340,109	305,025
Administrative and Other	16 (a)	4,100,577	3,885,768
Officers and Board Expenses	16 (b)	789,445	643,109
Employee Costs	16 (c)	2,358,753	2,280,533
Interest and Bank Charges	16 (d)	97,893	102,924
Loan Loss (IAS 39)		-	140,000
Expected Credit Losses (IFRS 9)		(414,510)	-
Loss on Disposal of Property, Plant and Equipment		934	-
Total Expenses		<b><u>7,273,201</u></b>	<b><u>7,357,359</u></b>
Net Income for the year before Taxation		5,424,493	5,081,842
Taxation		(15,246)	(17,848)
<b><u>Net Income for the year</u></b>		<b><u>\$ 5,409,247</u></b>	<b><u>5,063,994</u></b>
<u>Income Attributable to:</u>			
Owners of the Company		\$ 5,405,082	4,951,021
Non-controlling Interests		4,165	112,973
Total Comprehensive Income		<b><u>\$ 5,409,247</u></b>	<b><u>5,063,994</u></b>

(The accompanying notes form part of these Financial Statements)

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**

**CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY**

Year ended December 31, 2018

	<u>Retained</u> <u>Earnings</u>	<u>Reserve</u> <u>Fund</u>	<u>Education</u> <u>Fund</u>	<u>Building</u> <u>Fund</u>	<u>Building</u> <u>Revaluation</u> <u>Reserve</u>	<u>Investment</u> <u>Revaluation</u> <u>Reserve</u>	<u>Non</u> <u>Controlling</u> <u>Interests</u>	<u>Total</u>
Balance as at December 31, 2017	3,746,816	4,783,423	851,388	1,107,177	(304,260)	4,412,019	459,244	15,055,807
Impact on initial adeption of IFRS 9	(165,490)	-	-	-	-	-	-	(165,490)
<b>Balance as at January 1, 2018</b>	<b>\$ 3,581,326</b>	<b>4,783,423</b>	<b>851,388</b>	<b>1,107,177</b>	<b>-304,260</b>	<b>4,412,019</b>	<b>459,244</b>	<b>14,890,317</b>
Total Comprehensive Income	5,405,082	-	-	-	-	-	4,165	5,409,247
Unrealised Gain on Investment	-	-	-	-	-	35,421	-	35,421
10% to Reserve Fund	(538,052)	538,052	-	-	-	-	-	-
5% to Education Fund	(269,026)	-	269,026	-	-	-	-	-
5% to Building Fund	(269,026)	-	-	269,026	-	-	-	-
Honorarium Paid re 2017	(98,467)	-	-	-	-	-	-	(98,467)
	<u>7,811,837</u>	<u>5,321,475</u>	<u>1,120,414</u>	<u>1,376,203</u>	<u>(304,260)</u>	<u>4,447,440</u>	<u>463,409</u>	<u>20,236,518</u>
Education Fund Expenses	-	-	(58,530)	-	-	-	-	(58,530)
Dividends Paid re 2017	(2,923,567)	-	-	-	-	-	-	(2,923,567)
<b>Balance as at December 31, 2018</b>	<b>\$ <u>4,888,270</u></b>	<b><u>5,321,475</u></b>	<b><u>1,061,884</u></b>	<b><u>1,376,203</u></b>	<b><u>(304,260)</u></b>	<b><u>4,447,440</u></b>	<b><u>463,409</u></b>	<b><u>17,254,421</u></b>

(The accompanying notes form part of these Financial Statements)

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY

Year ended December 31, 2018

	<u>Retained Earnings</u>	<u>Reserve Fund</u>	<u>Education Fund</u>	<u>Building Fund</u>	<u>Building Revaluation Reserve</u>	<u>Investment Revaluation Reserve</u>	<u>Non Controlling Interests</u>	<u>Total</u>
<b>Balance as at January 1, 2017</b>	\$ 2,905,109	4,354,936	683,853	892,933	(304,260)	4,420,953	346,271	13,299,795
Total Comprehensive Income	4,951,021	-	-	-	-	-	112,973	5,063,994
Unrealised Gain on Investment	-	-	-	-	-	(8,934)	-	(8,934)
10% to Reserve Fund	(428,487)	428,487	-	-	-	-	-	-
5% to Education Fund	(214,244)	-	214,244	-	-	-	-	-
5% to Building Fund	(214,244)	-	-	214,244	-	-	-	-
Honorarium Paid re 2016	(100,000)	-	-	-	-	-	-	(100,000)
Reversal of Provision	65,960	-	-	-	-	-	-	65,960
	<u>6,965,115</u>	<u>4,783,423</u>	<u>898,097</u>	<u>1,107,177</u>	<u>(304,260)</u>	<u>4,412,019</u>	<u>459,244</u>	<u>18,320,815</u>
Education Fund Expenses	-	-	(46,709)	-	-	-	-	(46,709)
Dividends Paid re 2016	(3,218,299)	-	-	-	-	-	-	(3,218,299)
<b>Balance as at December 31, 2017</b>	\$ <u><u>3,746,816</u></u>	<u><u>4,783,423</u></u>	<u><u>851,388</u></u>	<u><u>1,107,177</u></u>	<u><u>(304,260)</u></u>	<u><u>4,412,019</u></u>	<u><u>459,244</u></u>	<u><u>15,055,807</u></u>

(The accompanying notes form part of these Financial Statements)

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2018

	<u>2018</u>	<u>2017</u>
<b><u>Operating Activities:</u></b>		
Net Profit for the year before Taxation	\$ 5,424,493	5,081,842
<i>Adjustment for reconciling net surplus for the year</i>		
Loss on Disposal of Plant & Equipment	934	-
Depreciation	340,109	305,025
Expected Credit Losses	(414,510)	65,960
Net change in Investment Revaluation Reserve	35,421	(8,934)
Honorarium Paid re 2017 / 2016	(98,467)	(100,000)
Education Fund Expenses	(58,530)	(46,709)
Net change in Accounts Receivable and Prepayments	(967,153)	(131,244)
Net change in Members' Loans	3,348,055	(7,523,432)
Net change in Accounts Payable & Accruals	1,044,659	(6,043)
Taxation Paid	(16,929)	(13,033)
Net Cash (Used in) / Provided by Operating Activities	<u>8,638,082</u>	<u>(2,376,568)</u>
<b><u>Investing Activities:</u></b>		
Net change in Long-Term Investments	(681,176)	(537,334)
Increase in Property, Plant & Equipment	<u>(393,889)</u>	<u>(775,597)</u>
Net Cash Used in Investing Activities	<u>(1,075,065)</u>	<u>(1,312,931)</u>
<b><u>Financing Activities:</u></b>		
Dividends Paid	(2,923,567)	(3,218,299)
Net change in Members' Shares	980,445	6,416,582
Net change in Members' Deposits	169,018	501,273
Net Cash (Used in) / Provided by Financing Activities	<u>(1,774,104)</u>	<u>3,699,556</u>
Increase in cash	5,788,913	10,057
Cash resources at beginning of year	16,141,091	16,131,034
Cash resources at end of year	<u>\$ 21,930,004</u>	<u>16,141,091</u>
<b><u>Represented by:</u></b>		
Cash in hand and at bank	\$ 3,613,168	2,193,092
Short-term Investments	18,316,836	13,947,999
	<u>\$ 21,930,004</u>	<u>16,141,091</u>

(The accompanying notes form part of these Financial Statements)

(7)

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**(1) REGISTRATION AND OBJECTIVES**

Transcorp Credit Union Co-operative Society Ltd. (the Credit Union) and its subsidiary, Transcorp Development Company Limited which is itself the parent of its wholly owned subsidiary Broadgate Place Property Company Limited, constitute the group of companies (the Group) on which these financial statements are based.

The Credit Union holds an 85.5% shareholding in Transcorp Development Company Limited, whose main activity is property rental.

Transcorp Development Company Limited owns 100% of Broadgate Place Property Company Limited. This company is not engaged in trading activities at present.

Transcorp Credit Union Co-operative Society Ltd. was registered under the Co-operative Societies Act of Trinidad and Tobago Ch: 81:03 on July 7, 1969.

The registered office of the Credit Union is situated at 60 Fifth Street, Barataria with branch operations in San Fernando and Scarborough Tobago.

Its objectives are to improve the social and economic welfare of its members, encourage the spirit and practice of thrift, self-help, and co-operation among its members and to promote the development of co-operative ideas.

It is governed by the Laws of the Republic of Trinidad and Tobago and its Bye-laws as adopted by members, at general meetings.

**(2) SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in these financial statements have been applied consistently to all periods presented in the financial statements unless otherwise stated.

**(a) Basis of Preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and are stated in Trinidad and Tobago dollars, which is the functional currency, and rounded to the nearest whole dollar. This is the first set of the Credit Union's annual financial statements in which IFRS 9, Financial Instruments and IFRS 15, Revenue from Contracts with Customers have been applied. Changes to significant accounting policies are described in Note 2(e). These financial statements are stated on the historical cost basis, except for the measurement at fair value or amortised cost of certain financial instruments and property.

**(b) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2018.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

#### (b) Basis of Consolidation (Cont'd)

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full, on consolidation.

#### (c) Use of Estimates

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and 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 reported amounts 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 management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### (d) New Accounting Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2019, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Credit Union, except for IFRS 16 (Leases), (effective for accounting periods beginning on or after 1 January 2019) and could change the classification and measurement of financial assets. The Credit Union does not plan to adopt this standard early and the extent of the impact has not been determined.

#### (e) Changes in Accounting Policies

In these financial statements, the Credit Union has applied IFRS 9 and IFRS 15, effective for annual periods beginning on or after 1 January 2018, for the first time. The Credit Union has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective.

##### (a) *IFRS9 Financial Instruments*

IFRS 9 replaces IAS 39 - Recognition and Measurement for annual periods on or after 1 January 2018.

##### (i) *Changes to classification and measurement*

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the contractual cash flow characteristics of the financial asset.

The Credit Union reassesses its business model each reporting period to determine whether they have changed. No such changes have been identified for the current year.

The IAS 39 measurement categories of financial assets (fair value through profit and loss (FVTPL), available for sale (AFS) and held-to-maturity at amortised cost have been replaced by:

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

**(e) Changes in Accounting Policies (Cont'd)**

- Debt instruments at amortised
- Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at FVOCI, with no recycling of gains or losses or profit or loss on derecognition;
- Financial assets at FVTPL

The accounting for financial liabilities remain largely the same as it was under IAS 39.

*(ii) Initial measurement of financial instruments*

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

*(iii) Measurement categories of financial assets and liabilities*

From January 1, 2018, the Credit Union classifies all of its financial assets based on the business model for

- Amortised cost
- FVOCI
- FVTPL

From January 1, 2018, the Credit Union only measures cash and cash equivalents and loans to members and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below.

*(iv) Changes to impairment calculation*

The adoption of IFRS 9 has fundamentally changed the Credit Union's accounting for loan loss impairments by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach, IFRS 9 requires the Credit Union to record an allowance for expected credit loss (ECL) for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination.

*(v) Transition*

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied.

*(vi) Business model assessment*

The Credit Union determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

#### (e) Changes in Accounting Policies (Cont'd)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

##### (b) IFRS15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces IAS 18 Revenue.

The Credit Union initially applied IFRS 15 on January 1, 2018 retrospectively in accordance with IAS 8 - Changes in Accounting Principles without any practical expedients. The impact of IFRS 15 was limited to the new disclosure requirements.

- The parties to the contract have approved the contract.
- The Credit Union can identify each party's rights regarding the contract.
- The Credit Union can identify the payment terms for the contract.
- The contract has commercial substance.
- It is probable that the Credit Union will collect the consideration to which it is entitled in exchange for the goods or services contract given to the member. In evaluating whether collectability of an amount of consideration is probable, the Credit Union shall consider only the member's ability and intention to pay that amount of consideration when it is due.

#### (f) Property, Plant & Equipment

Property, Plant & Equipment are stated at historical cost or valuation less accumulated depreciation. Depreciation is provided at the following rates considered appropriate to write off the assets over their estimated useful lives:

Vehicle	-	25% on the reducing balance
Furniture and Office Equipment	-	20% on the reducing balance
Furniture and Fixtures	-	20% on the reducing balance
Computers and Accessories	-	20% on the reducing balance
Air Condition Units	-	20% on the reducing balance
Building	-	2% on the straight-line basis

No depreciation is provided on Land.

The assets' residual values and useful lives are reviewed at each Statement of Financial Position date, and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the Statement of Comprehensive Income.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

**(g) Financial Instruments**

Financial instruments carried on the statement of financial position include cash and cash equivalents, investments, investments securities, loans to members, accounts receivable, accounts payable, members' deposits, and members' share savings. The standard treatment for recognition, derecognition, classification and measurement of financial instruments is described in notes (i) - (vii) below.

**(i) Recognition and initial measurement**

The Credit Union initially recognizes financial instruments on the date on which they are originated.

A financial asset or financial liability, except for an item not at FVTPL, is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

The Credit Union measures fair value in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**(ii) Subsequent measurement**

Those financial assets such as members' loans and receivables, which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal and interest only, are subsequently measured at amortised cost. Gains/losses arising on remeasurement of such financial assets are recognized in profit or loss as movements in Expected Credit Loss. When a financial asset measured at amortised cost is derecognized, the gain/loss is reflected in profit or loss.

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVTPL), except for equity investments, which the Credit Union opted, irrevocably, to measure at fair value through other comprehensive income (FVOCI). Gains/losses arising on remeasurement of such financial assets are recognized in profit or loss as '*Net FV gain/(loss) on financial assets classified at FVTPL*'. When a financial asset measured at FVOCI is derecognized, the cumulative gain/loss previously recognized in OCI is reclassified from equity to profit and loss.

Gains/losses arising on remeasurement of equity investments, which the credit union has opted, irrevocably, to measure at FVOCI, are recognized in OCI as '*Items that may not be reclassified subsequently to P&L*' and are called '*Net FV gain/(loss) on equity financial assets classified as at FVOCI*'. When an equity investment measured at FVOCI is derecognized, the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss but instead, transferred within equity.

**(iii) Modification and Derecognition of Financial Assets**

The Credit Union renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk or default. This occurs particularly where, although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened. The revised terms usually include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan and/or a reduction in the amount of cash flows due. When a financial asset is modified, the Credit Union assesses whether this modification results in derecognition of the original loan, such as when the renegotiation gives rise to substantially different terms.

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**(g) Financial Instruments Cont'd)**

**(iii) Modification and Derecognition of Financial Assets (Cont'd)**

In the case where the financial asset is derecognized, the new financial asset will have a loss allowance measured based on twelve-month ECL. If, however, there remains a high risk of default under the renegotiated terms, the loss allowance will be measured based on lifetime ECL.

When the modification does not result in derecognition, the Credit Union will measure loss allowance at an amount equal to lifetime ECL.

**(iv) Classification**

From January 1, 2018, the Credit Union classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost, as explained in note 2(e);
- FVOCI, as explained in note 2(e);
- FVTPL

The Credit Union only measures cash and cash equivalents and loans to members and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below.

*Business model assessment*

The Credit Union determined its business model at the level that best reflects how the Credit Union manages its financial assets to achieve its business objective.

The business model is assessed based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Credit Union's original expectation, the Credit Union does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

*The SPPI test*

As a second step of its classification process the Credit Union assesses the contractual terms of financial instruments to identify whether they represent solely payments of principal and interest (the SPPI test).

Principal for the purpose of this test is the fair value of the financial asset at initial recognition. Interest is the consideration for the time value of money and for credit and other risks associated with the principal outstanding. Interest also has a profit margin element.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

**(g) Financial Instruments Cont'd)****(iv) Classification Cont'd***Financial assets or financial liabilities held for trading*

The Credit Union classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognized in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

**(v) Reclassification**

If the business model under which the Credit Union holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model. Equity instruments which the Credit Union opted to treat at FVOCI cannot be reclassified.

**(vi) Impairment**

Financial assets at amortised costs are impaired at one of two levels:

(1) Twelve-months Expected credit loss (ECL) - These are losses that result from default events that are possible within twelve months after the reporting date. Such financial assets are at 'Stage 1'.

(2) Lifetime ECL - These are losses that result from all possible default events over the life of the financial instrument. Such financial assets are at 'Stage 2' or 'Stage 3'.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition.

For all other financial instruments, ECLs are measured at an amount equal to the twelve-month ECL.

ECL is a probability-weighted estimate of the present value of credit losses, measured as the present value of the difference between (i) the cash flows due to the Credit Union under contract; and (ii) the cash flows that the Credit Union expects to receive, discounted at the asset's effective interest rate.

**Measurement of ECL**

The key inputs used for measuring ECL are:

- (i) probability of default (PD);
- (ii) loss given default (LGD); and
- (iii) exposure at default (EAD).

The Credit Union measures ECL on an individual basis for all loans. The Credit Union's financial instruments are grouped on the basis of shared risk characteristics, such as:

- (i) credit risk grade;
- (ii) collateral type;
- (iii) date of initial recognition;

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**(g) Financial Instruments Cont'd)**

**(vi) Impairment (Cont'd)**

Measurement of ECL (Cont'd)

(iv) remaining term to maturity:

(v) industry:

(vi) geographic location of the borrower:

(vii) income bracket of the borrower; and

(viii) the value of collateral relative to the financial asset.

The groupings are reviewed on a regular basis to ensure that each grouping is comprised of homogenous exposures.

Performing financial assets - Stage 1

For performing assets and those expected to perform normally, the loss allowance is the 12-month expected credit loss and is done immediately at initial recognition of asset.

Significant increase in credit risk - Stage 2

When an asset becomes 30 days past due, the Credit Union considers that a significant increase in credit risk has occurred and the asset is deemed to be at Stage 2 and the loss allowance is measured as the lifetime ECL.

Credit-impaired financial assets - Stage 3

A financial asset is 'credit-impaired' when events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as stage 3 assets. Evidence of credit-impairment includes observable data about one or more of the following events:

(i) significant financial difficulty of the borrower or issuer;

(ii) a breach of contract such as a default or past due event;

(iii) the disappearance of an active market for a security because of financial difficulties; or

(iv) the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

The Credit Union assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date. There is a rebuttable presumption that financial assets that are in default for more than ninety (90) days are credit impaired. The Credit Union also considers a financial asset to be credit impaired if the borrower is unlikely to pay its credit obligation. To determine this, the Credit Union takes into account both qualitative indicators such as unemployment, bankruptcy, divorce or death and quantitative indicators, such as overdue status. The Credit Union uses its historical experience and forward-looking information that is available without undue cost or effort. If there has been a significant increase in credit risk the Credit Union will measure the loss allowance based on lifetime rather than twelve-month ECL.

Cash and Cash Equivalents

While cash and cash equivalents are also subjected to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2018

**(g) Financial Instruments Cont'd)**

**(vi) Impairment (Cont'd)**

Write-Off

Loans and receivables are written off when the Credit Union has no reasonable expectations of recovering the financial asset, for example, when the Credit Union determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the Credit Union's enforcement activities will result in gains.

Collateral held as security

The Credit Union holds the following types of collateral to mitigate credit risk associated with financial assets:

General loans	Shares in the credit union
Mortgage lending *	Deed of Mortgage on property
Vehicle loans	Deed of Mortgage on vehicle

*\* The Credit union holds residential properties as collateral for the mortgage loans it grants to its members. The value of the collateral for residential mortgage loans is typically based on the collateral value at origination, updated based on changes in house prices. For credit-impaired loans, the value of collateral is based on the most recent appraisal.*

Assets obtained by taking possession of collateral

The Credit Union did not obtain any assets during the year by taking possession of collateral held as security against loans held at the year end.

**(vii) Financial Liabilities**

Since the Credit Union does not trade in financial liabilities, and since there are no measurement or recognition inconsistencies, all financial liabilities are initially measured at fair value, net of transaction costs and subsequently, at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition. Financial liabilities recognized at amortised cost are not reclassified.

**(h) Revenue Recognition**

Loan Interest

Interest charged on loans to members is calculated on the outstanding balance at the end of each month at rates varying between 0.75% and 1.5% per month. Loan interest is accounted for on accruals basis.

Investment Income

Income from investments is accounted for on the accruals basis except for dividends, which is accounted for on a cash basis.

Rental Income

Rental income is accounted for on the accruals basis.

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****December 31, 2018****(i) 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 Comprehensive Income.

**(j) Dividends payable to members**

Dividends are computed on the weighted average value of shares held throughout the year, the weighted average being determined on the basis of the value of shares held at the end of each month. Dividends that are proposed and declared after the statement of financial position date are not shown as a liability but are disclosed as a note to the financial statements.

**(k) Comparative Figures**

Certain changes in presentation have been made during the year and comparative figures have been restated accordingly.

**(l) Provisions**

Provisions are recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of expenditure required to settle the obligation at the reporting date.

**(m) Credit Union Policies**

The governance policies of the Credit Union include the following:

**(i) Reserve Fund**

In accordance with Bye-Law 30, of the Credit Union and the Co-operative Society Act, 1971, Section 47, (2), at least 10% of the net surplus of the Credit Union for the year is to be transferred to a Reserve Fund. All losses sustained through extraordinary circumstances over which the Credit Union has no control may, with the approval of the Commissioner of Co-operative Development, be written off, in the Reserve Fund.

**(ii) Education Fund**

In accordance with Bye-Laws 11 and 31 of the Credit Union, an amount of not less than 5% of the net surplus for the year, may be credited to an Education Fund. This fund is to be used for education purposes.

**(iii) Dividends**

Dividends are recommended by the Board of Directors and confirmed by the members at the Annual General Meeting. Dividends are computed on the basis of the weighted average value of shares in issue throughout the year, the weighted average being determined on the basis of the number of shares in issue at the end of each month. The Board of Directors has proposed a dividend of 3.5% for the year ended December 31, 2018 to be paid to members when approved. Additionally, an interest rebate of 2% on the interest paid by a member for loans taken during the period January 1, 2018 to December 31, 2018 will be given.

**(n) Current Year Tax**

The tax expense for the period is current year income tax. Tax is recognised in the profit or loss. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2018

**(3) FINANCIAL RISK MANAGEMENT**

The Credit Union's activities are primarily related to the use of financial instruments and 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 is exposed to credit risk, interest rate risk, liquidity risk, operational risk, compliance risk and reputation risk in the course of its operations. The risk management policies employed by the Credit Union to manage these risks are as follows.

**(a) Credit Risk**

The Credit Union is exposed 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.

Credit risk is the most important risk for the Credit Union which principally arises in lending activities that lead to loans and other financing. In order to effectively manage credit risk the following are considered:

- i) Proper judgement of the credit worthiness of the member when analyzing the loan application.
- ii) Adequate collateral held as security for funds advanced.
- iii) Maintenance of a strict and aggressive collection policy.
- iv) Maintenance of a prudent loan provisioning policy.
- v) Regular reporting to the Board of Directors on the performance of the loan portfolio.

**(b) Interest Rate Risk**

The interest rate risk arises from the possibility that changes in the market rates will affect future cash flows or the fair values of financial instruments. The Credit Union is exposed to interest rate risks on fixed deposits and money market investments that can experience fluctuations on interest rates currently or upon reinvestment after maturity.

The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

**(c) Liquidity Risk**

Liquidity Risk is the risk that the Credit Union will be unable to meet its payment obligations when they fall due under normal and stressed circumstances. Through experience and monitoring, the Credit Union is able to maintain sufficient liquid resources to meet current obligations.

**Liquidity Gap**

The Credit Union's exposure to liquidity risk is summarized in the table below which analyses financial assets and liabilities based on the remaining period from the Statement of Financial Position date to the contractual maturity date.

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

(3) FINANCIAL RISK MANAGEMENT (CONT'D)

Notes	2018					
	On Demand	Up to 1 year	1 to 5 years	Over 5 years	Total	
	\$	\$	\$	\$	\$	
<b>Financial Assets</b>						
Cash in hand and at bank	5	3,613,168	-	-	-	3,613,168
Short-term investments	6	17,316,836	1,000,000	-	-	18,316,836
Long-term investments	6	2,243,727	-	628,000	-	2,871,727
Members' loan	8	59,831,630	-	-	-	59,831,630
		<b>83,005,361</b>	<b>1,000,000</b>	<b>628,000</b>	<b>-</b>	<b>84,633,361</b>

<b>Financial Liabilities</b>						
Members' deposits	14	4,687,406	1,320,771	-	-	6,008,177
Members' shares	15	65,320,524	-	-	-	65,320,524
Accounts payable and accruals		5,302,743	-	-	-	5,302,743
		<b>75,310,673</b>	<b>1,320,771</b>	<b>-</b>	<b>-</b>	<b>76,631,444</b>

	2017					
	On Demand	Up to 1 year	1 to 5 years	Over 5 years	Total	
	\$	\$	\$	\$	\$	
<b>Financial Assets</b>						
Cash in hand and at bank		2,193,092	-	-	-	2,193,092
Short-term investments		11,906,999	2,041,000	-	-	13,947,999
Long-term investments		2,190,551	-	-	-	2,190,551
Members' Loans		62,930,665	-	-	-	62,930,665
		<b>79,221,307</b>	<b>2,041,000</b>	<b>-</b>	<b>-</b>	<b>81,262,307</b>

<b>Financial Liabilities</b>						
Members' deposits		4,364,945	1,474,214	-	-	5,839,159
Members' shares		64,340,079	-	-	-	64,340,079
Accounts payable and accruals		4,258,084	-	-	-	4,258,084
		<b>72,963,108</b>	<b>1,474,214</b>	<b>-</b>	<b>-</b>	<b>74,437,322</b>

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**(3) FINANCIAL RISK MANAGEMENT (Cont'd)**

**(d) Operational Risk**

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

**(e) 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 Republic of Trinidad and Tobago. The risk is limited to a significant extent due to supervision applied by the Inspector of Financial Institutions at the Central Bank of Trinidad & Tobago as well as by the monitoring controls applied by the Credit Union and the Office of the Commissioner of Co-operative Development.

**(f) Reputation Risk**

**(i) Transcorp Development Company Limited**

The carrying amount of the company's short-term financial assets and liabilities comprising cash and cash equivalents, accounts receivable and accounts payable are a reasonable estimate of their fair values, because of the short maturity of these instruments.

The company does not consider itself to be exposed to significant Credit Risk, Interest Rate Risk nor Liquidity Risk.

**(ii) Broadgate Place Property Company Limited**

The carrying amount of the company's short-term financial assets and liabilities comprising cash and cash equivalents, are a reasonable estimate of their fair values, because of the short maturity of these instruments.

The company does not consider itself to be exposed to significant Credit Risk nor Interest Rate Risk. The company has significant Liquidity Risk having incurred losses and negative cash flows from administrative costs of keeping the Company in operation in spite of no trading activity. The Company also has a working capital deficit.

**(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 Credit Union'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 Credit Union makes estimates and assumptions concerning the future. However, actual results could differ from those estimates.

Revisions in accounting estimates are recognized in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2018

**(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**

Critical judgements, and estimates with a significant risk of material adjustment in the next financial year, are as follows:

- i) Whether investments are classified as held-to-maturity investments, available-for-sale or loans and receivables.
- ii) Adequacy of allowances for credit losses on the basis described in significant accounting policy notes (g) & (h).
- iii) 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 the assets.

**(5) CASH ON HAND AND AT BANK**

	<b><u>2018</u></b>	<b><u>2017</u></b>
Cash on Hand	\$ 485,144	520,374
Cash at Bank	3,128,024	1,672,718
Total Cash on Hand and at Bank	\$ <u>3,613,168</u>	<u>2,193,092</u>

**(6) INVESTMENTS**

Short-Term Investments

- (a) Short-Term Investments consist of mutual fund units held and corporate notes:

<u>Financial assets at fair value through profit and loss (FVTPL)</u>	<b><u>2018</u></b>	<b><u>2017</u></b>
Mutual Fund Units:		
Trinidad and Tobago Unit Trust Corporation - Money Market Fund	\$ 3,402,737	3,062,318
First Citizens Bank Limited - Abercrombie Fund	13,098,183	8,045,778
ANSA Merchant Bank Limited - Income Fund	815,916	798,903
<u>Financial assets at Held-to-Maturity (Amortised cost)</u>		
Corporate Notes:		
First Line Oil Notes Limited	1,000,000	2,041,000
Total Short-Term Investments	\$ <u>18,316,836</u>	<u>13,947,999</u>

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## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

**(6) INVESTMENTS (CONT'D)****(b) Financial assets at fair value through other comprehensive income (FVOCI)**

Long-Term Investments consist of equity investments held at the following institutions:-

<u>Available-for-sale</u>	<u>2018</u>	<u>2017</u>
Quoted Equity		
First Citizens Bank Limited	\$ 1,508,370	1,420,896
Trinidad and Tobago NGL Limited	735,357	669,655
National Investment Fund Limited	628,000	-
Unquoted Equity		
The Central Finance Facility Co-operative Society of Trinidad and Tobago Limited	-	100,000
Total Investment in Instruments	\$ <u>2,871,727</u>	<u>2,190,551</u>

**(7) ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	<u>2018</u>	<u>2017</u>
Accounts Receivable	\$ 433,044	500,865
Payroll Receivable	982,206	142,484
CUNA Death Claim Receivable	556,224	219,100
Other Receivables	379,852	718,766
Prepayments	231,046	34,005
Members' Loan Receivable	42,422	42,422
Delinquency Recoverable	24,491	24,490
Total Accounts Receivable and Prepayments	\$ <u>2,649,285</u>	<u>1,682,132</u>

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

**(8) MEMBERS' LOANS**

	<b><u>2018</u></b>	<b><u>2017</u></b>
Loans to members	\$ <u>61,647,867</u>	<u>64,995,922</u>
Less: Allowance for expected credit losses	<u>(1,816,237)</u>	<u>(2,065,257)</u>
Total loans net of expected credit losses	\$ <u><u>59,831,630</u></u>	<u><u>62,930,665</u></u>

## Analysis of movement in provision for loan losses

Balance at beginning of year	\$ 2,065,257	1,925,257
Add: Impact of initial adoption of IFRS 9	165,490	-
Add: Additional expected credit losses	-	140,000
Less: Reduction in expected credit losses	(414,510)	-
Balance at end of year	\$ <u><u>1,816,237</u></u>	<u><u>2,065,257</u></u>

**(9) MEMBERS' LOANS - RISK ASSESSMENT**

	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Low risk	\$ 54,729,149	-	-	54,729,149
Medium risk	-	658,532	-	658,532
Sub-standard	-	1,536,016	-	1,536,016
Doubtful	-	-	1,107,293	1,107,293
Impaired	-	-	3,616,877	3,616,877
Total gross members' loans	\$ <u><u>54,729,149</u></u>	<u><u>2,194,548</u></u>	<u><u>4,724,170</u></u>	<u><u>61,647,867</u></u>

The table below analyses the movement of the loss allowance on Loans to members at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Loss allowance, beginning of year	\$ 1,093,684	59,816	911,757	2,065,257
Net Increase /(decrease) due to changes in credit risk	17,819	33,626	(300,465)	(249,020)
<b>Loss allowance, end of year</b>	\$ <u><u>1,111,503</u></u>	<u><u>93,442</u></u>	<u><u>611,292</u></u>	<u><u>1,816,237</u></u>

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**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2018

**(10) INVESTMENT IN LAND**

This represents an investment in five (5) acres of land at Las Lomas, which will be developed for the benefit of members. The land is stated at cost which approximates its fair value as at December 31, 2018. The Credit Union currently has a lis pendens registered on the entire 13 acres and has commenced enforcement against the vendor.

	<u>2018</u>	<u>2017</u>
	\$ <u>1,500,000</u>	<u>1,500,000</u>

**(11) RELATED PARTIES**

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.

Related Parties to the Group are:

- Key Management Personnel - key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

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.

Balances and transactions with related parties during the year were as follows:

**ASSETS:**

Loans to

Directors, Key Management personnel and Committee Members

	<u>2018</u>	<u>2017</u>
	\$ <u>1,486,917</u>	<u>1,536,205</u>

**DEPOSITS AND OTHER LIABILITIES:**

Deposits held by

Directors, Key Management personnel and Committee Members

	\$ <u>135,119</u>	<u>144,413</u>
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Shares held by

Directors, Key Management personnel and Committee Members

	\$ <u>2,439,379</u>	<u>2,162,966</u>
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## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

**(12) PROPERTY, PLANT & EQUIPMENT**

	<u>Computers &amp; Accessories</u>	<u>Furniture &amp; Office Equipment</u>	<u>Leasehold Improvements</u>	<u>Vehicles</u>	<u>Air Condition Units</u>	<u>Land</u>	<u>Freehold Property</u>	<u>Total</u>
<b>Cost</b>								
Balance at January 1, 2018	\$ 621,241	1,416,187	647,328	473,886	44,811	1,250,000	2,676,422	7,129,875
Additions	123,436	258,253	-	-	12,200	-	-	393,889
Disposals	(71,263)	-	-	-	-	-	-	(71,263)
Balance at December 31, 2018	<u>673,414</u>	<u>1,674,440</u>	<u>647,328</u>	<u>473,886</u>	<u>57,011</u>	<u>1,250,000</u>	<u>2,676,422</u>	<u>7,452,501</u>
<b>Accumulated Depreciation</b>								
Balance at January 1, 2017	518,597	966,064	206,548	202,363	30,991	-	146,944	2,071,507
<b>Depreciation</b>	<b>36,361</b>	<b>134,054</b>	<b>44,078</b>	<b>67,881</b>	<b>4,207</b>	-	<b>53,528</b>	<b>340,109</b>
Disposals	(70,329)	-	-	-	-	-	-	(70,329)
Balance at December 31, 2018	<u>484,629</u>	<u>1,100,118</u>	<u>250,626</u>	<u>270,244</u>	<u>35,198</u>	<u>-</u>	<u>200,472</u>	<u>2,341,287</u>
<b>Net book Value</b>								
Balance at December 31, 2018	\$ <u><u>188,785</u></u>	<u><u>574,322</u></u>	<u><u>396,702</u></u>	<u><u>203,642</u></u>	<u><u>21,813</u></u>	<u><u>1,250,000</u></u>	<u><u>2,475,950</u></u>	<u><u>5,111,214</u></u>

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

**(12) PROPERTY, PLANT & EQUIPMENT (Cont'd):**

	<u>Computers &amp; Accessories</u>	<u>Furniture &amp; Office Equipment</u>	<u>Leasehold Improvements</u>	<u>Vehicles</u>	<u>Air Condition Units</u>	<u>Land</u>	<u>Freehold Property</u>	<u>Total</u>
<b>Cost</b>								
Balance at January 1, 2017	\$ 573,776	1,243,819	372,055	249,000	44,811	1,250,000	2,620,817	6,354,278
Additions	47,465	172,368	275,273	224,886	-	-	55,605	775,597
Balance at December 31, 2017	<u>621,241</u>	<u>1,416,187</u>	<u>647,328</u>	<u>473,886</u>	<u>44,811</u>	<u>1,250,000</u>	<u>2,676,422</u>	<u>7,129,875</u>
<b>Accumulated Depreciation</b>								
Balance at January 1, 2017	497,170	874,994	161,510	111,856	27,536	-	93,416	1,766,482
<b>Depreciation</b>	<b>21,427</b>	<b>91,070</b>	<b>45,038</b>	<b>90,507</b>	<b>3,455</b>	<b>-</b>	<b>53,528</b>	<b>305,025</b>
Balance at December 31, 2017	<u>518,597</u>	<u>966,064</u>	<u>206,548</u>	<u>202,363</u>	<u>30,991</u>	<u>-</u>	<u>146,944</u>	<u>2,071,507</u>
<b>Net book Value</b>								
Balance at December 31, 2017	\$ <u>102,644</u>	<u>450,123</u>	<u>440,780</u>	<u>271,523</u>	<u>13,820</u>	<u>1,250,000</u>	<u>2,529,478</u>	<u>5,058,368</u>

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

**(13) ACCOUNTS PAYABLE AND ACCRUALS**

	<b><u>2018</u></b>	<b><u>2017</u></b>
CUNA Death Claim Payable	\$ 2,980,537	2,071,616
CUNA Premium Payable	66,204	84,219
Accruals	137,852	124,249
Provision for Severance/Gratuity	854,695	763,085
Other Accounts Payable	1,263,455	1,214,915
Total Accounts Payable and Accruals	<b><u>\$ 5,302,743</u></b>	<b><u>4,258,084</u></b>

**(14) MEMBERS' DEPOSITS**

	<b><u>2018</u></b>	<b><u>2017</u></b>
Members' Savings Deposits	\$ 2,670,596	2,531,448
Members' Special Deposits	1,026,645	782,087
Secured Deposits	208,163	286,165
Deposits 5	66,158	121,525
Deposits 6	658,083	589,245
Members' Fixed Deposits	1,320,771	1,474,214
Other Members' Deposits	57,761	54,475
Total Members' Deposits	<b><u>\$ 6,008,177</u></b>	<b><u>5,839,159</u></b>

**(15) MEMBERS' SHARES**

	<b><u>2018</u></b>	<b><u>2017</u></b>
Members' Shares	\$ 63,554,445	61,944,885
Members' Shares 1 and 2	1,766,079	2,395,194
Total Members' Shares	<b><u>\$ 65,320,524</u></b>	<b><u>64,340,079</u></b>

**TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2018

**(16) EXPENSES**

	<u>2018</u>	<u>2017</u>
<b>(a) ADMINISTRATIVE AND OTHER</b>		
Car Park Expenses	\$ 146,556	121,934
General maintenance building	100,869	116,456
Water rates	17,485	14,186
General Insurance	47,274	45,361
Stationery and printing	145,421	156,745
Postage and stamps	15,103	24,673
Telephone	103,353	189,755
Electricity	83,408	78,304
Donations	62,358	17,900
Legal fees and professional fees	263,773	13,700
Advertising & public relations	61,249	5,662
Audit fees	123,290	190,018
Repairs, renewals and maintenance	14,096	11,704
Equipment rental	41,791	32,070
Credit union week expenses	13,785	31,457
Cuna insurance	939,536	930,775
Office expenses	114,435	118,640
Office rent	200,800	202,900
Seminar/conventions	164,570	395,781
Annual general meeting	196,191	285,126
Vehicle expenses	29,108	50,208
Storage	19,749	5,449
Consultants fees	123,852	79,612
Computer supplies/expenses	110,905	85,362
Security	483,810	473,174
Travelling expenses	32,386	17,569
Transportation expenses	720	400
Stabilization fund expenses	-	10,501
Management charges	150,400	152,101
Meeting expenses	1,960	14,480
Bad Debts	287,344	-
Subscription fees	5,000	-
Relocation Expenses	-	9,327
	<u>\$ 4,100,577</u>	<u>3,881,330</u>

## TRANSCORP CREDIT UNION CO-OPERATIVE SOCIETY LTD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

<b>(b) OFFICERS AND BOARD EXPENSES</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
B.O.D subsistence	\$ 288,000	260,400
B.O.D expenses	73,292	75,347
Credit committee subsistence	66,000	64,900
Credit committee expenses	18,016	20,917
Supervisory committee subsistence	32,400	30,600
Supervisory committee expenses	3,784	4,951
Subsistence transferred account	77,194	70,334
Education committee subsistence	18,983	7,000
Education committee expenses	14,400	7,864
Human Resource committee expenses	4,998	38,055
Marketing committee expenses	185,878	62,741
Liaison Officers subsistence	6,500	-
	<b><u>\$ 789,445</u></b>	<b><u>643,109</u></b>
<b>(c) EMPLOYEE COSTS</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Salaries and wages	\$ 1,932,370	1,858,494
N.I.S employer's contribution	163,972	146,859
Staff training and welfare	57,418	32,044
Staff uniform	17,776	36,807
Staff gratuity expense	53,940	81,174
Contract services	12,277	-
Severance payments	100,000	13,327
Staff grants	21,000	111,828
	<b><u>\$ 2,358,753</u></b>	<b><u>2,280,533</u></b>
<b>(d) INTEREST AND BANK CHARGES</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Interest paid on members' savings	\$ 8,472	7,341
Interest paid on members' fixed deposits	25,371	28,624
Bank Charges	63,745	66,619
Interest & Penalties	305	4,778
	<b><u>\$ 97,893</u></b>	<b><u>107,362</u></b>

**(17) CONTINGENT LIABILITIES**

There are two matters engaging the Court's attention for claims against Transcorp Development Company Limited and Broadgate Place Property Company Limited of \$535,183 and \$123,955. These matters are in the preliminary stages and are yet to be determined.

It is not known what the outcome of these matters noted above would be.

# NEED A SAME DAY LOAN?

**\$3000.00**

## **OUT OF POCKET SOFTNER (OOPS)**

You will need to:

- Maintain a minimum share balance of Fifteen Hundred Dollars (\$1,500.00).
- Sign salary deduction form and create standing order for loan repayment

**\$6000.00**

## **EZ-UP LOANS**

You will need to:

- Maintain a minimum share balance of Three Thousand (\$3000.00)
- Sign salary deduction form and create standing order for loan repayment



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

## **Visit an office Today**

Head Office  
#60 Fifth Street,  
Barataria  
Tel: 675-3053

Tobago  
D Fort Plaza, Dutch Fort,  
Scarborough, Tobago  
Tel: 639-3847

San Fernando  
2nd Floor Ritz Plaza  
Cor. St. James & Penitence St.  
Tel: 657-9245



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# **NOMINATION COMMITTEE REPORT**

# Nomination Committee Report 2019

1.0 The Nomination Committee (hereafter referred to as “the Committee”) was appointed by the Board of Directors on during the month of December 2018 pursuant to Article 17 of the Society’s Bye Laws.

The composition of the Committee is as follows:

- i. Mrs. Jacqueline Bowen Rodriguez – Chairman
- ii. Ms. Eva Abraham – Secretary
- iii. Mr. Sherwin Joseph – Member

## 2.0 Criteria for Nomination

2.1 The Nomination Committee as statutorised, is mandated with the task of screening aspiring members’ eligibility to be nominated to serve as an Officer within the Society’s Board of Directors, Credit Committee and the Supervisory Committee respectively, in accordance to Bye Law 17.

2.2 In assessing the Nominees, the Committee determined the suitability of each nominee, making particular reference to the “fit and proper guidelines” stipulated under Bye Law 17 (iv.) hereunder: “Every individual who is, or is to be a member of the Board of Directors or Officer of the Society must be “fit and proper” individual to hold the particular position which he holds or is to hold in accordance with the policies of the Society as determined by the Board of Directors and/ or general membership from time to time”.

2.3 Further, the Committee also sought the guidance of Bye Law 18, 20, 23, 24 and 25 regarding the duties and functions of the Board of Directors, Credit Committee and Supervisory Committees respectively, where each nominee is required to adhere to the following:

1. Must be a member of the Society for no less than three (3) years.
2. Must have minimum Shareholding of Twenty Thousand Dollars (\$20,000.00).
3. Must be a “fit and proper” individual to hold the particular position which he hold or is to hold in accordance with the policies of the Society as determined by the Board of Directors and/ or the general membership from time to time.
4. All other due diligence individual documentation inclusive of two (2) valid forms of government issued identification, updated utility bill no older than three (3) months, proof of income/job letter/payslip no older than three (3) months, proof of income/job letter/payslip no older than three (3) months.

## 3.0 Process for Selection

3.1 The Society issued nomination notices via print media, social media via our Facebook page and internal notices at the various branches.

3.2 Nomination Forms coupled with compliance documents were examined by the Committee. Nominees were interviewed on 29 April 2019 and 2 May 2019 with the exception of the following individuals listed hereunder:

<b>Nominee</b>	<b>Reason for Absence</b>
Carlton Jackson	Out of the Jurisdiction at that time
Merlene Onika Mc Bain	No reasons given
Sheeriece Corbin	No reason given

3.3 Interview Sessions with each nominee were approximately twenty-five (25) minutes in length, as a vast number of questions were fielded in the areas of their respective expertise, experience, qualifications, intended contributions or past contributions to the Society. The Principles of Collective Responsibility including time commitment, capability, suitability and competency, expectations and foresight were also taken into consideration as it relates to their vision for the upliftment and enhancement of the Society.

Further, members were assessed in the following requisite areas:

- i. Department and Delivery
- ii. Financial Propriety
- iii. Ambitions and Foresight

3.4 Pursuant to the Committee's review, the total number of nominations received proved insufficient for various Committees, even after the extended deadline for acceptance of Nomination. In light of same, the Committee recommended that Bye Law 17 (iii) shall be so invoked wherein Nominations from the floor is deemed necessary for the proper constitution of the Board of Directors and the Supervisory Committee respectively.

## 4.0 The Nominees

4.1 Over the nomination period, the following nominees were categorised as follows:

### 4.1.1 BOARD OF DIRECTORS

Four (4) nominees

### 4.1.2 SUPERVISORY COMMITTEE

Three (3) Nominees

### 4.1.3 CREDIT COMMITTEE

Eight (8) Nominees

4.2 Having undergone the nomination process, the following members were assessed as having met the technical requirements under the Byelaws and the Compliance Policies of the Society:

#### **BOARD OF DIRECTORS**

- Mr. Carlton Jackson
- Mr. Harold Collins
- Ms. PaulaYarde
- Ms. Sevel Nicholls

#### **SUPERVISORY COMMITTEE**

- Mr. Levi Horsford
- Ms. Shermica Graham

## CREDIT COMMITTEE

- Mr. Anthony Newton
- Mr. Charles Hadaway
- Mr. David Alexis
- Mr. Darryl Lamy
- Mr. Dexter Ian Ghany
- Ms. Geeta Teelucksingh Ali
- Mr. Shawn Mason

4.3 The Committee also considered the Central Bank of Trinidad and Tobago “Fit and Proper” Guidelines; first issued - May 2005 and revised on February 2019.

4.4 Having regard to the aforesaid, and having evaluated the responses, pronouncements and explanations of the nominees, the Committee questions the capability, suitability and competency of some of the nominees having regard to the principles of collective responsibilities aforesaid. Therefore, the decision for election of the respective nominees to office remains in the hands of the general membership.

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## NOMINEES PROFILE

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### Board of Directors Nominees



#### **Paula Yarde**

Ms. Yarde has been a member of the Society for the past twenty-eight (28) years and has been a serving Officer of the Society for ten (10) years. Ms. Yarde is currently serving as the Assistant Secretary of the Board of Directors and has also served on the Supervisory Committee for one (1) year.

Ms. Yarde retired from the Public Transport Service Corporation in 2016 in the position of Driving Instructor.

Ms. Yarde wishes to be re-elected as she believes her time and extensive expertise within the Secretariat of the Board can be greatly utilized for the realisation of the Society’s goals.



#### **Carlton Jackson**

Mr. Jackson has been a member of the Society for the past twenty-seven (27) years and has been a Director of the Board in excess of fifteen (15) years. He retired from the Public Transport Service Corporation in 2017 as a Station Supervisor. He currently serves in the position of Vice President, Board of Directors.



#### **Sevel Nicholls**

Ms. Nicholls has been a member of the Society for the past eight (8) years and is currently employed at the Public Transport Service Corporation (PTSC) in the capacity of Clerk I.

Ms. Nicholls served as an Officer of the Supervisory Committee for the past three (3) consecutive financial years preceding this report. She indicated that she is currently pursuing her Diploma in Advanced Junior Accounting. She assessed that during her tenure as an Officer of the Supervisory Committee in the past year, she was unable to meaningfully realize the objectives set by the Committee. Notwithstanding, Ms. Nicholls presented herself to serve as a Director, as she believes she can make a contribution.



## Harold Collins

Mr. Harold Collins has been a member of the Society for over forty (40) years. He has served on the Supervisory Committee for six (6) years and the Board of Directors for three (3) years. He is currently employed with the Trinidad and Tobago Electricity in the capacity of Mechanical Assistant and is a certificated Auto Diesel Mechanic.

Mr. Collins believes he can be instrumental in the development of Policies and explore innovative ways to serve the Society's membership.

### Supervisory Committee Nominees



## Shermica Graham

Ms. Graham has been a member of the Society for the past eleven (11) years. She is currently employed with the Public Transport Service Corporation as an Accountant I. She served as an alternate on the Supervisory Committee for one (1) year up to the date of this report.

Ms. Graham is the holder of a BSc in Accounting and Finance and is of the view that her accounting background can serve to strengthen the the Supervisory Committee in the performance of its duties.



## Levi Horsford

Mr. Horsford has been a member of the Society for the past nine (9) years. He is currently employed with the Public Transport Service Corporation for the past eleven (11) years in the capacity of Accountant I.

Mr. Horsford holds certification in Public Sector Management (Certificate and Diploma), Business Information Systems and Event Management and is currently completing his BSc. in Public Sector Administration.

Mr. Horsford expressed that the Society should engage in hosting more Education Seminars in a pioneering way, primarily to encourage the membership to be more financially sound within the turbulent economic times.

### Credit Committee Nominees



## Anthony Newton

Mr. Newton has been a member for the past thirty-five (35) years. He has served on the Supervisory Committee for three (3) years and the Credit Committee for over sixteen (16) years. For the past year he has assumed the Chairmanship of this Committee.

Mr. Newton is proud of his record of service and helping people. He offers himself for continued service to the Society. He is currently employed with the P.T.S.C as a Foreman Mechanic and is an avid believer that "performance beat ole talk all the time".



## David Alexis

Mr. Alexis has been a member of the Society for over eleven (11) years. He is currently employed as a Station Assistant at the Public Transport Service Corporation. He has served as an Officer of the Credit Committee for the past year preceding this report.

Mr. Alexis noted that better due diligence is required in serving on the Credit Committee to maximize its performance. In the near future, he strives to improve his skill sets, and submits himself for re-election to the Committee.



### **Dexter Ian Ghany**

Mr. Ghany has been a member of the Society for the past twenty-one (21) years. He has served as an Officer on the Supervisory Committee for three (3) years and on the Credit Committee for three (3) consecutive years preceding this report.

Mr. Ghany is currently employed at the Public Transport Service Corporation (PTSC) for the past twenty-one (21) years and currently holds the position of Foreman Mechanic. Mr. Ghany highlighted in his opinion, the pre requisite qualities one must possess in order to serve aboard the Credit Committee – transparency, leadership and equality.

He also noted that there is need for improvement in the application of the Loan Policy by the Credit Committee and the reluctance of some committee members' to serve in a leadership capacity may be deemed a weakness. He endeavoured however, to continue to make a positive contribution in his role within the Credit Committee upon re-election.



### **Geeta Teelucksingh-Ali**

Mrs. Teelucksingh-Ali has been a member of the Society for the past twenty-nine (29) years. She is currently employed at the Public Transport Service Corporation in the capacity of Chief Clerk with thirty-five (35) years' experience.

Mrs. Teelucksingh-Ali has served within the Supervisory Committee for three (3) years and the Credit Committee for the past three (3) years preceding this report. She holds certification in Business Administration, Industrial Relations and Marketing respectively.

Mrs. Teelucksingh-Ali asserted that the Committee should look into innovative ways to administer financial counselling to the members of the Society. She also stressed the need for confidentiality regarding members' affairs and looks forward to continuing to serve and contribute to the Society.



### **Charles Hadaway**

Mr. Hadaway retired from the Public Transport Service Corporation after having served thirty-eight (38) years in the capacity of Station Inspector. He has been a member of the Society for the past thirty-four (34) years, and has served as an Officer of the Credit Committee for twenty-three (23) years.

Mr. Hadaway prides himself in having sufficient experience within the Credit Committee. Notwithstanding his reluctance in leading said Committee, he believes he can continue to serve.



### **Darryl Lamy**

Mr. Lamy has been a member of the Society for the past five (5) years and is currently employed as a Clerk II within the Engineering Department of the Public Transport Service Corporation.

Mr. Lamy is the holder of a certificate in Human Resource Management and currently holds the position of Branch President of the PSA Staff Side of the Public Transport Service Corporation.

Mr. Lamy assured, once elected, that he will make himself available to serve as an Officer on the Credit Committee based upon his experience in providing members of his organisation with financial advice. Looking ahead, Mr. Lamy aspires to serve in the capacity of Chairman of the Credit Committee in the next three (3) years.



### **Shawn Mason**

Mr. Mason has been a member of the Society for twenty (20) years. He is currently employed at the Public Transport Service Corporation for the past twenty-two (22) years.

Mr. Mason has served intermittently within the Supervisory Committee for fourteen (14) years and expressed his desire to serve on the Credit Committee this time around. He asserted that notwithstanding his personal challenges as current serving Chairman of the Supervisory Committee, he undertakes to make an effort in continuing to serve.

He believes that his experience on the Supervisory Committee can be applied to the Credit Committee.



### **Anderson Francis**

Mr. Francis currently holds the position of Driver/Conductor within the Public Transport Service Corporation and has been a member of the Society for the past for over ten (10) years. Mr. Francis has served as an alternate within the Credit Committee for the past year.

Mr. Francis believes that he has the strong will, assertiveness and dedication needed to serve on the Credit Committee and submits himself for election.

This Report is submitted for the consideration of this august body.

Dated this 6th day of May, 2019

Respectfully,  
For and Behalf of the  
Nomination Committee

Eva Abraham  
Secretary  
Nomination Committee



Transcorp Credit Union  
Co-operative Society Limited

# WANT A NEW or USED VEHICLE



## it's SIMPLE

come INTO TRANSCORP with

Two (2) forms of valid Gov't issued ID  
Evidence of source of income - job letter and payslip  
Evidence of permanent residence i.e. utility bill

and **DON'T** forget

Proforma Invoice from registered owner or car dealer  
Sale Agreement  
Certified Copy of Ownership (used)  
Insurance Invoice  
Recent Valuation Report (used)  
Invest a minimum sum in unencumbered Shares  
Assigned security documents



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# AMENDMENTS TO BYE LAWS



Transcorp Credit Union  
Co-operative Society Limited  
Member Driven, Results Oriented

**PROPOSED RESOLUTION  
AMENDMENT TO BYE LAW 18, SUBSECTION B “COMPOSITION” OF THE  
BOARD OF DIRECTORS**

Whereas Transcorp Credit Union desires to reduce the number of members serving on its Board of Directors from 12 members to 9 members.

Bye-Law [18], sub section [b] “Composition”, in the Society’s Bye Laws currently states the following:-

- **The Board of Directors shall consist of twelve [12] members to serve for a term of three [3] years and be elected at an Annual General Meeting.**

**Provided that at the first General Meeting of the Society to be held after approval of these Bye-Laws, one-third of the members of the Board of Directors shall be elected to serve until the first Annual General Meeting, one-third of the members to serve until the second Annual General Meeting, and one-third of the members to serve until the third Annual General Meeting. Thereafter all elections shall be for terms of three (3) years.**

Be it resolved that Bye-Law [18], sub section [b] “composition” in the Society’s Bye-Laws be replaced in it’s entirety with the following:

- **The Board of Directors shall consist of nine [9] members to serve for a term of three [3] years and be elected at an Annual General Meeting.**

**Provided that at the first General Meeting of the Society to be held after approval of these Bye-Laws, one-third of the members of the Board of Directors shall be elected to serve until the first Annual General Meeting, one-third of the members to serve until the second Annual General Meeting, and one-third of the members to serve until the third Annual General Meeting. Thereafter all elections shall be for terms of three (3) years.**



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# RESOLUTIONS

# Resolutions

## 1.0 Maximum Liability

- 1.1 Whereas the Co-operative Societies Act. Chapter 81:03, Regulation 14 requires that 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:
- 1.2 Be it resolved that, the Maximum Liability Limit of the Transcorp Credit Union Co-operative Society Limited for loans inclusive of deposits is set at Fifteen Million Dollars (\$15,000,000) for the financial year ending December 31st 2019.

## 2.0 Appointment of an Auditors

Be it resolved that the firm HLB Montgomery & Co., Chartered Accountants, be appointed Auditors for the financial year January 1st, 2019 to December 31st 2019.

## 3.0 Dividends and Rebate

- 3.1 Be it resolved that in accordance with Bye Law (11A), a Dividend of 3.5% on a member's share balance in Transcorp and 2% Rebate on loan interest paid by a member on loans granted by Transcorp, for the period from January 1st 2018 to December 31st, 2018 be approved for payment.
- 3.2 Also be it resolved that the Dividends payments shall be paid only to members in good standing at the date of approval of this Resolution and shall be paid in cash.
- 3.3 Also be it resolved that the Rebate on loan interest shall be paid only to members in good standing at the date of approval of this Resolution and shall be paid to the said members deposit accounts in the Society.

## 4.0 Honorarium

Be it resolved that in accordance with Bye Law (11A), an Honorarium not exceeding the amount of Ninety- Six Thousand Dollars (\$96,000), be approved for payment to Officers of the Society as approved by the Board.

## 5.0 Retained Earning

Be it resolved that any balances remaining after payment of Dividends, the Rebate on Loan Interest and Honorarium remains in the Retained Earnings.

## 6.0 Write-off of Delinquent Loans

Be it resolved that delinquent loans over five (5) years that are under the value of \$2,000.00 (i.e. principal, interests and arrears) and which loans, as at December 31st, 2018, amount to a total value of \$75,205.00 are to be written off.



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**NOTES**

# Notes





For All People



# THE FAMILY CRITICAL ILLNESS PLAN

## YOUR CHAMPION IN CRITICAL TIMES

The financial support of a good insurance plan is essential when serious illness strikes.

With your loved ones standing by your side, the FAMILY CRITICAL ILLNESS PLAN provides the added support you need while on the road to recovery. This plan is tailored to assist with your medical expenses by providing up to \$300,000 in critical illness coverage, giving you peace of mind during those critical times.

- Covered critical illnesses: **Cancer, Heart Attack, Stroke, Paralysis, Major Burns and Coma**
- No medical required when you sign up
- Up to six eligible family members (including the credit union member) covered on one plan
- You and your covered family members are each entitled to receive one lump sum benefit for the life of the plan.

*\* Conditions apply*

**The FAMILY CRITICAL ILLNESS PLAN is available through your credit union. Sign Up Today!**

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CO-OPERATIVE SOCIETY LIMITED



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