

45TH

Annual General Meeting

The Courtyard

HOUSE OF ANGOSTURA

Angostura Street, E.M.R. Laventille

Date: **Saturday 17 April, 2021**

Time: **2:00 p.m.**

“Exploring the possibilities,
expecting the best.”

AGECU



ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

45th Annual General Meeting

of Angostura Group Employees'
Credit Union Co-operative Society Ltd.

Credit Union Prayer

*Lord, make me an
instrument of thy peace.
Where there is hatred,
let me sow love.
Where there is injury, pardon.
Where there is doubt, faith.
Where there is despair, hope.
Where there is darkness, light.
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;
It is in dying that
we are born again
To eternal life*

*(prayer of
St. Francis of Assisi)*

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.*

Board of Directors

Executive Team



Lambert George
President



Mario Clarke
Vice President



Ronda Betancourt
Secretary



Johann Merritt
Treasurer



Marc Paul
Assistant Secretary



Shernelle Sargeant
Assistant Treasurer



Wayne McDonald
Member



Nikecia Moore-
Burrowes
Member



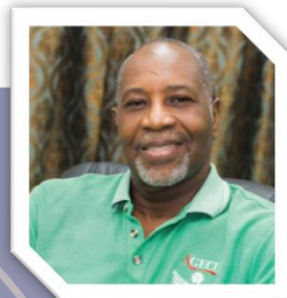
Brenda De La Rosa
Member



Beverly De Freitas
Member



Ariana Maharaj
Member



Codrington Plante
Member



Nigel Farfan
Member (2nd alt)

Management



Hazel Joseph
Officer Manager



Mariella Pavy
Admin Assistant III



Anika Corbin-Des Vignes
Admin Assistant II

Committee Chairpersons

Supervisory - Mr. William Jordan
Credit - Ms. Darlene Coombs
Education - Ms. Ariana Maharaj

Auditors

PKF Chartered Accountants and Business Advisors (Trinidad), 111 Eleventh Street, Barataria

Bankers

Republic Bank Limited - Eastern Main Road, San Juan

Affiliation

Cuna Mutual Group
Member of the TTCCU (CCUTT)

Registered Office

Corner Trinity Avenue & Eastern Main Road, Laventille. Tel/Fax 625-2662

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Vision Statement

To be the premier financial institution catering to the needs of our members.



Mission Statement

To develop an environment that fulfils the social and financial goals of our members and their families without compromising the integrity, philosophy and statute of Credit Unionism.

Notice is hereby given that the 45th Annual General Meeting of Angostura Group Employees' Credit Union Co-operative Society Limited will take place on Saturday, April 17th 2021 on the Courtyard, House of Angostura, Eastern Main Road, Laventille at 2:00pm.

Registration begins at 1:00pm

A handwritten signature in black ink that reads "Ronda Betancourt".

Ronda Betancourt
Secretary - Board of Directors

AGENDA

1. Opening Prayer
2. National Anthem
3. Acknowledgement - Invited Guests
4. President's message
5. Credential report
6. Reading and confirmation of Minutes (44th AGM)
7. Matters arising
8. Reports:
 - Board of Directors
 - Supervisory Committee
 - Credit Committee
 - Education Committee
 - Nomination Committee
 - Financial Statement/Auditor's Report
 - Budgetary Proposals
9. Amendment to Bye Law
10. Resolutions
11. Elections of Officers:
 - Supervisory Committee
 - Credit Committee
 - Board of Directors
12. Other business
13. Vote of thanks
14. Closing Prayer
15. Refreshments

STANDING ORDERS

1. Members shall address the meeting only when called upon by the Chairman to do so, after which, they shall immediately take their seat. OR members can use the "Raise Hand" function on the ZOOM platform and wait to be recognized by the Chairman before unmuting their microphones.
2. Members shall keep their microphones muted for the duration of the meeting, except where permitted by the Chairman for making contributions to the meeting.
3. The videos of all participating members shall remain off unless addressing the Chairman.
4. All members are asked to keep their cell phones on silent mode whether present physically or virtually. If a member in virtual attendance has to take a call, please ensure that your microphone on the Zoom platform is muted.
5. Members shall stand and state their name when addressing the Chair OR click the microphone icon on their computer to unmute their microphone and must identify themselves when addressing the Chairman. Speeches shall be clear and relevant to the subject before the meeting.
6. No member shall address the meeting except through the Chairman.
7. A member shall not speak twice on the same subject except:
 - The mover of the motion - who has a right to reply;
 - He rises to object to or to explain any matter (with the permission of the Chair).
8. Members attending the meeting virtually will type their question in the 'chat box' feature on the Zoom platform. The AGM Moderator will collate and transmit questions to the Chairman.
9. No speeches shall be made after the "question" has been put and carried or negative.
10. On any agenda item, members are permitted:
 - a) one question
 - b) their contribution shall not exceed two (2) minutes, except with the permission of the Chairman.
11. The mover of a "procedural motion" - (adjournment, lay on the table, motion to postpone) shall have no right to reply.
12. A member rising on a point of order shall state the point clearly and concisely. (A point of order must have relevance to the Standing Orders).

13. A member shall not call another member to order but may draw the attention of the Chair to a "Breach of Order". On no account can a member call the Chair to "order".
14. Only one amendment shall be before the meeting at one and the same time.
15. When a motion is withdrawn, any amendment to it fails.
16. The Chairman shall have the right to a casting vote.
17. If there is an equality of voting on an amendment and if the Chairman does not exercise his casting vote, the amendment is lost.
18. Provision shall be made for protection by the Chairman from vilification (personal abuse).
19. No member shall impute improper motives against another.
20. No form of recording of the proceedings shall be allowed without the permission of the Chairman.

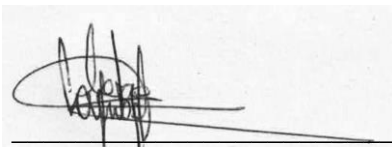
MEMBERS' FIXED DEPOSIT RATES

With effect from Friday, 25 April 2013:

Range (\$\$)	% Full Year (12 months)	Break Rate (%)	Break Rate % after 6 months
\$1,000 - \$49,999.99	2.00	Less 0.75	1.50
\$50,000 - \$99,999.99	2.25	Less 0.75	1.75
\$100,000 - \$249,999.99	2.50	Less 0.75	2.00
\$250,000 and over	2.75	Less 0.75	2.25

(N.B. – the period for ALL Fixed Deposits shall be twelve (12) months.)

- These will apply to ALL Fixed Deposits (New/Renewals).
- A Notice should be sent to each Depositor as a reminder PRIOR to the maturity date, asking for their decision of the principal.
- The certificate must be signed by the Treasurer and the Manager and issued immediately, or in their absence, the protocol for signing of cheques must be followed.
- **ONLY PENSIONERS can use their interest to service their loans monthly.**
- Provide proof that member has agreed to the rates offered and that member signs for receiving certificate and copy placed on member's file.



Lambert George
President



Johann Merritt
Treasurer

ELECTION PROCEDURES

As part of the COVID-19 health & safety guidelines for holding elections during an Annual General Meeting using a Voting Portal if a member is attending the meeting virtually, or a Kiosk if a member is physically present at the AGM.

1. Nominations of persons to contest elections to the Board and Committees will come from the Nomination Committee and the general membership present.
2. See list of current and outgoing committee members eligible for re-election.
3. Members may accept nominations for the Board, Credit and Supervisory committees. However, those elected for the Supervisory Committee will not be eligible for election to the Credit Committee or Board.
4. There will be a single ballot for the Board, Credit and Supervisory Committees. Duplicates will not be allowed.
5. On completion of the nomination process, members will cast their ballots.
6. The appointed persons, or with the use of the electronic ballot system, will count the ballots while the meeting is in progress.
7. For members attending the AGM virtually, a five-digit voting ID that is unique to each member, will be sent via a meeting registration email.
8. The Voting Portal for online voting will be accessible when the Returning Officer opens it during the elections process.
9. For members attending the AGM virtually, please see the insert in your brochure titled "Virtual AGM Elections – FAQs" for further guidelines on how to vote and/or nominate a person on the floor.
10. For members attending the AGM physically, a Kiosk will be provided at the meeting location to allow for voting and the Returning Officer will provide further guidelines on how the process will be executed.
11. For members attending the AGM physically, the standard procedures for nominating a person on the floor will hold.
12. The results of the election will be announced immediately on completion of the count.

COMMITTEE MEMBERS

Board of Directors

Mr. Wayne McDonald	2017 – 2020
Mr. Mario Clarke	2017 – 2020
Mrs. Nikecia Moore-Burrowes	2017 – 2020
Mrs. Brenda De La Rosa	2017 – 2020
Mr. Marc Paul	2018 – 2021
Mr. Johann Merritt	2018 – 2021
Ms. Shernelle Sargeant	2018 – 2021
Ms. Beverly De Freitas	2019 – 2021
Mr. Lambert George	2019 – 2022
Ms. Ronda Betancourt	2019 – 2022
Ms. Ariana Maharaj	2019 – 2022
Ms. Melissa Clarke*	2019 – 2022

*Resigned in August 2019. Mr. Codrington Plante (1st alt.) assumed the position and will be eligible for re-election in 2020.

Outgoing and Eligible for Re-election

Wayne McDonald	outgoing
Mario Clarke	outgoing
Nikecia Moore-Burrowes	outgoing
Brenda De La Rosa	outgoing
Codrington Plante	outgoing

Supervisory Committee (outgoing and eligible for re-election)

William Jordan
Lacey Ann Arneaud
Mahalia McDonald-Lawrence
Terran Eligon
Ruth Johnetty

Credit Committee (outgoing and eligible for re-election)

Darlene Coombs
Karla Hosein
Codrington Plante
Nicole Mayers-Clarke
Ariana Maharaj

PRESIDENT'S MESSAGE

Reflecting on my message at our last Annual General Meeting, the main objective was to create an awareness and the understanding for the importance of having a diversified membership, if we are to remain relevant and sustainable into the future.

As we celebrate another milestone of Forty-Five (45) years on July 9 2020, this objective continues to be a source of concern to me, as it should also be to every member of our Credit Union, because collectively we are the owners. Effective 31 October 2017 with a total of 600 members, we opened our membership to spouse and children over eighteen (18) years, at 31 December 2019, we have 7 and 49 respectively, comparing this against a total of 600 members then, it is very clear that membership growth in this category has not met expectation.

As we begin this new decade of the twenties (20's), our primary objective must remain in the area of membership diversification. Our methodology to date, has been a risk management approach extending membership to our spouses and children.

The Board, at its first meeting held on January 18th 2020, took the decision to

extend our bond to grandchildren, brothers and sisters of members and we would like to continue our risk-based approach for increasing membership, in the short to medium term.

We are very cautious in our approach to opening our bond as we seek to strengthen our administrative efficiency to mitigate the challenges of this expectation in membership growth.

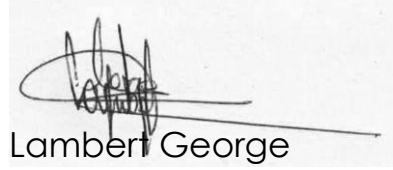
We did say that in 2019, a Special General Meeting will be held to get your approval for borrowing monies for the construction of our administration building. Considering the very small growth in external membership, we could not conduct our due diligence and marketing plan to secure a mortgage. We are going to continue to examine all the feasibilities of construction, especially at this time.

The year 2019 was challenging for our credit union, our bottom line took a major blow as we had to comply with the accounting standard of IFRS 9. We have learned from all the experiences, the good and not so good.

“Exploring the possibilities; Expecting the best”.

The new decade has begun; in the year 2025 we will be celebrating our 50th anniversary and we need to ask ourselves some important questions. Our current strategic plan ends this year; we shall take a critical analysis of our achievements over the last five years, what we did not achieved, and

why. This will set the platform for discussion as we seek to develop another five-year plan.

A handwritten signature in black ink, appearing to read 'Lambert George', is written over a light grey rectangular background.

Lambert George
President

AGM MINUTES

Minutes of the 44th Annual General Meeting of the Angostura Group Employees Credit Union (AGECU) held on Saturday, 13th April 2019 in the Glass room, House of Angostura, Eastern Main Road, Laventille.

1.0 Call to Order

The 44th Annual General Meeting was called to order at 2:22pm. Members were invited by AGECEU manager, Hazel Thomas to stand for the Opening Prayer and the National Anthem.

2.0 Opening Prayer and National Anthem

The credit union prayer was recited, followed by the National Anthem. A minute of silence was observed for members who had passed, or had relatives pass on during the period.

3.0 Acknowledgements

The Secretary, Mr. Wayne McDonald, was invited to read the notice of 44th Annual General Meeting, Agenda and the Standing Orders. A motion was moved by Mr. Lance Garcia and seconded by Mr. Russell Wilson to accept the Agenda and Standing Orders.

The President then asked for a motion for the brochure to be taken as read. This was moved by Mr. Everton Callendar and seconded by Mrs. Jeannette Yorke.

Mr. George also welcomed invited guests representing the Commissioner

of Cooperatives, the auditors of PKF, as well as the following credit unions, who he invited to bring greetings on behalf of their respective organisations. He also acknowledged the presence of past presidents, Mr. David Gibson, Mr. Lance Garcia and Mr. Everton Callendar.

4.0 President's Message

After a brief interlude, during which the song "In the Beginning of Time" was played, the President read out his message from the brochure and spoke about the drive to have members' spouses and children join the AGECEU. He stated that, since the bond was opened up in October 2017, the family membership drive has not gone as expected. He added that forms which have been given out have not converted to membership and encouraged all present to have their spouses and children sign up if they had not already done so. Mr. George added that, if the AGECEU is to grow and put up its proposed administrative building, then we need to increase our membership base significantly, as well as our loan portfolio, which at present would find it difficult to stand up to a 'stress test'.

Mr. Anthony Livingston asked how many members have joined since then and was advised that for 2018, only 35 persons joined the AGECEU, most of them children and less than 10 spouses. Mr. Livingston added that "common laws" should be able to join the credit union as well.

5.0 Credential Report

President, Lambert George asked for a Credential report at 2:50pm, which noted 44 members and 10 guests present.

6.0 Minutes of the 43rd Annual General Meeting

a) The President, then asked for a motion to adopt the minutes of the 43rd Annual General Meeting, which was moved Mr. Lance Garcia and seconded by Mr. Russell Wilson.

b) Omissions and corrections:
There were no omissions or corrections to the minutes of the 43rd Annual General Meeting.

7.0 Matters Arising

a) Mr. Everton Callendar, pg. 15 (1b) – asked for a status update on Myerson's Credit Union's membership. He was advised that the entity was still a member in good standing of the AGEUCU. Mr. Callendar then asked if it would be prudent to have their individual members also join the AGEUCU. The President responded it does not work like that.

b) Mr. Lance Garcia, pg. 20 (12b) – he looked around to see if any of the junior members were present at the AGM and found none. Mr. Livingston expressed his concern as well and suggested that the President should have invited his wife and children to the meeting. Mr. George stated that his wife and children were presently attending other matters.

There being no further matters arising out of the minutes, the President asked for a motion to accept the minutes, which was moved by Mr. Codrington Plante and seconded by Mr. Russell Wilson.

8.0 Board and Committee reports

8.1 Board of Directors' Report

The President asked for a motion to adopt the board of directors' report, which was moved by Ms. Arianna Maharaj and seconded by Mr. William Jordan.

Matters arising:

a) Mr. Anthony Livingston noted that he only received the annual report the night before the AGM. He noted that the construction on the building did not begin as previously suggested and wanted to know the reasons why.

b) Mr. David Gibson pg. 25, 2nd paragraph – he asked why the AGEUCU was looking into installing its own ATM machine, when the parent company already had one on the premises, utilized by employees. He added that nothing was being heard from the League concerning the proposed CUA and asked why Mario Clarke's report on his attendance at the CCULTT annual leadership conference was not included in the Board Report and only submitted on the Facebook page.

- c) The President responded to Mr. Gibson's queries by advising (1) a proposal was received from SUGAPAY with a demo during an officers' team building exercise in 2018 for the installation of an ATM on a trial basis. We would not have to pay for the machines currently, which would serve the membership. Two meetings have been held with Angostura management and we are awaiting approval from them to install the machine.
- d) (2) Several board members would be attending the League's AGM the following day. Mr. George stated he was personally satisfied that the League was meeting the needs of its members currently and further advised that new regulations have been proposed by the League to replace the ones previously proposed by the Government and which have been shelved for the time being.
- e) (3) Marc Paul's report on his attendance at the annual CCULT conference in 2017 was included in the Board report last year, as the information was relevant to the AGEUCU's own experiences at that time and also because Mr. Paul had been asked to give the closing address at the conference. Mr. George did agree that, going forward, the report on attendance at the Conference would be included in the Board's report for the brochure.
- f) Mr. Gibson stated he was still unclear if the demo by SUGAPAY was satisfactory, to which Mr. George indicated it was still to be decided. Marc Paul added in response to the question concerning the installation of the ATM machine that the parent company, had installed one to facilitate employees.
- g) Mario Clarke added that the ATM machine is a move towards the future for our members and how they are able to transact business. He said so far response from Angostura management has been favorable.
- h) Mr. Anthony Livingston suggested we should have some representation on the Chapter's board, there seems to be no participation in their activities. He also asked about Myerson's Credit Union and what was happening with their AGM. Mr. George responded that the AGEUCU was in fact actively involved in the League's business; members have served on the Chapter's Board and Mr. George himself attended a meeting two weeks prior. He added however, that the AGEUCU has challenges with

tending to its own business, which takes up a considerable amount of time and he urged others to offer their service as well. With respect to Myerson's Credit Union, the President advised that their annual general meeting would be held either in May or June.

- i) Melissa Clarke offered her congratulations on the AGEUCU's 44th annual general meeting and asked if there was a strategic plan in place to attract new membership. She also enquired if a 'viability test' had been done on the proposed new building which was going to cost us approximately \$15M.
- j) The President advised that the 'Lunch & Learn' series of workshops held by the education committee in 2018 did have a session on family membership and existing members did show a lot of interest in bringing in their spouses and children. He added that in the coming new term we would have to look at new strategies and new ways of thinking for pulling in new members. With respect to the proposed new building, Mr. George stated that our current investment advisor – Nigel Deosaran – expressed satisfaction that the AGEUCU could meet its obligations for borrowing: we have a strong

'parent company'; our 'due diligence' has been conducted and we are working on a comprehensive marketing plan to share with the Commissioner of Cooperatives. He added that future strategies would have to be put together to meet the loan demands.

- k) Ms. Clarke then asked if a web-based portal was the only means by which the AGEUCU was considering growing its member base. Mr. George replied that we were looking into new software and that in the new term an all committee retreat would be held at which time we could explore all options available for us to grow our membership.
- l) Mr. Everton Callendar said he would be interested in that 'conversation'. He also welcomed the acting CEO, Mr. Ian Forbes for attending the meeting, which demonstrated interest in the credit union's affairs and added that the credit union is essential to Angostura. Mr. Callendar suggested that physical space is not a constraint at present, given our current location and that we should rethink some of the things we are doing right now, especially the cost of incurring a mortgage for the new building. Mr. George replied that the pros and cons

will all be considered when deciding if to build or not to build.

m) Mr. Gibson referred to his previous question on the League's plan and mentioned its Annual Convention, which both the President and the Vice President attended, and which was reported on page 28. He added that the Prime Minister spoke about the 'growing movement' in his address at the Convention and he (Mr. Gibson) stated it was time for a 'revolution', nothing seemed to be happening.

n) Mr. George invited the League's representative, Mr. Marlon Pierre league's secretary to say a few words on what was currently taking place on this matter. Mr. Pierre advised that the League was in discussions with Central Bank and the Ministry of Finance and they were moving forward with a new proposal which would be shared with the public in due course.

There being no other matters arising, the President then asked for a motion to accept the Board's report, which was moved by Mr. Mario Clarke and seconded by Darlene Coombs.

8.2 Supervisory report:

The President asked for a motion to adopt the supervisory committee's report, which was moved by Mr. David Gibson and seconded by Mr. Russell Wilson. The Chairperson, Ms. Arianna Maharaj tabled the report and made a presentation to the membership, in which she stated that both she and the committee's secretary – Melissa Clarke – had taken the personal decision to forgo any honorarium which they may be entitled to and requested that the funds be channeled back into the credit union to be used for other purposes.

Matters arising:

a) Mr. Everton Callendar asked if the decision which the Chairperson and the Secretary had made with respect to the honorarium was discussed with the other committee members. Ms. Maharaj responded and said the choice was an individual one to make.

b) Mr. Anthony Livingston stated that he was an alternate on the supervisory committee and that the suggestion was discussed at the committee level and should have been presented to all officers for consideration. He said this should not just be a personal decision by individual committee members.

There being no other matters arising the President then asked for a motion to accept the supervisory committee's report, which was moved by Mr. David Gibson and seconded by Mr. Codrington Plante.

8.3 Credit committee report:

The President asked for a motion to adopt the credit committee's report, which was moved by Mr. William Jordan and seconded by Mrs. Jeannette Yorke. The Chairperson, Mr. Marc Paul tabled the report and gave an overview of its contents. He also replied to Mr. Callendar's question regarding the honorarium and advised that the credit committee did discuss the suggestion as well and added that they would be willing to make the sacrifice if need be, but he would challenge all members of the credit union to become more involved in the credit union's affairs. They should pay more attention if they are asking Officers to make the sacrifice.

Matters arising:

a) Ms. Melissa Clarke noted there was a drastic drop in the loan portfolio and made note of the significant volume of the portfolio in 2015, as compared with previous and subsequent years. She also asked how targets were being managed, as well as for further details on some of the figures provided in the report. Mr. Paul explained that 2015 represented the credit

union's 40th anniversary which had a very special loan product and realized significant and not the average, revenue. He added that, while we did not want the loan volume to shrink, we also did not want to run the risk of 'canabalizing' future earnings by pushing too hard on members with a lot of different 'special loans', especially as the credit union's membership was mostly 'in-house'.

- b) Mr. Everton Callendar, pg. 39 (delinquency) – questioned the risk of not collecting all monies outstanding to the credit union. Mr. Paul explained that the "realized exposure" is what represented the *potential* loss to the credit union, if the office did not pursue collection.
- c) Mr. Ian Forbes asked what impact there would be on the credit union with the move by Angostura to make several casual workers permanent employees. Would this increase the stability of the credit union and potentially help to grow the loan portfolio? Mr. Paul advised that it would depend on the individual's goals and borrowing capacity. For instance, if the member wished to purchase a home, he/she may want to reduce his/her 'consumer' type loans. He added that there were strategies in place, but that the committee would be

looking at the best ways to achieve the targets and get members more involved. The credit union would be pursuing our goals more aggressively in the new term.

- d) Mr. Forbes asked that the credit union keep in mind the opportunity to capture a growing base of casuals who are becoming permanent, perhaps offer financial planning to members as well. He asked to go on record that he believed the AGEUCU has the opportunity to take members from one stage of their lives to another.
- e) Mr. Paul pointed out that, with the removal of communication to members from the credit union via the Company email, while he was not complaining, this now forced the credit union to find more creative way to retool ourselves to get information on to members.
- f) Mr. William Jordan suggested that the role of the marketing sub-committee was to reach out to members to communicate the credit union's plans.
- g) Mr. Mario Clarke stated that it was a challenge to get members to serve on committees and to motivate them to stay on. He added that this year, in addition to advertising for persons to serve on the education committee, there will also be a call to serve on the marketing committee, which should result in a stronger and more dynamic team to escalate the credit union's efforts.
- h) Mr. Everton Callendar noted the point about internal communication, via email to members being removed from the credit union and stated this is a great loss that will deprive us of opportunities. Mr. Paul stated that this showed a weakness in the credit union, as we have become complacent and too reliant on Angostura. He added that this should not be an excuse for us not to be able to connect with members.
- i) Mr. Callendar advised that, while this was a noble statement, more opportunities or ways to reach members, means more connections made. He asked if this facility was removed from the credit union without consultation and if we could speak with the (Acting) CEO or the Board to get it reinstated, we should not feel ashamed to ask. Angostura has a stake in the growth of the credit union's business.
- j) Mr. Mario Clarke said that the Company has been sending out emails, but it has to be

channeled through the HR department. Mr. Clarke added that it was perhaps a blessing that the Acting CEO was present at the AGM and saw this as a sign of positive things to come. Mr. Paul cautioned that Angostura and the AGEUCU were two separate entities and they should not impose on each other.

There being no other matters arising the President then asked for a motion to accept the credit committee's report, which was moved by Ms. Melissa Clarke and seconded by Mr. Stanley Charles.

The President acknowledged those guests who arrived a little later into the meeting and asked that they bring greetings from their organization. Mr. Wayne Estrada did so on behalf of the Eastern Credit Union. Mr. Estrada also challenged members of the AGEUCU to get their families to join the credit union, which could be done without spending a lot of money marketing this opportunity.

He added that all credit unions faced the challenge of getting members to take out loans and suggested the AGEUCU should target its net savers with some form of 'enticement', for example a reduced interest rate, or a 'pre-approved' loan. He ended by encouraging the credit union to continue pursuing its dream to get its own building.

Mr. Brian Beckles brought greetings on behalf of the SECU.

8.4 Education committee report

The President asked for a motion to adopt the Education Committee's report, which was moved by Ms. Arianna Maharaj and seconded by Ms. Darlene Coombs. The Chairperson, Ms. Sharon Joseph, tabled the report and, there being no matters arising, a motion to accept the report was moved by Ms. Melissa Clarke and seconded by Mr. Fitzroy Philips.

8.5 Nomination committee report

Before adopting the Nomination Committee's report, the Chairman, Mr. Everton Callendar asked for the members to note that Ms. Arianna Maharaj, who had been nominated for the Supervisory Committee, should be removed from the report, as the nomination committee had not gotten a chance to interview her, due to scheduling conflicts. This was in accordance with the required regulations which guides the nomination process. Mr. Callendar advised however, that Ms. Maharaj could still be accepted as a nominee from the floor during the election procedure.

The President then asked for a motion to adopt the Nomination Committee's report, which was moved by Mr. Russell Wilson and seconded by Ms. Darlene Coombs.

The Chairman then thanked the rest of the committee for their service and offered condolences to the late Claudia Hunte, who was also a member of the team up to her untimely passing earlier in the year. He stated that the committee was tasked with generating interest from the membership prior to the AGM and added that, 3 years into the process, it was still challenged to get sufficient nominees for each committee. He said it was like “pulling teeth” and made an appeal to members not to wait until it was too close to the AGM to look for possible candidates. Often, we end up with the same people serving on the same committees every year. He stated that, while the rules still allow for nominations from the floor, the names in the brochure are people who were vetted by the committee.

Mr. Anthony Livingston questioned why the Chairperson asked to have Ms. Maharaj’s name removed from the nomination committee’s list of candidates because she was not interviewed, especially as she was a ‘sitting’ officer and would have been interviewed the previous year.

Mr. Callendar reminded Mr. Livingston and the membership that Mr. Jerome Chambers had, in the previous AGM, explained the statute that says each person nominated via this process must be interviewed. Even if the nomination committee itself may not have seen the need, they were simply following the rules.

There being no other matters arising the President then asked for a motion to accept the nomination committee’s report, which was moved by Mr. David Gibson and seconded by Mr. Codrington Plante.

8.6 Auditor’s Report: presented by the representative from PKF.

The President invited the representative from PKF to read the auditor’s opinion which was stated in the auditor’s report on page 59. A motion to adopt the report was then moved by Mr. Russell Wilson and seconded by Ms. Darlene Coombs.

The Treasurer, Mr. Johann Merritt, was then invited to present the financial statements and its notes from pages 62 to 99, which he did, noting that the 2017 comparative figures had to be ‘restated’ in accordance with the new IFRS9 standards, which required more details and accountability. The ‘probability’ of default required more prudent reporting.

The Treasurer then gave highlights of the financial report and explained some of the challenges experienced in getting it ready in time for the AGM with the new IFRS9 requirements. This resulted in the initial date for the AGM, scheduled for March, to be pushed back to April. He added that, going forward credit checks on all members would be required to get a proper picture of their financial standing. The credit union has to protect both its members and the organization which

serve them. Mr. Merritt then invited questions from the floor.

- a) Mr. Ian Forbes referred to pg. 66 and a drop in the Net Cash figures between 2017 and 2018. Mr. Merritt explained this was a result of members who had to 'contra' their shares to settle delinquent loan balances.
- b) Mr. Forbes also asked what was done when a member left Angostura and still had a loan on the credit union's books. Mr. Merritt explained that processes were put in place to try to avoid delinquency or to pursue collection. Mr. Forbes suggested that the credit union could work more closely with Angostura to ensure this was done and added that similar arrangements were in place with other organisations to notify the credit union when the member had 'exited' the company.
- c) Mr. Merritt could not confirm this was still done, but it was confirmed by the Manager, Mrs. Hazel Joseph (nee Thomas), who stated that the Company did in fact notify the credit union when an employee resigned or retired, and arrangements were made to service their loan(s).

There being no other matters arising the President then asked for a motion to accept the financial report, which

was moved by Mr. Lance Garcia and seconded by Ms. Ave Scott.

8.7 Budget proposals:

The President asked for a motion to adopt the budget proposals on pages 51 – 54, which was moved by Mrs. Jeannette Yorke and seconded by Mr. Russell Wilson.

Mr. David Gibson referred to a correction on page 52, second paragraph, 9th line, the words should be "effect on".

There being no other matters arising out of the budget proposal, the President asked for a motion to accept the budget, which was moved by Mr. Russell Wilson and seconded by Mr. Fitzroy Philip.

Credential report at 5:05pm – 60 members present and 12 guests.

9.0 Resolutions:

The resolutions on page 50 were placed before the members for their acceptance:

- a) Mr. Anthony Livingston suggested that the statement the Supervisory Committee's Chairperson, Ms. Maharaj, had made concerning waiving the honorarium for officers should be considered to put as a resolution. The President asked Ms. Maharaj to repeat what she had said during her presentation regarding this issue, which she reiterated was a

personal decision of herself and the committee's secretary.

- b) Mr. Livingston added that, based on the year's activities and other statements, he would like to put this waiver as a resolution and added that, by making the choice a personal one, Ms. Maharaj sounded 'timid'. He reminded that this had been discussed at the committee level. The President, Mr. George, reminded Mr. Livingston that he was an alternate on the supervisory committee.

Eligon, yes – 50, no – none, abstain – none.

Resolution #2 – Honorary: seconded by Mr. Emmanuel Buckmire, yes – 37, no – 5, abstain – 1.

Resolution #3 - Auditors: seconded by Mr. Terran Eligon, yes – 44, no – none, abstain – 1.

10.0 Elections of officers:

The President invited the League representatives to chair the elections process. No letters were provided for absent members to be nominated/elected.

Resolution #1 – Dividend & Interest Rebate: seconded by Mr. Terran

Supervisory Committee

Nominee	Nominated by	Seconded by	No of Votes
William Jordan	Arianna Maharaj	Vitra Deonarine	55
Mahalia Lawrence	Lambert George	Anthony Livingston	50
Terran Eligon	Darleen Coombs	Lambert George	39
Lacey-Ann Arneaud	Melissa Clarke	Shernelle Sargeant	37
Ruth Johnetty	Marc Paul	William Jordan	37
Garnet Glasgow	Lambert George	Sharon Joseph	35 (1 st Alt)
Anthony Livingston	Arianna Maharaj	Melissa Clarke	28 (2 nd Alt)

A motion to cease nominations for the supervisory committee was moved by Mr. Russell Wilson and seconded by Ms. Sharon Joseph.

Credit Committee

Nominee	Nominated by	Seconded by	No of Votes
Darlene Coombs	Marc Paul	Nicole Mayers-Clarke	51
Karla Hosein	Marc Paul	William Jordan	49
Nicole Mayers-Clarke	Marc Paul	Karla Hosein	45
Codrington Plante	Marc Paul	Darlene Coombs	41
Arianna Maharaj	Melissa Clarke	Beverly De Freitas	35
Beverly De Freitas	Lambert George	Mahalia Lawrence	30 (1 st Alt)
Ave Scott	Russell Wilson	Lacey Ann Arneaud	25 (2 nd Alt)

A motion to cease nominations for the credit committee was moved by Mr. Marc Paul and seconded by Mr. Johann Merritt

Board of Directors

Nominee	Nominated by	Seconded by	No of Votes
Ronda Betancourt	Nikecia Moore-Burrowes	Mario Clarke	50
Melissa Clarke	Arianna Maharaj	Wayne McDonald	50
Lambert George	Mario Clarke	Nikecia Moore-Burrowes	49
Arianna Maharaj	Lambert George	Melissa Clarke	44
*Beverly De Freitas	Mario Clarke	Vitra Deonarine	41
Codrington Plante	Darlene Coombs	Emanuel Buckmire	30 (1 st Alt)
Nigel Farfan	Johann Merritt	Lance Garcia	15 (2 nd Alt)

*Will serve out for the period of 2 years as replacement for Struanell Peters who resigned during her term.

A motion to cease nominations for the Board of Directors was moved by Mr. Lance Garcia and seconded by Mr. Russell Wilson.

A motion to destroy the ballots was moved by Mr. David Gibson and seconded by Mr. Terran Eligon.

11.0. Other business

- a) Mr. Everton Callendar referred to page 53 of the Budgetary Proposal for 2019 and asked for clarification on the projected 'income from social events'. The Treasurer, Mr. Johann Merritt, explained this would be revenue generated from activities such as the Children's Christmas Party, Members' Bingo and any other social activities/programs that members had to pay for. Mr. Callendar asked if this was a realistic projection, as the figure seemed high and Mr. Merritt stated that it was.
- b) Mr. David Gibson spoke of a previous suggestion many years ago about purchasing goods in bulk to redistribute to members and said it may be a good idea to explore now as the credit union had more space. The Vice President, Mr. Mario Clarke said Mr. Gibson's suggestion would be duly noted.

12.0 Door prizes:

Guest prize presented by Mariella Pavy to Mr. Wayne Estrada of Eastern Credit Union

Presented by Nigel Farfan to Ms. Karla Hosein

Presented by Reecha Charles to Mr. Randolph Wellington

Presented by Rhonda Eugene to Mr. Ian Forbes

Presented by Mariella Pavy to Mr. Kevin Reid

13.0 Vote of thanks

The vote of thanks was given by Mr. Mario Clarke who spoke of the challenge in getting nominees to serve on the various committees this year, which was also mentioned by the Chairperson of the Nomination Committee. He added that everyone has to play their part and we should not be fighting to get persons willing to serve. He commended the younger members who were elected on the committees, which showed some promise.

Mr. Clarke then thanked the officers who served on the previous term for giving their time, which he acknowledged was often a sacrifice and could be difficult at times, as they also had to do their jobs in Angostura. He thanked the guests who were present and representing their various credit unions and other organisations. The Head Table, AGEUCU staff and everyone else who worked on executing the annual general meeting. The minute taker, Ms. Ronda Betancourt, for her service that day, as well as the great job preparing the annual report. The Board for coming up with the theme for this year's AGM and added that we would face all coming challenges with confidence.

Mr. Clarke then said the closing prayer and the meeting concluded at 6:34pm.



Ronda Betancourt
Secretary – Board of Directors



BOARD OF DIRECTORS REPORT

Introduction

On behalf of the Board of Directors and members of staff, welcome to our forty-fifth (45th) Annual General Meeting.

The year 2019 marks the end of a decade; one in which we witnessed an explosion of information that arose from this digital earthquake called the internet and social media. There was so much contradictory information in the world, we were sometimes left confused, or how to confirm anything. The effect of this explosion impacted us individually, based on our core values, faith in Almighty God, respect for life, order, work, concern for the family and future generations.

The economic reality in our twin-island Republic of Trinidad and Tobago in 2019 continued the path of contraction, with oil and gas prices lower than that of 2018. Based on this economic reality, the Board managed our Credit Union from declining interest from loans to our members, and short-term investments.

Attendance Records

During the period under review there were twelve (12) statutory Board meetings and twelve (12) Executive meetings.

Our first Board meeting was held on Monday 29th April 2019. Ms. Lisa Dubery and Mrs. Paula La Barrie-Mitchell from the Ministry of Labour Small and Micro Enterprises, Co-Operative Division, conducted elections which resulted in the following Executive positions:

President	Lambert George
Vice President	Mario Clarke
Secretary	Ronda Betancourt
Asst. Secretary	Marc Paul
Treasurer	Johann Merritt
Asst. Treasurer	Shernelle Sargeant

Other members of the Board are as follows: -

Wayne Mc Donald
 Nikecia Moore-Burrows
 Brenda De La Rosa
 Beverly De Freitas
 Arianna Maharaj
 Melissa Clarke*
 Codrington Plante (1st Alt)
 Nigel Farfan (2nd Alt)

*Ms. Clarke resigned from the Board effective 14 August 2019. Her vacancy was filled by Codrington Plante (first alternate) who will serve until our next Annual General Meeting.

Training and Performance Management:

Members of the Board, Supervisory, Credit, Education Committees and Staff attended an All Committee Meeting at Ortinola Estate LP #11A Acono Road Maracas Valley St Joseph, on Saturday 16 June 2019.

On July 10th another All Committee meeting was held at the House of Angostura to review and update the AGECU's 5 year Strategic Plan.

Our President, Mr. Lambert George, and the office Manager, Mrs. Hazel Joseph, attended the Co-Operative Credit Union League (CCULTT) 19th annual regional leadership conference in Suriname from Thursday May 30th to Sunday June 2nd, 2019. The theme of the conference was **"Reflections on Credit Unions' Successes and Challenges; A Road Map for The Future."** A copy of their report is at the end of the Board report.

Research and Development:

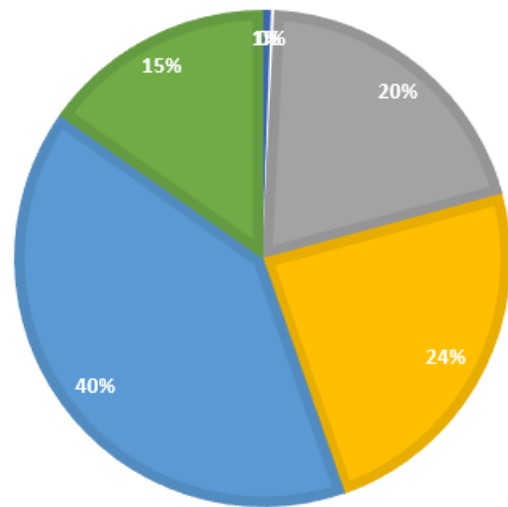
As we enter into a new cycle, we shall review our medium and long term goals. Our strategic plans will be reviewed to ensure relevance and applicability especially in the face of the significant social, economic and technological changes that have arisen as a result of the COVID-19 pandemic.

As at the end of December 2019 our membership increased from 735

members to 750. Our total assets grew from \$58.8M in 2018 to \$61.9M, an increase of \$3.1M or 5.3%.

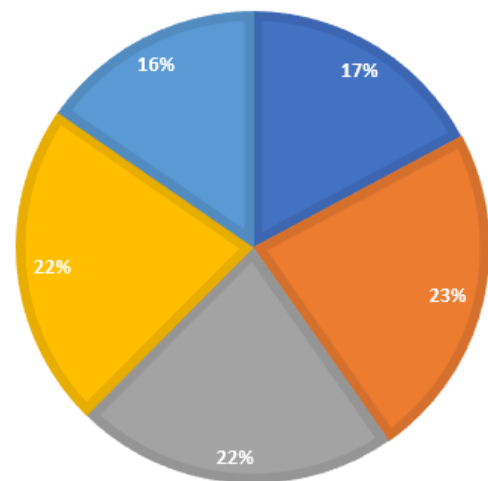
TOTAL ACTIVE MEMBERSHIP AS AT 31 DECEMBER 2019

■ AGECU ■ CASUAL ■ EXTERNAL ■ MINOR ■ PERMANENT ■ RETIREE



MEMBERSHIP BY AGE GROUP AS AT 31 DECEMBER 2019

■ <18 ■ 18 - 35 ■ 36 - 45 ■ 46 - 60 ■ 60+



Although we have opened our membership bond to spouses and children of members effective October 31, 2017, the increase in

membership in this category has not gone the way we expected. As a result, we have seen it fit to make further approaches to the family units that constitute the AGEUCU and propose the further opening of the criteria for membership via the modification of our Byelaws. We shall continue to focus on our drive to both attracting new members as well as retaining existing members, both of which are very critical for the continued growth, development and overall survival of our Credit Union in these challenging times.

A comprehensive marketing plan is also required to accompany our proposal for financing of our new building, to show how the AGEUCU is prepared to handle the increased level of responsibility that comes with this significant investment.

The new measures that are required for compliance with the IFRS9 standards have also challenged us to ensure tighter measures are put in place to manage and reduce our delinquency portfolio.

Social activities for 2019

Several activities were executed during the period:

- A Trip to Nestle One Day Camp for members' children in July
- Credit Union month celebrations in October, which included a "Members' Appreciation Day",
 - Members' Bingo Nite in October and a Christmas Bingo & All Fours night in December,
 - Children's Christmas party in December.

Credit Union month

As part of our celebration of International Credit Union month, several activities were initiated.

- The marketing committee engaged in a "recruitment drive" to garner more members into the AGEUCU. The drive was aimed at Temporary staff (temps), Contract staff and Graduate Work Interns employed by Angostura Limited. To assist with the drive, existing members were incentivized to actively recruit potential members.
- Members Appreciation Day: Members visiting the Head office on this day were treated to cupcakes, a glass of non-alcoholic wine and a token.
- Social Media Quiz: The Social media quiz activation was twofold:
 - ✓ As an educational tool for members to learn more about the role of the credit union,
 - ✓ To drive traffic to AGEUCU's social media platform and build engagement.

While participation was low, social media cannot be dismissed as a forum for engagement and information dissemination.

BINGO continues to be one of the most engaging 'social' activities for our members. Two BINGO nites were held for the period; most notably was the 'Christmas BINGO & All Fours Lime' in December, which sought to add the Christmas spirit to the event, by adopting a "stay and lime" approach. Support was received from Angostura Limited by the donation of products. For the first time we incorporated an "All Fours" component which received some interest. Overall, the event was well received by members and was deemed a success.

Christmas to Carnival Loan Promotion

This kicked off in November 2019 and ran until the end of February 2020 and was promoted via the credit union's Facebook page, on email and flyers in the office. The AGEUCU offered members two tiers of loans, with a chance to win very attractive prizes, including a stove, freezer and mini appliances. Sixty members participated in this promotion.

Children's Christmas Party

The annual Christmas party for members' children was held on Sunday 8th December 2019, with 159 children in attendance, together with their parents or guardians.

A breakdown of the expenses and revenue for this event is detailed in this report. As usual, revenue generated from the party was used to offset some of its expenses.

Toys		16,738.13
Snack Boxes		
Adult Snack Boxes @ \$40	4,900.00	
Childred Snack Boxes @ \$35	5,875.00	
		10,775.00
Entertainment		
Administration	400.00	
Infrastructure	1,500.00	
Attractions	10,100.00	
Carnival Games	900.00	
Party bags, snack, ice cream	8,588.00	
Santa Corner	4,000.00	
Management	14,475.00	
VAT	4,995.38	
		44,958.38
Photobooth		2,350.00
DJ Services		2,500.00
Wrappers of Toys		1,200.00
(LESS) Revenue from registration		- 24,001.00
TOTAL		54,520.51

AGECU Website

As more and more people turn to social media for their information and digital options to conduct personal business, we recognize the invaluable marketing tool a functional website will be to the AGEUCU. As such, the marketing committee is working on creating a website that will seek to engage our ideal customers and increase membership, while encouraging existing members to conduct more of its business 'online'. The website is expected to be launched by the end of September 2020.

Strategic Relationship/Mergers

We continue to have a very good working relationship with Myerson Credit Union which has become our first Co-Operative member. We continue to engage in discussions in terms of developing our existing synergies and the eventual merging of the two entities.

Conclusion

As we continue into 2020, economic growth is expected to decline given our high dependency on our energy sector. The Global economic climate, the local financial sector activities and unemployment levels will all contribute in varying ways to our financial performance in the coming year.

Our focus for the coming year remains the development and enrichment of our member base through member service, institutional strengthening and seeking to make the dream of a permanent home for the Credit Union a reality. We are confident that existing within our membership, are the talents and skills that are required to assist our Credit Union at this critical time in our development. We encourage you our members to commit yourselves to service to your organization, to come on board, and make your contribution.

On behalf of members of the Board, we thank you for giving us the opportunity to serve you for the

period under review. We are thankful for your continued trust in us over the many years and we thank you, in advance for your support in the coming year.

May God continue to bless you and your families and may God bless our Credit Union.



Lambert George
President



Ronda Betancourt
Secretary

ATTENDANCE RECORD

January to March 2019 (previous term)				
NAME	POSITION	PRESENT	EXCUSED	TOTAL
Lambert George	President	3	0	3
Mario Clarke	Vice President	2	1	3
Wayne Mc Donald	Secretary	3	0	3
Ronda Betancourt	Assistant Secretary	3	0	3
Johann Merritt	Treasurer	3	0	3
Nikecia Moore-Burrowes	Assistant Treasurer	3	0	3
Marc Paul	Director	3	0	3
Beverly De Freitas	Director	3	0	3
Rhonda Eugene	Director	1	2	3
Brenda De La Rosa	Director	1	2	3
Shernelle Sargeant	Director	3	0	3
Geetanjali Gobin	1st Alternate	2	1	3
Russell Wilson	2nd Alternate	3	0	3

April to December 2019 (current term)				
NAME	POSITION	PRESENT	EXCUSED	TOTAL
Lambert George	President	9	0	9
Mario Clarke	Vice President	6	3	9
Ronda Betancourt	Secretary	7	2	9
Marc Paul	Assistant Secretary	6	3	9
Johann Merritt	Treasurer	8	1	9
Shernelle Sargeant	Assistant Treasurer	8	1	9
Wayne Mc Donald	Director	8	1	9
Nikecia Moore-Burrowes	Director	6	3	9
Beverly De Freitas	Director	6	3	9
Melissa Clarke*	Director	3	0	3
Brenda De La Rosa	Director	6	3	9
Ariana Maharaj	Director	8	1	9
Codrington Plante	1st Alternate	7	3	9
Nigel Farfan	2nd Alternate	5	4	9

*Resigned in August 2019

Report on the 19th Annual Regional Leadership Conference, held between Thursday May 30 – Sunday June 02, 2019, at the Torarica Hotel, Suriname.

Theme: Reflections on Credit Unions' Successes and Challenges; A Road Map for The Future.

Overview

The Conference opened on Friday 31st May at 9am, with prayer and singing of the National Anthems of both Suriname and Trinidad and Tobago, followed by Conference Remarks by the following: -

- a) President of the T&T League
- b) CUNA
- c) Mrs. Ingeborg Geduld, Director Central Bank of Suriname.
- d) His Excellency, Drs. Soeharto Moestadja, Ministry of Labour-Suriname.

After the Conference Remarks, we had the Feature Address by Mr. Hally Haynes, who formally opened the Conference. Topics presented at the plenary sessions were the following: -

- a) Disruptive Strategies for Co-Operative Development
- b) Our Future Development: Co-operation or Competition
- c) Workshop on session (a)
- d) CUNA Presentation
- e) Workshop on session (b)
- f) Leadership Imperatives for the New World: Are We Ready?

The topics were well executed by the different presenters in an atmosphere that truly reflects the

dynamism and strength of the movement, the workshop sessions provided an opportunity to share our experiences in the way our different credit unions function and to build synergy among our organizations. While we enjoyed everything about the Conference, we have decided to focus on two areas of the Conference in this report, the Feature Address and Disruptive Strategies for Co-operative Development.

Feature Address

The Feature Address was presented by Mr. Hally Haynes, an active member of the Credit Union Movement, has over 30 years' experience as a volunteer within the Credit Union system of Barbados. He is a member of the Barbados Police Co-Operative Credit Union Limited having joined the Movement in 1982 and served on the Executive since 1985. He is currently the Chairman of the Board of Directors of the Barbados Police Credit Union.

Mr. Haynes started by acknowledging the theme as very tempting, especially given the challenges and negative impacts and fallouts from the financial crisis of 2008. He then delved into some history of the credit union movement, focusing on the roles of the church and the trade union in their creation and development and also the creation of the CCCU.

Mr. Haynes went on to point out the challenges of credit unions operating

in today's society and stated that "that we must embrace change if we have to remain relevant". He added we must focus on driving growth and profitability, manage compliance, adding new technologies, mitigating fraud and cyber security, attracting millennials (18-24years), for the future human resource growth and continuity of the Credit Union Movement.

The time has come for us to collaborate using shared services, implement digital financial technology (fintech), focus on research and development of new products, services and share best practices. We must evaluate human resources performances at all levels and prepare for succession. Effective communication is critical among membership, consultations on mergers must be on terms that both parties come out winners, there must be co-operation among co-operatives.

Given the challenges of the Regional Economies, Credit Unions will be required to play a greater role in the economic and sustainable development of Regional Societies. Mr. Haynes said the Credit Union Movement across the Region has proven that they could meet the demands of all classes of the societies, and we perform much better under challenges.

Disruptive Strategies for Co-operative Development. Presented by Mr. Michael Stewart.

Disruptive innovation is when a new product or service radically changes

an industry or business and especially when it creates a new market while disrupting an existing one and it performs better and cheaper. The term was coined by the American scholar Clayton M. Christensen a professor from Harvard University and others in 1995. It has been dubbed the most influential business idea in the early 21st century.

Examples of 'disruptive innovation' is the replacement of hand-written mail by email or a landline telephone with a cell phone.

Although we are technologically driven, not in every circumstance technology is the answer. Organisations must be cautious not to drive faster than their headlights can shine, remember, that there are some things that must be done in the traditional way, because Credit Unions were built on service not profits, given the rate of improvement and profit margin in other financial institutions, Credit Unions are poised to disrupt these institutions if we stay together.

We need to ask, are Credit Unions rate of improvement leaving behind new voids, because there could be a disruption, is there a gap between

where the industry is going and where the Credit Unions are? It is important that this gap is not too wide, are there members that we are not serving, are we consistently meeting the needs of our members?

What are some disruptive strategies which help to improve efficiency?

1. Speed - members need quick effective/efficient service, no long lines.
2. Cost effective - always look at cheaper way of conducting business
3. Convenient/accessible - members must have access to cash at anytime.
4. Predictability
5. Simplicity
6. It solves my problems
7. Flexible - sometimes we can be rigid, with rules and policies.
8. Personal, serves my interest - everyone coming to conduct business must feel that you can meet their need.


Some areas that the Credit Union can explore for improvement are:

1. Easier ways for beneficiary to access funds when member dies.
2. Higher paying dividends.
3. Time frame in getting loans.
4. Home mortgage.

Disruptive innovations, in contrast, does not attempt to bring better products to established customers in existing markets, rather, they disrupt and redefine that trajectory by introducing products and services

that are not as good as currently available products. But disruptive technologies offer other benefits-typically, they are simpler, more convenient, and less expensive products that appeal to new or less-demanding customers.

In conclusion, this Regional Leadership Conference provided an opportunity for networking and learning new strategies to improve the efficiency of the organization and by extension the credit union movement. The theme was well executed and it is recommended that the AGEUCU continue to participate in these conferences in more numbers, so our members can be exposed to new Leadership innovation and appreciate the work of the Credit Union League of Trinidad & Tobago. We end with this caution ***“Not every time and in every case, technology is the answer, organization must be careful not to drive faster than their headlights can shine”***



Lambert George
President



Hazel Joseph
Manager

SUPERVISORY COMMITTEE REPORT

OPERATIONAL HIGHLIGHTS

Following the election of the Supervisory Committee (Committee) at the 44th Annual General Meeting (44th AGM), the new team was sworn in on 29th April 2019, and witnessed by Ms. Lisa Duberry and Ms. Of the Co-operative Development Division of the Ministry of Labour and Small Enterprise Development. At this meeting William Jordan was elected Chairperson and Laceyann Arneaud as Secretary.

The Committee comprised the following:

Mr. William Jordan	Chairperson
Mrs. Laceyann Arneaud	Secretary
Mr. Terran Eligon	Member
Mrs. Mahalia McDonald-Lawrence	Member
Mrs. Ruth Johnetty	Member
Mr. Garnet Glasgow	1st Alternate
Mr. Anthony Livingston	2nd Alternate

SUPERVISORY COMMITTEE

The current Committee comprised three returning persons from the previous term and four additions that bolstered the overall financial aptitude and review capability of the Committee. The new serving members were availed the opportunity to benefit from the experience and knowledge of the previous members in the day to day running of the AGEUCU and the substantive role and expectations of the Committee in preserving the membership's interests.

Several All-Committees meetings were held throughout the period in a collaborative effort to steer the AGEUCU toward a thriving path of success and some of the changes and concerns put forth for consideration in the 2019 AGM were put into motion. Many of these improvements are still underway and some minor disruptions of business occurred such as during initial phases of implementation of the new software program, Emortelle, however the Committee sees these changes as essential for the survival of the AGEUCU.

PROFESSIONAL DEVELOPMENT

The Committee must reiterate the importance of the Company reinvesting in its members in order to improve the quality and passion of service within the various statutory Committees that are required to keep AGEUCU successful in coming years. Good governance skills must be honed among prospective leaders from the membership in line with the future vision of the Company.

SUPERVISORY COMMITTEE AUDITS

Members' loan portfolios were selected at random for review and were generally found to be compliant with the stipulated policies as set forth in the Loan Policy. Where concerns were raised on observed issues, the office staff were able to provide satisfactory explanations as to why

and when there would be resolution of the matter.

The current physical infrastructure can no longer accommodate the growing membership portfolio while facilitating efficient auditing of the documents by the Committee. Recommendations for expanded /reorganized filing accommodations have not been made a priority, however, the Committee believes that this should be resolved without much difficulty.

The Committee also recognizes the efforts made in reducing the delinquency portfolio over the period and wishes to reiterate to members to take advantage of any financial guidance offered so that delinquency can be avoided. The primary purpose of the AGEUCU is to provide membership access to a line of credit and not necessarily to create perpetual indebtedness to the point of financial destabilization of the member.

BOARD OF DIRECTORS

The Committee must commend the Board in taking the initiative to invite the Supervisory to observe various proposal presentations of potential partners for advancing the business operations. Board minutes were reviewed consistently and maintained an acceptable level of transparency throughout the period.

Transition to Emortelle software created a notable lapse in timeliness of reporting of financials by the Office of the Treasurer. The Committee sees this type of negligence as an unacceptable risk to the business and poor financial transparency to the performance of the membership's assets during the period. Notwithstanding the extreme sacrifice of time and effort required by Office staff and the Treasurer for this transition, it is the Committee's view that core operational oversight should not be sacrificed, nor our byelaws as established by the AGM be grossly neglected.

CREDIT COMMITTEE

The Credit Committee chaired by Ms. Darlene Coombs, continued to perform commendably in its approval of loan applications on a weekly basis. All application approvals and rejections were of sound judgment and based firmly on the loan policies set out indicating good fiduciary responsibility. In some cases where additional considerations were merited, more options could be explored with the member in order to grant the level of credit needed without increasing risk of delinquency.

EDUCATION COMMITTEE

The Education Committee chaired by Ms. Ariana Maharaj, executed successful initiatives over the period focusing on membership drive and awareness.

More can still be done with respect to education of current and potential serving members in promoting the spirit and statutes of credit unionism.

MARKETING COMMITTEE

A dedicated Marketing Committee was formed as promised during the 2019 AGM, however, its efficacy during the term was sub-optimal. Many initiatives discussed at All Committees meetings were left undelivered and a mid-term change in Committee structure was noted and perhaps contributed somewhat to missed deadlines. It is recommended that the Board focus resources more intently on ensuring marketing deliverables can be met as the Marketing Plan ties in heavily to membership recruitment and increasing cash flows, both of which are vital to a sustainable business growth model for 2020 and beyond.

The Committee believes this is still the way forward and that the 2020-2021 term should embrace bigger and better Marketing tools to achieve long term goals.

NOMINATION COMMITTEE

The Nomination Committee in its fourth year, has struggled somewhat to engender volunteerism among the members. A more proactive and outgoing scouting/recruitment drive should be a continuous endeavor by the Nomination Committee along with all experienced officers.

The Committee has recognized a slight drop off in ability to serve based on resignations at Board and Sub-Committee levels during the term. It has been suggested that the Nomination committee seek out external members who may have more time to dedicate and willingness for inclusion as compared to those employed on-site.

AGECU STAFF

Our newest addition to the AGEUCU staff family in 2019 was Ms. Christianne McCarthy and the Committee would like to extend congratulations on her successful appointment. The Office staff continue to be the face, backbone and heart of our institution. Managers reports were well detailed, and the Committee noted that timeliness of these was not lacking for the term. Requests and inquiries continued to be accommodated as best as practicable, accompanied by a pleasant countenance at all times during the period.

CONCLUSION

The AGEUCU continues to work for the membership, while implementing the necessary changes to improve quality of service and convenience. The committee believes that with determination and gusto, AGEUCU has taken its first steps to sustainable expansion.

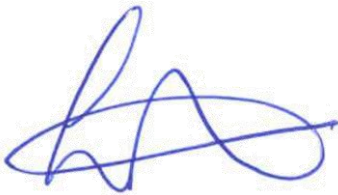
How far we reach and how high we soar will only be limited by the level of

dedication the membership as a whole has toward bringing our vision into everyday reality.

Respectfully Submitted:



William Jordan
Supervisory Committee Chairperson



Laceyann Arneaud
Supervisory Committee Secretary



ATTENDANCE RECORD

Previous Term (Jan 2019 – March 2019)

NAME	POSITION	PRESENT	EXCUSED	ABSENT	TOTAL
Ariana Maharaj	Chairperson	3	0	0	3
Melissa Clarke	Secretary	3	0	0	3
Lystra Patrick	Member	0	3	0	3
William Jordan	Member	3	0	0	3
Mahalia McDonald-Lawrence	Member	2	1	0	3
Anthony Livingston	1 st Alternate	3	0	0	3
Vitra Deonarine	2 nd Alternate	2	1	0	3

Current Term (April 2019 – December 2019)

NAME	POSITION	PRESENT	EXCUSED	ABSENT	TOTAL
William Jordan	Chairperson	7	0	0	7
Laceyann Arneaud	Secretary	5	2	0	7
Terran Eligon	Member	5	2	0	7
Mahalia McDonald-Lawrence	Member	5	2	0	7
Ruth Johnetty	Member	6	1	0	7
Garnet Glasgow	1 st Alternate	1	6	0	7
Anthony Livingston	2 nd Alternate	6	1	0	7

CREDIT COMMITTEE REPORT

The inaugural meeting for the term 2019/2020 took place in the conference room on Monday 15th April 2019 to elect a chairman and a secretary. The results of the election were as follows:

Darlene Coombs	Chairman
Nicole Mayer-Clarke	Secretary
Codrington Plante	Member
Karla Hosein	Member
Ariana Maharaj	Member
Ave Scott	1 st Alternate
Beverly De Freitas	2 nd Alternate

Loan Portfolio:

The aim was to disburse 10.5 million for the 2019 financial period, but what was actualized was 69%, with a final disbursement of \$7,257,259.

During the 2019 period under review a total of 310 loans were approved, amounting to a total loan disbursement, which was 19% less from 2018. A dollar value difference of \$1,066,191.

There was the transition from CUMME to Immortelle during this period, which proved to be a bit challenging in the initial stages. However, with diligent effort, the office was able to navigate around the issues and transition to the new system.

Table 1 show the disbursement from the past six years as well as the recommended disbursement for the upcoming 2020 financial period.

Table 1: Disbursement over the past six years and the projected disbursement budget.

Year	No Loans	Disbursement	Int Earned/annum
2014	369	7,487,592.79	418,298.71
2015	500	14,242,481.38	848,408.88
2016	350	8,772,325.91	446,228.90
2017	325	7,377,255.37	718,131.80
2018	330	8,323,450.69	488,974.96
2019	310	7,257,259.32	407,792.98
2020*		8,000,000.00	

*Projected Disbursement for 2020 period

Delinquency:

At the close of the 2018 financial period the delinquency loan portfolio stood at \$2,643,329. At the end of the 2019 financial period the delinquency stood at \$2,753,985, with a realised exposure of \$1,552,660, which represents 3.78% of our Total Loan Portfolio.

Trans Union and Credit Chex continue to be key tools used by the credit union in managing the delinquency portfolio. Additionally, the office has made increased efforts to communicate with members regarding financial options available to aid in their repayment of loans.

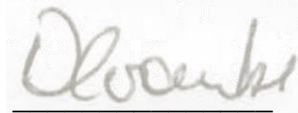
Conclusion:

The Credit Committee is thankful for the opportunity given to serve the membership. During this period, we have grown as individuals and as a team, thus giving us the opportunity to better appreciate the financial aspect of credit unionism.

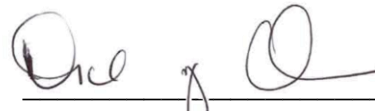
Due to economic constraints faced by the country and by extension the membership, the projected target for 2019 was not realized, which led to a significant shortfall in our loan disbursement portfolio. Despite these said challenges the Credit Committee continued to pursue the growth and development of AGEUCU.

We wish to thank the Board and the office staff for their assistance during the past financial year as we move forward to fulfilling AGEUCU's purpose.

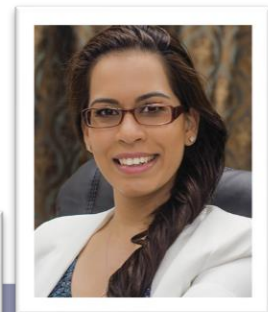
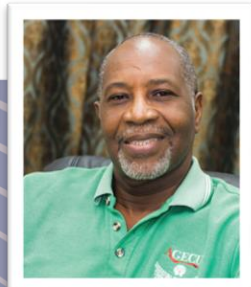
Yours co-operatively,



Darlene Coombs
Chairperson



Nicole Mayers-Clarke
Secretary



ATTENDANCE RECORD

Previous Term: Jan. 2019 – Mar. 2019

Name	Position	Present	Absent	Excused	Total
Marc Paul	Chairman	9	2	4	15
Darlene Coombs	Secretary	14	0	1	
Codrington Plante	Member	13	0	2	
Karen Baptiste-Clarke	Member	8	3	4	
Karla Hosein	Member	10	0	5	
Elizabeth Huggins	1 st Alternate	8	0	7	
Nicole Mayers-Clarke	2 nd Alternate	10	1	4	

Current Term: Apr. 2019 – Dec. 2019

Name	Position	Present	Absent	Excused	Total
Darlene Coombs	Chairman	33	1	6	39
Nicole Mayers-Clarke	Secretary	30	0	8	
Codrington Plante	Member	39	0	0	
Karla Hosein	Member	20	0	19	
Ariana Maharaj	Member	29	0	10	
Beverly De Freitas	1 st Alternate	22	7	10	
Ave Scott	2 nd Alternate	19	10	10	

EDUCATION COMMITTEE REPORT

The Committee

The first monthly meeting of the newly convened Education Committee was held on June 03, 2019 at the Credit Union Board Room. At this meeting, Ms. Ariana Maharaj was elected Chairperson and Ms. Nicki Abraham as Secretary. The Education Committee comprised the following members:

Ms. Ariana Maharaj	Chairperson
Ms. Nicki Abraham	Secretary
Mr. Ronald Mano	Member
Mrs. Sanmatee Maharaj	Member
Ms. Sharon Joseph	Member
Mr. Russell Wilson	Member
Mr. Nigel Farfan	Member

Activities for 2019

In its continuous efforts to engage its members through an educational platform, the Education Committee facilitated the following events throughout the term:

- ✓ Partnered with Nestle to participate in Nestle One Day Kids Camp for Junior Members.
- ✓ Partnered with House of Angostura for Project 100 Back to School Initiative, where Our donations were made by A.G.E.C.U. members and Angostura employees towards the purchase of stationery supplies and school bags

- ✓ Partnered with CUNA Caribbean Insurance to host an Information Workshop on the variety of products offered by CUNA and the official launch of the Family Critical Insurance Plan (FCIP).
- ✓ Assisted the Office Staff for Members Appreciation Day held on Credit Union Day,

Lindley Abdullah S.E.A. Awards

Thirteen (13) junior members were successful in the Secondary Entrance Assessment Examination in 2019 and received gift certificates in the form of A.G.E.C.U. shares, bookstore credit and prize vouchers for fun meals. The ceremony was held on August 10, 2019 at the House of Angostura Auditorium.

The theme for the awards ceremony was 'Be an Original, not a Carbon Copy'. Our featured speaker was one of our own, Ms. Nicki Abraham, and she engaged the successful S.E.A. students with three necessary take home messages: Be Yourself! Set goals, not dreams. Accomplish your goals. She was also voted by the young audience for the special prize for the participant who came out of their comfort zone the most.

President, Mr. Lambert George, expressed the importance of family time together, and pointed out the

hindrance cell phones play in taking away this. He also encouraged the young leaders to be confident, believe in themselves and reminded parents of their supporting roles in their children's development. Congratulations to the junior members for their achievement in the 2019 S.E.A. examination:

Junior Member	Parent
Angel Chyanne Mano	Ronald Mano
Ethan Belfon	Imo Belfon
Lily Andra Mathura	Karla Hosein
Divya Sooklal	Avinath Sooklal
Keanu Reid	Kevin Reid
Patrice Toney Ashby	Patricia Toney
Maya-Sophia Lawrence	Mahalia McDonald-Lawrence
Narissa Williams	John Best
Dimitri Lal	Dexter Lal
Renhei Charles	Ronnie Charles
Sadie Collymore	Wendell Collymore
David Ricky Peruzar	Natasha McAuley
Gabriella Bucchan	Gary Bucchan

Social Media

The A.G.E.C.U. looks forward to the launch of its new website in 2020. A.G.E.C.U. officially expanded its network reach by creation of an Instagram page in 2019, with 112 active followers. The A.G.E.C.U. has continued to reach out to members

via Facebook, which has a network of 335 active followers. Social media usage during the term was quick and effective towards communicating information to the membership.

Challenges

Despite the efforts of the Education Committee, there was considerable lack of member participation. Regardless of the timely notice and advertising of training session and edification events, there was insufficient registration of members to conduct the workshops.

The Committee was further challenged when Angostura Limited went on a permanent shift system, in addition to regular working hours. This led to a nil member registration at two planned exercises. The Committee attempted to host a double session of workshops (12 – 2pm and 3:30 – 5pm) to accommodate majority of working members, however not all facilitators were flexible to host both workshops.

Condolences

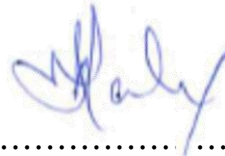
The Education Committee extends condolences to the family and friends of members who passed away during the term, and to those members who lost loved ones.

- Nigel Cruickshank
- Keith Anthony Selby
- Marlon Escayg

Conclusion

The Education Committee continued to appreciate the support extended by the Manager, Board of Directors, Marketing Committee and Office Staff, and is honoured to have been given the opportunity to serve for the 2019-2020 term.

Respectfully submitted,



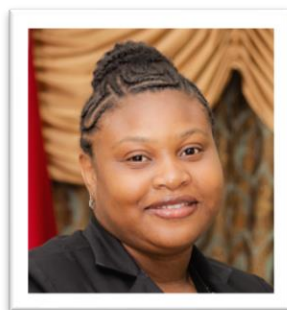
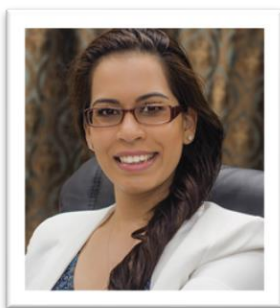
.....
Ariana Maharaj
Chairperson



.....
Nicki Abraham
Secretary

There were seven (7) meetings held during the period January – December 2019

Member	Present	Excused	Absent	Total
Ronald Mano (Previous Term)	6	1	0	7
Sanmatee Maharaj (Previous Term)	7	0	0	7
Sharon Joseph (Previous Term)	2	5	0	7
Ariana Maharaj	6	1	0	7
Nicki Abraham	7	0	0	7
Russell Wilson	4	3	0	7
Nigel Farfan	1	6	0	7



NOMINATION COMMITTEE REPORT

The AGEUCU's Board of Directors facilitates the selection process for the Board and statutory committees' members through the Nominating Committee.

At meeting convene by AGEUCU's Chairman – Lambert George for the 2019/2020 term, the following were voted as Chairperson and Secretary and the committee's attendance are presented in the following table.

COMPOSITION OF THE NOMINATING COMMITTEE

Name	Position	Present	Excused
Lystra Patrick	Chairperson	7	0
Tracey Coombs	Secretary	6	1
Jeanette Yorke	Member	5	2
Rondell Lewis	Member	5	2
Russell Wilson	Member	4	3

SYSTEM ADOPTED

Notice to all eligible members interested in serving on the Board of Directors, Credit and Supervisory committees was published via Angostura's internal email and on AGEUCU's notice board, during the period Monday 4th November 2019 to Friday 29th November 2019. However, due to the poor response, nomination was further extended for two (2)

weeks in 2020, from Monday 03rd February 2020 to Friday 14th February 2020. As a result of the COVID 19 global pandemic, the AGM was postponed until further notice and the AGEUCU had to seek an alternative path for committee officers. Hence the nominations process was re-opened briefly.

COMPLIANCE REQUIREMENT

All application forms were thoroughly examined to ensure they were properly completed. The applicants were in good financial standings and met the fit and proper standard as reflected in our guidelines.

TOTAL NOMINATIONS RECEIVED

Board and Committee	Nominations Received	Positions to be filled
Board of Directors	4	6
Supervisory Committee	4	7
Credit Committee	4	7

INTERVIEWS

All applicants were interview by the Nominating Committee where their qualifications were verified, and they were given the opportunity to share their experiences and aspirations going forward with AGEUCU.

TRAINING PROGRAMMES

During the tenure of the 2019/2020 Nominating Committee Team members attending a workshop geared specifically to Nominating Committees. Where several techniques were learnt, and the attendees are willing to share with the next Nominating Committee group. At this juncture the Nominating Committee would like to advise that an orientation seminar be held for the membership, sensitizing them on the role and responsibilities of the Board of Director, Supervisory and Credit Committee, in an interactive environment facilitated by an external consultant.

PROFILE

The Nomination Committee is therefore please to recommend the following nominees for consideration by the membership at the Annual General Meeting 2020. A profile of the nominees would be presented at the Annual General Meeting, which is also included in the Booklet for your perusal.

Nominees for the Supervisory Committee:

- Ms. Ria St. Louis
- Mr. Ian Forbes
- Mr. Essien Knight
- Mr. Ronald Mano

Nominees for the Board of Directors:

- Mr. Mario Clarke
- Mrs. Nikecia Moore-Burrowes
- Mr. Codrington Plante
- Ms. Dina Roderick

Nominees for the Credit Committee:

- Ms. Darlene Coombs
- Mr. Codrington Plante
- Mrs. Nicole Mayers-Clarke
- Mr. Jesus Garraway

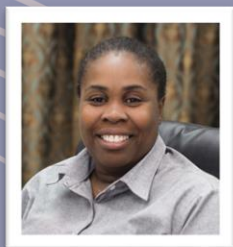
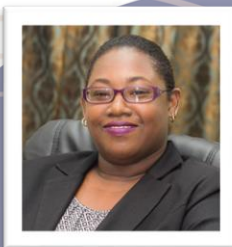
CONCLUSION

We take this opportunity to thank members who volunteered to serve AGEUCU in various capacities and those selected. We welcome you and consider it a pleasure to work with you as we continue to make AGEUCU the first financial institution of choice.

Respectfully Submitted:

.....
Lystra Patrick
Chairperson

.....
Tracey Coombs
Secretary



NOMINEES FOR THE SUPERVISORY COMMITTEE

RIA ST. LOUIS

New nominee

Payroll Clerk

Nominated by: Ronda Betancourt

Seconded by: Johann Merritt



IAN FORBES

New nominee

Chief Executive Officer (Ag)

Nominated by: Johann Merritt

Seconded by: Ronda Betancourt



ESSIEN KNIGHT

New nominee

Internal Auditor

Nominated by: Johann Merritt

Seconded by: Ronda Betancourt



RONALD MANO

New nominee

E&M Technician

Served on the following:

Education committee

Nominated by: Marc Paul

Seconded by: Simone B. Prescott



NOMINEES FOR THE CREDIT COMMITTEE

DARLENE COOMBS

Buyer

Served on the following:

Credit Committee

Nominated by: Codrington Plante

Seconded by: Ariana Maharaj



CODRINGTON PLANTE

Retiree

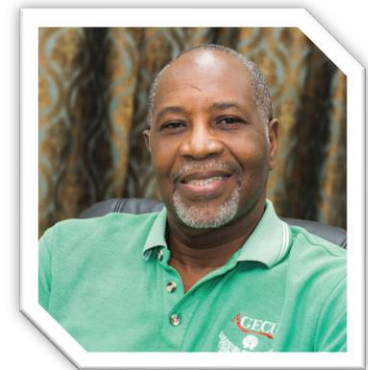
Served on the following:

Board of Directors

Credit Committee

Nominated by: Darlene Coombs

Seconded by: Ariana Maharaj



NICOLE MAYERS-CLARKE

Marketing Assistant

Served on the following:

Credit Committee

Nominated by: Candice Escayg

Seconded by: Mahalia McDonald-Lawrence



JESSUS GARRAWAY

New nominee

Distillery Operator

Nominated by: Ronda Betancourt

Seconded by: Johann Merritt



NOMINEES FOR THE BOARD OF DIRECTORS

MARIO CLARKE

Area Manager

Served on the following:

Board of Directors

Nominated by: Nikecia Moore-Burrowes

Seconded by: Kavita Debideen



NIKECIA MOORE-BURROWES

Project Manager – Business Continuity

Served on the following:

Board of Directors

Nominated by: Mario Clarke

Seconded by: Kavita Debideen



CODRINGTON PLANTE

Retiree

Served on the following:

Board of Directors

Credit Committee

Nominated by: Beverly De Freitas

Seconded by: Nicole Mayers-Clarke



DINA RODRICK

New nominee

Accounts Clerk

Nominated by: Shernelle Sargeant

Seconded by: Ronda Betancourt





RESOLUTIONS

DIVIDENDS & INTEREST REBATE

- Whereas the Society is committed to providing adequate facilities and services for its members; and
- Whereas the Board of Directors is determined to provide members with a reasonable return on their investments; and
- Whereas the Angostura Group Employees' Credit Union Co-operative Society Ltd has realised a Net Surplus of **\$1,768,916** for the year ended 31st December 2019.

BE IT RESOLVED THAT:

"A dividend of 2.5% be declared for the financial year ended December 31st 2019, payable in cash to members in good standing.

Be it further resolved that for any account in arrears, the said sum be credited to outstanding loan and interest.

Be it further resolved that an interest rebate of 2% be declared on interest paid on Loans for the year 2019."

HONORARIUM

- Whereas the fiduciary responsibilities of the Management Team continue to increase significantly; and
- Whereas the Management Team has performed its duties with commitment, efficiency and prudence;

BE IT RESOLVED THAT:

"An Honorarium of \$100,000.00 be declared and divided among the Management Team which consists of 37 Members."

AUDITORS

- Whereas the Board is satisfied with the quality of work performed by our present Auditors: PKF Chartered Accountants & Business Advisors.

BE IT RESOLVED THAT:

"The Firm of PKF Chartered Accountants & Business Advisor, be retained as Auditors of the Society for the financial year ending 31st December 2020."

BAD DEBT WRITE OFF

- Whereas the AGEUCU continues to pursue the recovery of bad debts or delinquent loans even after they have been written off and;
- Whereas AGEUCU's efforts to recover three (3) accounts valued at the sum of \$62,681.47 have proven either futile or uneconomical.

BE IT RESOLVED THAT:

"Three (3) accounts in the sum \$62,681.47 be written-off during the 2020 financial year."

AMENDMENT TO BYE LAWS

Be it resolved that Bye Law #4 which reads as:

MEMBERSHIP QUALIFICATIONS

Membership shall be open to:

- a. All persons of good character who are employees (including temporary employees), former employees and retirees of the Angostura Group of Companies and the Angostura Group Employees' Credit Union Co-operative Society Limited;
 - i. Spouse of members;
 - ii. Children of members subject to Section 10(2) of the Co-operative Societies Act Chapter 81:03.
- b. Business associates of the Angostura Group of Companies and the Angostura Group Employees' Credit Union Co-operative Society Limited.
- c. Employees of the Angostura Group Employees' Credit Union Co-operative Society Limited shall qualify to apply for membership after their probationary period.
- d. Other registered co-operative societies in Trinidad and Tobago.

Be now amended to read as:

#4 MEMBERSHIP QUALIFICATIONS

Membership shall be open to:

- a. All persons of good character who are employees (including temporary employees), former employees and retirees of the Angostura Group of Companies and the Angostura Group Employees' Credit Union Co-operative Society Limited;
 - i. Spouse of members;
 - ii. **Children of members 16 years and over;**
 - iii. Children of members subject to Section 10(2) of the Co-operative Societies Act Chapter 81:03;
 - iv. **Brother, Sister and Grandchildren of members.**
- b. Business associates of the Angostura Group of Companies and the Angostura Group Employees' Credit Union Co-operative Society Limited.
- c. Employees of the Angostura Group Employees' Credit Union Co-operative Society Limited shall qualify to apply for membership after their probationary period.
- d. Other registered co-operative societies in Trinidad and Tobago.

BUDGETARY PROPOSALS

The proposed budget illustrated below covers the period January – December 2020 and accounts for funds relating to the operation of our Credit Union.

We entered 2020 determined to continue our work towards gaining a home to call our own and have been faced with the global pandemic phenomenon known as COVID-19. Despite this we continue our movement forward in the face of its drastic social and economic effects that our twin island republic has faced and will continue to face for the foreseeable future. Our membership has been sheltered, for the most part, from the ravages of unemployment and financial hardship. A grace and a blessing for which we all must be thankful.

Our progress towards our set strategic goals to be achieved during 2020 and onward to 2025 is slow but steady. We have experienced delays in some areas, however, we are confident that the goals will be met.

INCOME

We have based our income projections on our performance experienced in 2019 with adjustments for the effect of the payment deferrals and rescheduling provided

to the membership. Our loan interest will continue to be our main income source for 2020 and will be supported by incoming returns from our held to maturity and available for sale investments. We continue to seek relatively safe yet productive investment vehicles that will allow the Credit Union to continue to deliver returns to its members.

EXPENSES

Governance – These expenses relate to the oversight and management of the AGEUCU by the Board and various committees. Our AGM expenses are adjusted for a more concise meeting with additional costs for sanitation of the location afterwards. Board & Committee expenses include training for on-boarding required for new members within the various committees and a Strategic Plan Review.

Administrative Expenses – These expenses cover the day to day running of the office and include the cost of IT support, property maintenance and the lease/rental of our temporary offices at the Angostura Special Events Administration Building. These amounts are based on existing lease and service agreements as well as expenses related to the provision of enhanced protection and

sanitization facilities for both members and staff.

Personnel Expenses – these relate to the salaries and employment benefits provided to AGEUCU staff, as well as statutory payments required to be made on their behalf.

Legal & Professional Fees – these are the estimated fees relating to support and opinions provided by our legal, regulatory and financial advisors. Their valuable support assists in our strategic goal of improved operational efficiency and effectiveness, as well as enhanced customer service.

Marketing & Promotional Expenses – as part of our membership development drive, greater emphasis will be placed on enhancing the image of the AGEUCU and increasing awareness of the products and services our Credit Union has to offer its members. To this end we propose to engage the services of a consultant who will review our current state, recommend a course of action and support us through the transformational process. Our aim is to improve our service level whilst improving our corporate profile and achieving greater members satisfaction.

approvals; however we are committed to the vision of a new home for the AGEUCU. We have implemented the Emortelle business operating software and although we faced challenges during the implementation phase, we are becoming versed in its use and continue to receive the necessary support from our provider Micro Software Designs Ltd.

CONCLUSION

In 2019 we faced a changed economic landscape where retrenchment and business closures became the norm. This has accelerated throughout 2020, spurred on by COVID-19, and the effects are now seen in the financial results of companies big and small, in both the local and foreign markets. We continue to forge onward, along with our fellow Credit Unions, whilst tackling social and economic impacts of COVID-19 and IFRS 9.

These changes have made a significant impact on our finances, our operations and the way we, the AGEUCU, conduct our business. We seek to engage our membership for their support and trust as we continue to grow and develop our Credit Union into one of the success stories and class leading flagships of the local movement.

CAPITAL EXPENDITURE

The construction of our building continues to face some minor setbacks in terms of required

AGECU PROPOSED BUDGET FOR 2020

	\$	\$
INCOME		
Loan Interest	3,900,000	
Income from Deposits	322,000	
Income from Marketable Securities	75,000	
Income from Social Events	30,000	
Other Income	40,000	
TOTAL INCOME		4,367,000
EXPENSES		
Governance Expenses		
Annual General Meeting	75,000	
Board & Committee Expenses	224,860	
Honoraria	120,000	419,860
Administrative & Operational Expenses		
Expected Credit Loss Provision	200,000	
Banking & Financial Fees	7,500	
Depreciation	18,600	
Insurances - Fidelity, All Risk, DEGL, Prop	17,935	
IT & Data Processing	186,025	
Office Operating Expenses	161,000	
Printing & Stationery	40,000	
Property Maintenance	12,000	
Rental - Office Space	162,000	
Rates & Taxes	13,500	
Telephone	6,000	824,560
Personnel Expenses		
Salaries	509,840	
Employee Welfare	16,240	
Employers' Contribution - NIS & Pension	79,123	
Medical & Life Insurance	33,099	
Training	40,000	678,301
Legal & Professional Fees		
Audit & Accounting Fees	98,750	
Bad Debt Recovery Fees	31,200	
Legal & Advisory Fees	130,375	260,325
Marketing & Promotional Expenses		
Co-Op Celebration Activities	220,050	
Donations	30,000	
Education Expenses	21,000	
Marketing Expenses	112,500	383,550
Other Expenses		
CUNA Premiums - Share Protection/Life Savings	165,000	
CUNA Premiums - Loan Premium	75,000	
Deposit Insurance Fund (TTCUDIF)	16,661	
Interest on Members Deposits	90,000	
League Dues	4,293	350,954
TOTAL EXPENDITURE		2,917,550
PROJECTED NET INCOME FOR THE YEAR		1,449,450

Budgetary Proposals

Capital Expenditure Budget 2020

Pre Construction Costs:

Residual Project & Tender Costs	<u>10,000</u>	10,000
Building Construction Cost		
Preliminaries & Mobilization	<u>1,500,000</u>	1,500,000
Business System Upgrade		
-Hardware - server & printers	<u>15,000</u>	15,000
Office Equipment & Furniture	<u>100,000</u>	100,000
Total		<u>1,625,000</u>

WHAT IS IFRS9?

Definition

The International Financial Reporting Standards 9 (IFRS9) requires financial institutions – including credit unions - to make forward-looking provisions for credit losses in their balance sheet and income statements, for all financial instruments. In 2018, these standards replace the previously used IAS 39 standards, which factored for losses *after* they had occurred.

How does IFRS9 work?

In simple terms, IFRS9 introduced a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This new model will result in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements.

How is IFRS9 applied to credit unions?

IFRS 9 introduces a forward-looking “*expected credit loss*” impairment model. This is a change from the “*incurred loss*” model under IAS 39. Under IAS 39, a credit union looked at the probability that a member has defaulted on his/her loan. In applying IFRS 9, a credit union will now look at the probability that a member will default on his/her.

What is the potential impact of IFRS9 on Credit Unions and their members?

With the new reporting standards coming into effect for the financial year ending December 31st, 2018, there is much to consider on how the changes will impact on the way credit unions do business and also how members will be affected. Two main areas of impact will be:

1. Reduced surplus and dividend payout – a provision is considered an expense, and the “provision for loan loss” calculated on ALL members' loans, MUST be reflected on the balance sheet. This will have an effect of reducing the surplus at the end of the year. Subsequently, because a portion of the surplus must be placed in the reserve fund, the net amount available to distribute dividends to members will be affected.
2. Enhanced assessment of risks – the loan application and loan approval processes will need to be tightened further to ensure greater manageability of our loan portfolio, thus reducing the potential for bad debts as a result of loans falling into delinquency.

FINANCIALS



Chartered Accountants
& Business Advisors

**ANGOSTURA GROUP EMPLOYEES'
CREDIT UNION CO-OPERATIVE
SOCIETY LIMITED**

FINANCIAL STATEMENTS

31 DECEMBER 2019



Chartered Accountants
& Business Advisors

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED**

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Trinity Avenue
 Eastern Main Road, Laventille
 Trinidad, W.I.
 P.O. Box 62, Port of Spain, Trinidad
 Phone: 625-2662

Angostura Group Employees Credit Union Co-operative Society Limited

Statement of Management Responsibilities

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of Angostura Group Employees Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2019, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- ensuring that the Society keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the Society's assets, detection/prevention of fraud, and the achievement of Society operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations, including the Co-operative Societies Act; and
- using reasonable and prudent judgement in the determination of estimates.

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

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

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


 President – Board of Directors
 24th April 2020


 Treasurer – Board of Directors
 24th April 2020

INDEPENDENT AUDITORS' REPORT**The Members****Angostura Group Employees' Credit Union Co-operative Society Limited****Opinion**

We have audited the financial statements of Angostura Group Employees' Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2019, the statements of comprehensive income, appropriated funds and undivided earnings and 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 Angostura Group Employees' Credit Union Co-operative Society Limited as at 31 December 2019 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 Angostura Group Employees' Credit Union Co-operative Society Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Credit Union's Annual Report

Management is responsible for the other information. Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 on the other information that we obtained prior to the date of this auditors' report, we concluded that there is a material misstatement of this other information, we are required to communicate the matter to the Board of Directors.

Telephone: (868) 235-5063
Address: 111 Eleventh Street, Barataria, Trinidad, West Indies
Mailing Address: PO Box 10205, Eastern Main Road, San Juan

Partners: Renée-Lisa Philip Mark K. Superville

INDEPENDENT AUDITORS' REPORT (Cont'd)**Responsibilities of Management and the Board of Directors 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.

The Board of Directors is responsible for overseeing the credit union's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT (Cont'd)**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF

Barataria
TRINIDAD
24 April 2020

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED**

STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>		31 December	
	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		(\$)	(\$)
Current Assets:			
Cash and cash equivalent	5	4,600,105	1,931,648
Accounts receivable and prepayments	6	<u>1,269,001</u>	<u>1,677,506</u>
Total Current Assets		<u>5,869,106</u>	<u>3,609,154</u>
Non-Current Assets:			
Investments	7	14,217,689	11,863,356
Loans to members	8	39,626,099	41,114,231
Property, plant and equipment	9	<u>2,261,696</u>	<u>2,267,688</u>
Total Non-Current Assets		<u>56,105,484</u>	<u>55,245,275</u>
Total Assets		<u>61,974,590</u>	<u>58,854,429</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>			
Liabilities:			
Accounts payable and accruals	10	2,375,482	2,068,041
Members' deposits		6,178,060	5,008,654
Members' shares (non-permanent)	11	<u>44,375,191</u>	<u>43,107,298</u>
Total Liabilities		<u>52,928,733</u>	<u>50,183,993</u>
Members' Equity:			
Reserve fund	12	4,018,497	3,853,117
Education fund	13	448,413	386,859
Building fund	14	1,729,717	1,647,857
Investment re-measurement reserve	15	852,691	720,981
Undivided earnings		<u>1,996,539</u>	<u>2,061,622</u>
Total Members' Equity		<u>9,045,857</u>	<u>8,670,436</u>
Total Liabilities and Members' Equity		<u>61,974,590</u>	<u>58,854,429</u>

These financial statements were approved by the Board of Directors and authorised for issue on 24 April 2020 and signed on their behalf by:

		
.....
President	Treasurer	Chairman Supervisory Committee

(The accompanying notes form part of these financial statements)

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31 December	
		<u>2019</u>	<u>2018</u>
		(\$)	(\$)
Income:	<u>Notes</u>		
Loan interest		4,094,727	4,333,401
Income from deposits		404,855	254,243
Income from other investments		176,864	87,563
Gain on foreign exchange		-	811
Entrance fees		<u>1,660</u>	<u>1,370</u>
Total Income		<u>4,678,106</u>	<u>4,677,388</u>
Expenditure:			
Administrative expenses	19	2,107,141	1,474,587
Board and committee expenses		223,129	189,328
Finance cost		7,792	5,270
Marketing expense		130,113	-
Personnel costs	20	<u>572,725</u>	<u>504,084</u>
Total Expenditure		<u>3,040,900</u>	<u>2,173,269</u>
Net surplus for the year		1,637,206	2,504,119
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Unrealised gain on available-for-sale financial assets		<u>131,710</u>	<u>25,039</u>
Total Comprehensive Income for the year		<u>1,768,916</u>	<u>2,529,158</u>

(The accompanying notes form part of these financial statements)

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED EARNINGS

For the year ended 31 December 2019

	<u>Reserve Fund</u> (\$)	<u>Education Fund</u> (\$)	<u>Building Fund</u> (\$)	<u>Investment Re-measurement Reserve</u> (\$)	<u>Undivided Earnings</u> (\$)	<u>Total</u> (\$)
Balance as at 1 January 2019	3,853,117	386,859	1,647,857	720,981	2,061,622	8,670,436
Total comprehensive income for the year	-	-	-	131,710	1,637,206	1,768,916
Appropriations:						
(i) 10% to the Reserve Fund	163,720	-	-	-	(163,720)	-
(ii) 5% to the Education Fund	-	81,860	-	-	(81,860)	-
(iii) 5% to the Building Fund	-	-	81,860	-	(81,860)	-
	4,016,837	468,719	1,729,717	852,691	3,371,388	10,439,352
Adjustments:-						
Entrance fees	1,660	-	-	-	(1,660)	-
Education expenses	-	(20,306)	-	-	20,306	-
2018 dividends and interest rebate paid	-	-	-	-	(1,393,495)	(1,393,495)
Balance as at 31 December 2019	<u>4,018,497</u>	<u>448,413</u>	<u>1,729,717</u>	<u>852,691</u>	<u>1,996,539</u>	<u>9,045,857</u>

(The accompanying notes form part of these financial statements)

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED EARNINGS (CONT'D)

For the year ended 31 December 2019

	<u>Reserve Fund</u> (\$)	<u>Education Fund</u> (\$)	<u>Building Fund</u> (\$)	<u>Investment Re-measurement Reserve</u> (\$)	<u>Undivided Earnings</u> (\$)	<u>Total</u> (\$)
Balance as at 1 January 2018	3,601,335	265,253	1,522,651	695,942	2,766,675	8,851,856
Adjustment for ECL	-	-	-	-	(1,385,965)	(1,385,965)
Re-stated Balance as at 1 January 2018	3,601,335	265,253	1,522,651	695,942	1,380,710	7,465,891
Total comprehensive income for the year	-	-	-	25,039	2,504,119	2,529,158
Appropriations:						
(i) 10% to the Reserve Fund	250,412	-	-	-	(250,412)	-
(ii) 5% to the Education Fund	-	125,206	-	-	(125,206)	-
(iii) 5% to the Building Fund	-	-	125,206	-	(125,206)	-
	3,851,747	390,459	1,647,857	720,981	3,384,005	9,995,049
Adjustments:-						
Entrance fees	1,370	-	-	-	(1,370)	-
Education expenses	-	(3,600)	-	-	3,600	-
2017 dividends and interest rebate paid	-	-	-	-	(1,324,613)	(1,324,613)
Balance as at 31 December 2018	<u>3,853,117</u>	<u>386,859</u>	<u>1,647,857</u>	<u>720,981</u>	<u>2,061,622</u>	<u>8,670,436</u>

(The accompanying notes form part of these financial statements)

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CASH FLOWS

	For the year ended 31 December	
	<u>2019</u> (\$)	<u>2018</u> (\$)
Cash flows from operating activities:		
Net surplus for the year	1,637,206	2,504,119
Adjustment for:		
Bad debt expense	-	292,439
Depreciation	18,682	19,173
Expected credit loss/reversal	640,262	(620,398)
Write-off/loss on disposal of property, plant and equipment	<u>-</u>	<u>15,367</u>
Operating profit before working capital changes	2,296,150	2,210,700
Net change in accounts receivable and prepayments	408,505	(1,529,583)
Net change in accounts payable and accruals	<u>307,441</u>	<u>119,079</u>
Net cash provided by operating activities	<u>3,012,096</u>	<u>800,196</u>
Cash flows from investing activities:		
Net change in loans to members	847,870	635,204
Net change in investments	(2,222,623)	(1,239,390)
Purchase of property, plant and equipment	<u>(12,690)</u>	<u>(387,361)</u>
Net cash used in investing activities	<u>(1,387,443)</u>	<u>(991,547)</u>
Cash flows from financing activities:		
Decrease in members' shares	1,267,893	(221,786)
Net change in members' deposits	1,169,406	44,207
Dividends and interest rebate	<u>(1,393,495)</u>	<u>(1,324,613)</u>
Net cash provided by/(used) in financing activities	<u>1,043,804</u>	<u>(1,502,192)</u>
Net change in cash resources	2,668,457	(1,693,543)
Cash resources, beginning of year	<u>1,931,648</u>	<u>3,625,191</u>
Cash resources, end of year	<u>4,600,105</u>	<u>1,931,648</u>
Represented by:		
Cash and cash equivalent	<u>4,600,105</u>	<u>1,931,648</u>

(The accompanying notes form part of these financial statements)

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

1. Registration and Objectives:

The Society is registered under the Co-operative Societies Act Ch: 81: 03. Its objectives are to promote the economic welfare of its members, encouraging the spirit and practice of thrift, self-help and co-operation and to promote the development of co-operative ideas. Its registered office is situated at Angostura Limited, Corner Eastern Main Road and Trinity Avenue Laventille.

The Society's Bye-Laws were amended in 2000. The name of the Society was changed from Trinidad Distillers Credit Union Co-operative Society Limited to Angostura Group Employees' Credit Union Co-operative Society Limited under the amended Bye-Laws. These amended Bye-Laws were approved by the Commissioner for Co-operative Development on 13 November 2000.

2. Significant Accounting Policies:

(a) Basis of financial statements preparation -

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Trinidad and Tobago dollars, rounded to the nearest whole dollar. These financial statements are stated on the historical cost basis, except for the measurement at fair value of available-for-sale investments and certain other financial instruments.

(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 judgment in the process of applying the Society'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 -

The Society has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they:

- do not apply to the activities of the Society;
- have no material impact on its financial statements; or
- have not been early adopted by the entity.

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2. Significant Accounting Policies (Cont'd):

(c) **New Accounting Standards and Interpretations (cont'd) -**

- | | |
|----------|---|
| IFRS 3 | Business Combinations - Amendments to clarify the definition of a business (effective for accounting periods beginning on or after 1 January 2020). |
| IFRS 3 | Business Combinations - Amendments resulting from Annual Improvements 2015–2017 Cycle – Re-measurement of previously held interest (effective for accounting periods beginning on or after 1 January 2019). |
| IFRS 9 | Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (effective for accounting periods beginning on or after 1 January 2019). |
| IFRS 9 | Financial Instruments - Amendments regarding prepayment features with negative compensation (effective for accounting periods beginning on or after 1 January 2019). |
| IFRS 11 | Joint Arrangements - Amendments resulting from Annual Improvements 2015–2017 Cycle – Re-measurement of previously held interest (effective for accounting periods beginning on or after 1 January 2019). |
| IAS 23 | Borrowing Costs - Amendments resulting from Annual Improvements 2015–2017 Cycle - Borrowing costs eligible for capitalization (effective for accounting periods beginning on or after 1 January 2019). |
| IAS 28 | Investment in Associates - Amendments regarding the long-term interests in associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2019). |
| IAS 40 | Investment Property - Amendments regarding the transfer of investment property (effective for accounting periods beginning on or after 1 July 2018). |
| IFRIC 23 | Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019). |

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2. Significant Accounting Policies (Cont'd):

(d) Property, plant and equipment -

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided using the straight-line method.

The following rates are considered appropriate to write-off the assets over their estimated useful lives are applied:

Office furniture and equipment	-	12 ½%
Computer hardware	-	15%
Computer software	-	15%

No depreciation is provided on freehold property or construction work-in-progress.

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

The Society's management conducted a review of the useful life of the assets at the end of financial year 2018 and the following changes were effected as at 1 January 2019:

	Former Method	Adjusted Method
Office Furniture and Equipment	Reduced Balance and Straight Line	Straight Line
Computer Hardware	Reduced Balance and Straight Line	Straight Line

The changes were deemed necessary to reflect a truer and fairer view of the estimated useful lives of these particular groups of assets. In accordance with International Accounting Standard (IAS) 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the change was accounted for prospectively, by the adjustment of the carrying amount.

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2. Significant Accounting Policies (Cont'd):

(d) Property, plant and equipment (cont'd) -

The effect of the change in depreciation rates and methods on the Statement of Comprehensive Income is summarised below:

	Depreciation Charge for the Year Using Previous Methods	Depreciation Charge for the Year Using Revised Method	Effect of Change on Statement of Comprehensive Income
Office Furniture and Equipment	12,618	11,375	1,243
Computer Hardware	<u>4,724</u>	<u>5,016</u>	<u>(292)</u>
Total	<u>\$ 17,342</u>	<u>\$ 16,391</u>	<u>\$ 951</u>

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

The credit union purchased parcels of land situated at Lot #257 Old St. Joseph Road, Laventille and Lot #12 Eastern Main Road, Laventille in 2004. In accordance with IAS 16, freehold land is not depreciated.

(e) Financial instruments -

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of:

- (i) the entity's business model for managing the financial assets; and
- (ii) the contractual cash flow characteristics of the financial assets.

The credit union reassess its business models each reporting period to determine whether they have changed. No such changes have been identified for the current year.

Principal is the fair value of the financial asset at initial recognition. Interest is 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.

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2. **Significant Accounting Policies (Cont'd):**

(e) **Financial instruments (cont'd) -**

Initial measurement

All financial instruments are initially measured at the fair value of consideration given or received.

The credit union measures fair values 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. The credit union uses a fair value hierarchy that categorises valuation techniques into three levels:

- (i) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.
- (ii) Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.
- (iii) Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

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 recognised in profit or loss as movements in Expected Credit Loss (ECL). When a financial asset measured at amortised cost is derecognised, the gain/loss is reflected in profit or loss.

Those financial assets such as bonds, which are held within a business model with the objectives of (i) collecting contractual cash flows which comprise principal and interest only, as well as (ii) selling the financial assets, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI). Gains/losses arising on remeasurement of such financial assets are recognised in OCI as *'Items that may be reclassified subsequently to P&L'* and are called *'Net FV gain/(loss) on financial assets classified as at FVOCI'*.

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2. **Significant Accounting Policies (Cont'd):**

(e) **Financial instruments (cont'd) -**

Subsequent measurement (cont'd)

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVTPL), except for equity investments, which the credit union has opted, irrevocably, to measure at FVTOCI. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as '*Net FV gain/(loss) on financial assets classified at FVTPL*'. When a financial asset measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

Gains/losses arising on remeasurement of equity investments, which the credit union has opted, irrevocably, to measure at FVTOCI, are recognised 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 FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but instead, transferred within equity.

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 FVTOCI cannot be reclassified.

Impairment

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

- (i) Twelve-month Expected Credit Loss – 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'.
- (ii) 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.

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2. Significant Accounting Policies (Cont'd):

(e) Financial instruments (cont'd) -

Impairment (cont'd)

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.

Performing financial assets – Stage 1

For performing assets and those expected to perform normally, the loss allowance is the 12-month ECL 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) granted to the borrower of a concession that the lender would not otherwise consider;
- (iv) the disappearance of an active market for a security because of financial difficulties; or
- (v) the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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31 DECEMBER 2019

2. Significant Accounting Policies (Cont'd):

(e) Financial instruments (cont'd) -

Impairment (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 defaulted 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 used 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.

Modification and Derecognition of Financial Assets

The credit union renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of 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 derecognised, 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2. Significant Accounting Policies (Cont'd):

(e) Financial instruments (cont'd) -

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 recognised at amortised cost are not reclassified.

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, or on a collective basis for portfolios of loans that share similar economic risk characteristics. 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.

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2. Significant Accounting Policies (Cont'd):

(e) Financial instruments (cont'd) -

Measurement of ECL (cont'd)

An analysis of the credit union's credit risk exposure without taking into account the effects of collateral is provided in the following tables. The amounts in the table represent gross carrying amounts.

Loans	Stage 1 12 mth ECL (\$)	Stage 2 Lifetime ECL (\$)	Stage 3 Lifetime ECL (\$)	Total (\$)
Low risk	21,446,166	-	-	21,446,166
Medium Risk	16,894,235	-	-	16,894,235
Substandard	-	543,498	-	543,498
Doubtful	-	-	1,075,792	1,075,792
Impaired	-	-	<u>1,672,828</u>	<u>1,672,828</u>
Total gross carrying amount	<u>38,340,401</u>	<u>543,498</u>	<u>2,748,620</u>	<u>41,632,519</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 (\$)
Transfer to stage 1	200,157	74,587	1,091,414	1,366,158
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Increases/(decreases) due to change in credit risk	(13,116)	29,012	623,987	639,883
Write-offs	-	-	-	-
Loss allowance on new loans	<u>379</u>	<u>-</u>	<u>-</u>	<u>379</u>
Loss allowance, end of year	<u>187,420</u>	<u>103,599</u>	<u>1,715,401</u>	<u>2,006,420</u>

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2. **Significant Accounting Policies (Cont'd):**

(e) **Financial instruments (cont'd) -**

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 vehicles

*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 appraisals.

Assets obtained by taking possession of collateral

The credit union obtained the following assets during the year by taking possession of collateral held as security against loans held at the year end. The credit union's policy is to realise collateral on a timely basis.

	(\$)
Property	-
Shares	-
Other	-
Total assets obtained by taking possession of collateral	<u><u>-</u></u>

Members' shares

Given their non-permanent nature members' shares' are classified as a liability and stated at fair value. In accordance with the Society's bye-laws, shareholdings comprise of the following:-

- Section 5 (c) requires every new member, to pay an entrance fee of five dollars (\$5.00) and an operational fee five dollars (\$5.00) both of which shall go towards the Reserve Fund; and
- Section 5 (c) requires that every member shall purchase at least one (1) ordinary share valued at five dollars (\$5.00) each.

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2. Significant Accounting Policies (Cont'd):

(f) Revenue recognition -

Loan Interest

Interest charged on all loans to members is calculated, at a rate determined by the Board, on the outstanding balance at the end of each month in accordance with Section 40 (a) of the Bye-laws. Loan interest is accounted for on the accrual basis.

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

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

Investment Income

Income from investments is accounted for on the accruals basis except for dividends, which are accounted for on a cash basis, consistent with IAS 18.

(g) Dividends payable to members -

Dividends are computed on the basis of the average value of shares held throughout the year, the average being determined on the basis of the value of shares held at the end of each day. Dividends that are proposed and declared after the reporting date are not shown as a liability in accordance with IAS 10 but are disclosed as a note to the financial statements.

(h) Foreign currency -

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the reporting 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.

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31 DECEMBER 2019

2. Significant Accounting Policies (Cont'd):

(i) Provisions -

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(j) Comparative figures -

Certain changes in the presentation have been made during the year and comparative figures have been restated accordingly. These changes have no impact on the surplus reported for the previous year.

3. Financial Risk Management:

Financial Instruments -

The following table summarizes the carrying amounts and fair values of the Society's financial assets and liabilities:

	2019	
	<u>Carrying</u>	<u>Fair</u>
	<u>Value</u>	<u>Value</u>
	(\$)	(\$)
Financial Assets		
Cash and cash equivalent	4,600,105	4,600,105
Accounts receivable and prepayments	1,269,001	1,269,001
Investments	14,217,689	14,217,689
Loans to members	39,626,099	39,626,099
Financial Liabilities		
Members' deposits	6,178,060	6,178,060
Accounts payable and accruals	2,375,482	2,375,482

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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31 DECEMBER 2019

3. Financial Risk Management (Cont'd):

Financial Instruments (cont'd) -

	2018	
	Carrying	Fair
	Value	Value
	(\$)	(\$)
Financial Assets		
Cash and cash equivalent	1,931,648	1,931,648
Accounts receivable and prepayments	1,677,506	1,677,506
Investments	11,863,356	11,863,356
Loans to members	41,114,231	41,114,231
Financial Liabilities		
Members' deposits	5,008,654	5,008,654
Accounts payable and accruals	2,068,041	2,068,041

Quality of Financial Assets -

The Society maintains high quality financial instruments in its operation and these are neither past due nor considered to be impaired.

	31 December	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Loans to members (no defaults anticipated)	39,626,099	38,770,937
Investments with no default anticipated	14,217,689	11,863,356
Accounts receivable with full repayment expected	1,269,001	1,677,506
Cash held at reputable financial institutions	<u>4,600,105</u>	<u>1,931,648</u>
	<u>59,712,894</u>	<u>54,243,447</u>

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

3. **Financial Risk Management (Cont'd):**

Aged Analysis of Financial Assets -

As at 31 December 2019, loans of \$2,748,621 (2018: \$1,561,866) were considered impaired. The individually impaired loans mainly relate to members who are in unexpected difficult economic situations. It was assessed that most of these loans are expected to be recovered.

The aging of these impaired loans is as follows:

	31 December	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Up to 3 months	-	-
More than 3 months but less than 6 months	-	-
More than 6 months but less than 9 months	602,123	107,440
More than 9 months but less than 1 year	473,670	354,080
Over 1 year	<u>1,672,828</u>	<u>1,100,346</u>
	<u><u>2,748,621</u></u>	<u><u>1,561,866</u></u>

As at 31 December 2019, a total of \$6,382,882 (2018:\$3,905,161) in loans were considered to be past due. This value includes loans whose payments were received after 31 December 2019 but were at that date considered to be due.

Loans identified as past due but were not considered to be impaired are as follows:

	31 December	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Up to 3 months	1,819,844	1,138,912
More than 3 months but less than 6 months	251,437	513,653
More than 6 months but less than 9 months	1,556,755	507,445
More than 9 months but less than 1 year	6,225	183,284
Over 1 year	<u>-</u>	<u>-</u>
	<u><u>3,634,261</u></u>	<u><u>2,343,294</u></u>

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

3. Financial Risk Management (Cont'd):

Financial risk factors -

The Society is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Society to manage these risks are discussed below:

(a) Interest rate risk -

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds, loans, customer deposits and other funding instruments. The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields. Funding products such as follows:

Bonds

The Society invests mainly in medium term bonds consisting of fixed rate instruments. The market values of the fixed rate bonds are not very sensitive to changes in interest rates. The market values of the floating rate bonds are sensitive to changes in interest rates. The longer the maturity of the bonds, the greater is the sensitivity to changes in interest rates. Because these assets are being held to maturity and are not traded, any changes in market values will not impact the Statement of Comprehensive Income.

Loans

The Society generally invests in fixed rate loans to members not exceeding ten years. These are funded mainly from member deposits and shares.

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

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3. Financial Risk Management (Cont'd):

Financial risk factors (cont'd)

(a) Interest rate risk (cont'd) -

The Society's exposure to interest rate risk is summarized in the table below, which analyses assets and liabilities at their carrying amounts categorized according to their maturity dates.

	Effective Rate	2019				Non - Interest Bearing	Total
		Up to 1 year	1 to 5 years	Over 5 years			
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Financial Assets							
Cash and cash equivalent	0.03%	4,575,498	-	-	24,607	4,600,105	
Investments	4.75%	9,128,005	-	5,083,684	6,000	14,217,689	
Loans to members	9.65%	456,790	6,950,994	32,201,360	16,955	39,626,099	
Financial Liabilities							
Members' deposits	3.75%	4,402,005	1,673,680	102,375	-	6,178,060	
	Effective Rate	2018				Non - Interest Bearing	Total
		Up to 1 year	1 to 5 years	Over 5 years			
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Financial Assets							
Cash and cash equivalent	0.08%	1,851,694	-	-	79,954	1,931,648	
Investments	3.92%	6,193,000	-	5,664,356	6,000	11,863,356	
Loans to members	9.65%	1,547,011	3,497,893	36,049,926	19,401	41,114,231	
Financial Liabilities							
Members' deposits	2.65%	4,778,654	230,000	-	-	5,008,654	

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

3. **Financial Risk Management (Cont'd):**

Financial risk factors (cont'd)

(b) **Credit risk -**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Society relies heavily on a written Loan Policy Manual, which sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the Society's lending philosophy; provide policy guidelines to team members involve in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

The Society's loan portfolio is managed and consistently monitored by the Credit Committee and is adequately secured by collateral and where necessary, allowances have been established for potential credit losses on delinquent accounts.

Cash balances are held with high credit quality financial institutions and the Society has policies to limit the amount of exposure to any single financial institution.

The Society also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

(c) **Liquidity risk -**

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Society has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The Society is able to make daily calls on its available cash resources to settle financial and other liabilities.

i) **Risk management**

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Society. The Society employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Society's assets as well as generating sufficient cash from new and renewed members' deposits and shares.

To manage and reduce liquidity risk the Society's management actively seeks to match cash inflows with liability requirements.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

3. Financial Risk Management (Cont'd):

Financial risk factors (cont'd)

(c) Liquidity risk (cont'd) -

ii) Liquidity gap

The Society's exposure to liquidity risk is summarised in the table below which analyses assets and liabilities based on the remaining period from the reporting date to the contractual maturity date.

	2019			
	<u>Up to</u> <u>1 year</u> (S)	<u>1 to</u> <u>5 years</u> (S)	<u>Over</u> <u>5 years</u> (S)	<u>Total</u> (S)
Financial Assets				
Cash and cash equivalent	4,600,105	-	-	4,600,105
Investments	9,134,005	-	5,083,684	14,217,689
Loans to members	473,745	6,950,994	32,201,360	39,626,099
Financial Liabilities				
Members' deposits	4,402,005	1,673,680	102,375	6,178,060
	2018			
	<u>Up to</u> <u>1 year</u> (S)	<u>1 to</u> <u>5 years</u> (S)	<u>Over</u> <u>5 years</u> (S)	<u>Total</u> (S)
Financial Assets				
Cash and cash equivalent	1,931,648	-	-	1,931,648
Investments	6,199,000	-	5,664,356	11,863,356
Loans to members	1,547,011	3,497,893	36,049,926	41,114,231
Financial Liabilities				
Members' deposits	4,778,654	230,000	-	5,008,654

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

3. **Financial Risk Management (Cont'd):**

Financial risk factors (cont'd) -

(d) **Currency risk -**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Society's measurement currency. The Society is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Society's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(e) **Operational risk -**

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

(f) **Compliance risk -**

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Inspector of Financial Institutions at the Central Bank of Trinidad and Tobago, as well as by the monitoring controls applied by the Society.

(g) **Reputation risk -**

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

4. **Critical Accounting Estimates and Judgments:**

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

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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31 DECEMBER 2019

4. Critical Accounting Estimates and Judgments (Cont'd):

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The Society makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

- i) Whether investments are classified as Fair Value through Profit and Loss, Fair Value through Other Comprehensive Income or Amortised Cost.
- ii) Which depreciation method for plant and equipment is used.
- iii) Business model assessment:

The credit union reassess its business models each reporting period to determine whether they continue to be appropriate and if there need to be a prospective change to the classification of financial assets. This assessment includes judgement regarding:

- how the performance of the assets is evaluated and measured; and
- the risks that affect the performance of the assets and how these risks are managed.

- iv) Significant increase of credit risk:

The credit union computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significant increase in credit risk required judgement takes into account reasonable and supportable forward-looking information.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

4. Critical Accounting Estimates and Judgments (Cont'd):

- v) Establishing groups of assets with similar credit risk characteristics:

When ECL is measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The credit union monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. Judgement is required in determining whether and when to move assets between portfolios.

- vi) Valuation models and assumptions used:

The credit union uses various valuation models and assumptions in measuring the fair value of financial assets, as well as in estimating ECL. Judgement is applied in identifying the most appropriate valuation model for each type of asset, as well as in determining the assumptions to be used for each model.

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

- i) Impairment of assets

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

- ii) Probability of default (PD)

PD is an estimate of the likelihood of default over a given period of time, the calculation of which includes historical data, assumptions and expectations of future conditions. PD constitutes a key input in measuring ECL.

- iii) Loss Given Default (LGD):

LGD is an estimate of the percentage loss arising on default, and is based on the difference between the contractual cash flows due and those that the credit union would reasonably expect to receive, taking into account cash flows from collateral. It requires forecasting the future valuation of collateral taking into account sale discounts, the time and cost associated with realising collateral and seniority of claim. LGD is a key input in measuring ECL.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

4. Critical Accounting Estimates and Judgments (Cont'd):

iv) Fair value measurement and valuation process

In estimating the fair value of a financial asset or a liability, the credit union uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the credit union uses valuation models to determine the fair value of its financial instruments.

v) Exposure at Default (EAD)

EAD is an estimate of the total loss incurred when a member defaults, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest. EAD is a key input in measuring ECL.

vi) Plant and equipment

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

5. Cash and Cash Equivalent:

	31 December	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Petty cash	6,000	6,000
Cash in transit	-	73,954
Cash in hand	18,607	-
Trinidad and Tobago Unit Trust Corporation:		
- TTD Income Fund	158,305	156,139
- USD Income Fund	114,768	261,603
Republic Bank Limited - TTD Current Account	<u>4,302,425</u>	<u>1,433,952</u>
	<u>4,600,105</u>	<u>1,931,648</u>

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

6. Accounts Receivable and Prepayments:

	31 December	
	<u>2019</u> (\$)	<u>2018</u> (\$)
Prepayments	4,726	8,560
Payroll receivables	905,775	947,312
Matured investment refund	1,000,000	1,500,878
Other receivables	<u>225,718</u>	<u>87,974</u>
	2,136,219	2,544,724
Allowance for impairment	<u>(867,218)</u>	<u>(867,218)</u>
	<u>1,269,001</u>	<u>1,677,506</u>
Allowance for impairment:		
Balance, beginning of year	867,218	574,779
Charge for the year	<u>-</u>	<u>292,439</u>
Balance, end of year	<u>867,218</u>	<u>867,218</u>

7. Investments:

	31 December	
	<u>2019</u> (\$)	<u>2018</u> (\$)
Shareholdings:		
First Citizens Bank Limited	276,256	210,886
Co-operative Credit Union League of Trinidad & Tobago	6,000	6,000
Bonds:		
Frank Templeton Investments Limited	614,385	614,385
KCL Capital Market Brokers Limited	3,189,077	3,500,000
Murphy Clarke Financial Limited	5,083,684	5,664,356
Units:		
Trinidad and Tobago Unit Trust Corporation – 1 st Scheme	2,048,287	1,867,729
Other:		
Republic Bank Limited – Loan Note	<u>3,000,000</u>	<u>-</u>
	<u>14,217,689</u>	<u>11,863,356</u>

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8. Loans to Members:

Loans to members are stated at principal outstanding net of an allowance for impairment. The allowance for impairment is based on management's evaluation of the performance of the loan portfolio under current economic conditions and past loan loss experience.

	31 December	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Loan to members	41,632,519	42,480,389
Less: Allowance for impairment	<u>(2,006,420)</u>	<u>(1,366,158)</u>
	<u>39,626,099</u>	<u>41,114,231</u>
Allowance for impairment:		
Balance, beginning of year	1,366,158	1,986,556
Charge/(reversal) for the year	<u>640,262</u>	<u>(620,398)</u>
Balance, end of year	<u>2,006,420</u>	<u>1,366,158</u>

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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9. Property, Plant and Equipment:

Cost	<u>Freehold property</u> (\$)	<u>Construction in progress</u> (\$)	<u>Office furniture and equipment</u> (\$)	<u>Computer software</u> (\$)	<u>Computer hardware</u> (\$)	<u>Total</u> (\$)
Balance as at 1 January 2019	1,344,158	783,559	152,961	41,997	60,467	2,383,142
Additions	-	5,000	-	-	7,690	12,690
Balance as at 31 December 2019	<u>1,344,158</u>	<u>788,559</u>	<u>152,961</u>	<u>41,997</u>	<u>68,157</u>	<u>2,395,832</u>
Accumulated Depreciation						
Balance as at 1 January 2019	-	-	46,526	25,986	42,942	115,454
Charge	-	-	11,736	1,930	5,016	18,682
Balance as at 31 December 2019	-	-	<u>58,262</u>	<u>27,916</u>	<u>47,958</u>	<u>134,136</u>
Net Book Value						
Balance as at 31 December 2019	<u>1,344,158</u>	<u>788,559</u>	<u>94,699</u>	<u>14,081</u>	<u>20,199</u>	<u>2,261,696</u>
Balance as at 31 December 2018	<u>1,344,158</u>	<u>783,559</u>	<u>106,435</u>	<u>16,011</u>	<u>17,525</u>	<u>2,267,688</u>

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

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9. Property, Plant and Equipment (Cont'd):

Cost	Freehold property (\$)	Construction in progress (\$)	Office furniture and equipment (\$)	Computer software (\$)	Computer hardware (\$)	Total (\$)
Balance as at 1 January 2018	1,344,158	465,759	206,413	41,997	85,371	2,143,698
Additions	-	317,800	54,223	-	15,338	387,361
Disposals	-	-	(107,675)	-	(40,242)	(147,917)
Balance as at 31 December 2018	<u>1,344,158</u>	<u>783,559</u>	<u>152,961</u>	<u>41,997</u>	<u>60,467</u>	<u>2,383,142</u>
Accumulated Depreciation						
Balance as at 1 January 2018	-	-	123,790	23,161	81,880	228,831
Charge	-	-	15,044	2,825	1,304	19,173
Disposals	-	-	(92,308)	-	(40,242)	(132,550)
Balance as at 31 December 2018	-	-	<u>46,526</u>	<u>25,986</u>	<u>42,942</u>	<u>115,454</u>
Net Book Value						
Balance as at 31 December 2018	<u>1,344,158</u>	<u>783,559</u>	<u>106,435</u>	<u>16,011</u>	<u>17,525</u>	<u>2,267,688</u>
Balance as at 31 December 2017	<u>1,344,158</u>	<u>465,759</u>	<u>82,623</u>	<u>18,836</u>	<u>3,491</u>	<u>1,914,867</u>

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10. Accounts Payable and Accruals:

	31 December	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Staled dated cheques	1,724	1,724
Sundry creditors	401,706	347,285
Audit fees	73,125	69,750
Interest on members' fixed deposits	35,407	35,407
CUNA premiums	1,675,336	1,584,745
Loan/share protection payable	178,577	-
Statutory deductions	11,772	13,366
Pension payable	-	17,929
CUNA Family Indemnity Plan	(2,165)	(2,165)
	<u>2,375,482</u>	<u>2,068,041</u>

11. Members' Shares:

According to the By-Laws of Angostura Group Employees' Credit Union Co-operative Society Limited Section 11 - Shares, shares shall be valued at \$5.00 each. In accordance with International Financial Reporting Interpretation Committee (IFRIC) Interpretation #2, these redeemable shares have been treated as liabilities.

12. Reserve Fund:

In accordance with the By-Laws of Angostura Group Employees' Credit Union Co-operative Society Limited Section 46 – Distribution of Surplus, 10% shall be credited to the Reserve Fund. Section 21 of the By-Laws says that the Reserve Fund shall be indivisible and no member shall be entitled to any specific share thereof. It goes further to say that the Reserve Fund may, subject to the approval of the Commissioner, be used in the business of the Society or may be invested in accordance with the Provision of the Act.

13. Education Fund:

In accordance with the Bye-Laws of Angostura Group Employees' Credit Union Co-operative Society Limited Section 46 – Distribution of Surplus, 5% shall be credited to an Education Fund. Section 23 of the Bye-Laws says that the Education Fund shall be used solely for the education and training of the members/staff of the Society or any other organizations or persons who qualify under the Society's education policy.

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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14. **Building Fund:**

5% of the net surplus is transferred annually to a Building Fund.

15. **Investment Re-Measurement Reserve:**

In accordance with IAS 39, the Board of Directors has created an investment re-measurement reserve which includes the following:

- i) Unrealised gains/losses on investments recorded as Fair Value through Other Comprehensive Income.
- ii) Transfers from Retained Earnings.

16. **Dividend and Interest Rebate:**

The Board of Directors has proposed a dividend of 2.5% for the year ended 31 December 2019 which is estimated at \$1,135,084 and an interest rebate of 2.0% which is estimated at \$81,680. This is subject to approval by the membership at the Annual General Meeting and is not recorded as a liability in these financial statements in accordance with IAS 10.

17. **Related Party Transactions:**

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

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

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

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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17. **Related Party Transactions (Cont'd):**

Balances and transaction with related parties and key management personnel during the year were as follows:

	31 December	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
<u>Assets, Liabilities and Members' Equity</u>		
Loans and other receivables		
Directors, committee members, key management personnel	<u>3,311,221</u>	<u>4,525,991</u>
Shares, deposits and other liabilities		
Directors, committee members, key management personnel	<u>3,042,017</u>	<u>3,529,444</u>
Income		
Interest due from related parties	<u>-</u>	<u>-</u>
Expenses		
Interest due to related parties	163	980
Dividends paid to related parties	<u>80,906</u>	<u>92,062</u>
	<u>81,069</u>	<u>93,042</u>
Key management compensation		
Short-term benefits	182,000	169,375
Post employment benefits	<u>15,600</u>	<u>15,000</u>
	<u>197,600</u>	<u>184,375</u>

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

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18. Fair Values:

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

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

a) **Current assets and liabilities -**

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

b) **Members' loans -**

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

c) **Investments -**

The fair values of investments are determined on the basis of market prices available at 31 December 2019.

d) **Members' deposits -**

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

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

19. Administrative Expenses:

	31 December	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Annual general meeting	63,255	59,732
Bad debt expense	-	292,439
Co-op celebration activities	46,739	90,802
CUNA insurance	304,288	562,653
Data processing	150,720	35,329
Depreciation	18,682	19,173
Education expenses	20,306	3,600
General expenses	60,518	301,123
Honoraria	184,774	159,136
Impairment/expected credit loss expense	640,262	(620,398)
Insurance	13,633	11,524
Interest on members' fixed deposits	53,290	20,759
League dues	4,293	4,293
Legal and professional fees	235,910	195,100
Write-off/loss on disposal of property, plant and equipment	-	15,367
Maintenance and cleaning	13,462	42,463
Office expenses	57,980	79,529
Printing and stationery	45,412	32,265
Rates and taxes	26,889	-
Rent	162,000	162,000
Stabilization fund	-	3,309
Telephone	4,728	4,389
	<u>2,107,141</u>	<u>1,474,587</u>

20. Personnel Costs:

	31 December	
	<u>2019</u>	<u>2018</u>
	(\$)	(\$)
Salaries and staff benefits	536,854	477,373
Staff pension	<u>35,871</u>	<u>26,711</u>
	<u>572,725</u>	<u>504,084</u>

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