

AGECU



46th Annual General Meeting

*"Moving to Service Excellence...
Hope for the Future"*



The Courtyard
HOUSE OF ANGOSTURA
Angostura Street, E.M.R. Laventille

Date: **Saturday 17 April, 2021**
Time: **2:00 p.m.**

46th 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



Mario Clarke
Vice President



Ronda Betancourt
Secretary



Johann Merritt
Treasurer



Lambert George
President



Marc Paul
Assistant Secretary



Shernelle Sargeant
Assistant Treasurer



Codrington Plante
Member



Nikecia Moore-
Burrowes
Member



Beverly De Freitas
Member



Wayne McDonald
Member



Brenda De La Rosa
Member



Ariana Maharaj
Member



Nigel Farfan
Member (2nd alt)

Management



Mariella Pavy
Admin Assistant III



Hazel Joseph
Officer Manager



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)
CCULTT - Co-operative Credit Union League of Trinidad and Tobago

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 & 46th Annual General Meeting of Angostura Group Employees' Credit Union Co-operative Society Limited will take place on Saturday, 17th April 2021 in the Dining Room, House of Angostura, Eastern Main Road, Laventille at 2:00pm.

Registration begins at 1:00pm. **Members attending the meeting physically are asked to arrive early to allow for COVID-19 screening protocols to be conducted prior to entering the compound.**

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

Ronda Betancourt
Secretary - Board of Directors

Agenda

1. Opening Prayer
2. National Anthem
3. President's message
4. Credential report
5. Reading and confirmation on Minutes (44th AGM)
6. Matters Arising
7. Reports 45th & 46th AGMs:
 - Board of Directors
 - Supervisory Committee
 - Credit Committee
 - Education Committee
 - Nomination Committee
 - Financial Statement/Auditor's Report
 - Budgetary Proposals
8. Amendment to Bye Law
9. Resolutions 45th & 46th AGMs
10. Elections of Officers:
 - Supervisory Committee
 - Credit Committee
 - Board of Directors
11. Any Other Business
12. Door Prizes
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.

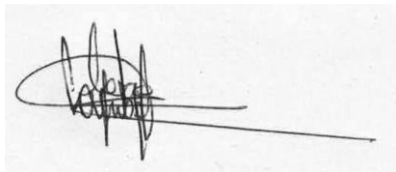
Members' Fixed Deposit Rates

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

Elections 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
Mr. Codrington Plante*	2019 – 2020

*Stepped into the vacancy created by Melissa Clarke who resigned her post in 2019.

Outgoing and Eligible for Re-election

Wayne McDonald	outgoing
Mario Clarke	outgoing
Nikecia Moore-Burrowes	outgoing
Brenda De La Rosa	outgoing
Codrington Plante	outgoing
Marc Paul	outgoing
Johann Merritt	outgoing
Shernelle Sargeant	outgoing
Beverly De Freitas	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
Beverly De Freitas*
Codrington Plante
Nicole Mayers-Clarke
Ariana Maharaj

*1st alternate who stepped in for Karla Hosein who resigned from her post in 2020.

President's Message

As we crossed over into the New Year 2020, everything was going relatively normal in our beautiful twin island of Trinidad and Tobago. However, on March 12, an imported "DISRUPTOR" arrived by the name of "CORONAVIRUS" or "COVID-19", and our lives and that of our families were "**CHANGED**" forever.

The Government had been monitoring this international development since 2019 and was very pro-active in developing plans, policies and guidelines, expecting "COVID-19" to arrive in our country at any time.

By April of 2020, the public health requirements for all "non-essential" workers were to stay at home, the closure of bars, restaurants, and all food vending outlets, left many persons with reduced access to basic needs due to their curtailed ability to work. Our borders were closed, remaining so, up to the time of writing this message.

While most businesses had to closed, financial institutions, having classified as essential services, continued to operate, although at reduced hours for some time. Our Credit Union remained open, facilitating the needs of our members and their families. I would like to

take this opportunity to thank our dedicated staff and members of my Board of Directors for having to adapt over night to a new modus operandi.

Is "CHANGE" good or bad? Change is not always a good thing. It may force us out of tried habits, and impose better ones upon us, but it can also be stressful, costly and even destructive. The important thing about change is how we anticipate and react to it.

One of life's constants is change. It will happen whether we like it or not. We grow older each day, technology changes at a rapid pace - how many of us can remember the rotary telephone, today we have cell phones. Some of us embrace change, others resist it. We prefer it best on our terms, regrettably, that option is not always available. Sometimes, all we can do is cope with it.

Change is inevitable, organizational change occurs only when the forces that promote it overcome those that resist it. Survival in today's global economy requires organizations to be flexible and adapt readily to the ever - changing marketplace.

COVID-19 has caused us to begin reviewing our original

administration building designs and looking at the feasibility of the proposed rental space of the first floor. Discussion is ongoing.

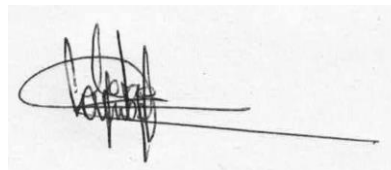
We plan to convene an all-committee meeting very soon after this annual general meeting to discuss our next Strategic Plan. Given our current fluid environment, we will consider a shorter-term Plan.

The “THEME” for our 46th Annual General is “**MOVING TO SERVICE EXCELLENCE...HOPE FOR THE FUTURE**”. We have decided to embark upon one of the most ambitious projects, that of organizational transformation. This transformation is intended to modernize our credit union, and to reposition ourselves as a competitive force in the financial services sector. We would like to encourage our members to come on board, so that together, this objective can be achieved.

Hope in God is the only strategy that we can cling to during these trying and overwhelming circumstances, clinging to Him in faith and trust. This is not the time to give up in despair. Most of our members are gainfully employed and our basic needs are being met, enough to give God thanks.

So today; our Annual General Meeting is held under very difficult and very different circumstances; if we surrender to it, we would be at the mercy of what happens to us, we must guard against this dangerous temptation.

In every crisis there are opportunities, let us stay focused and speak to the positive things we would like to achieve for ourselves and our credit union.

A handwritten signature in black ink, appearing to read 'Lambert George', with a long horizontal line extending to the right.

Lambert George
President.

Board of Director's Report

On behalf of members of the Board of Directors, and members of staff, welcome to our 45th and 46th Annual General Meetings (AGM'S).

At our first Board Meeting held on Saturday 18 January 2020, the President told members of the Board that “2020 would be business unusual, not business as usual”. This statement was made against the background of articles published on the Express newspaper front page on Thursday 2 January 2020, and its impact on family life.

As the year progressed; that statement became more evident, and on the 12 March 2020, our nation had to face the reality of the global pandemic caused by COVID-19. We are all aware of the social, economic, and psychological impacts of the pandemic that have been and continue to be experienced locally, regionally, and internationally. From all indications, even with the availability of multiple vaccine variations, COVID-19 will be with us in 2021 and beyond.

Attendance Records

Our 45th AGM, which was planned for Saturday 18th April 2020 had to be postponed.

During the period under review there were twelve (12) statutory Board and thirteen (13) Executives Meetings.

Because of COVID-19 Health protocols, Virtual Meetings began in April 2020 to presently.

The Executive team remained as follows:

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-Burrowes
Beverly De Freitas
Brenda De La Rosa
Arianna Maharaj
Codrington Plante
Nigel Farfan (Alt)

[COVID-19 Governance Guidelines](#)

The local Cooperative sector was negatively impacted due to the postponement of AGMs; despite various attempts at innovation.

A circular dated April 20th 2020 was sent to all Credit Unions from the Commissioner of Cooperative

Development (Ag.), Ms. Andrea Mc Kenna, relative to Governance Guidelines as a result of COVID-19 adjustments. The document referred to the implications of the postponement of AGMs until further notice and provided specific guidelines for Cooperative Societies on navigating these extraordinary circumstances.

The Board utilized the parameters outlined by the Circular, after completing our Financial Audit for the year ended 31st December 2019, and having realized a Net Surplus of \$1,637,206.00, our Treasurer proposed the following allocations:

- i. A dividend payment of 2.5% = \$1,103,084.30
- ii. Interest rebate of 2% = \$81,679.87
- iii. Retained earnings = \$92,999.87

The Circular recommended 75% of the proposed dividend be paid out of the Reserve Fund, and the balance of 25% being payable after our 45th AGM was held, and the resolution approved.

The CIRCULAR also recommended the following:

- The approval of the quantum of honorarium recommended by the Board of an interim payment to Officers of no more than 50% of the honorarium approved in the

amount of \$120,000.00. The other 50% on approval by members at the 45th AGM.

- The appointment of an Auditor for the present term; the Board proposed to retain the services of PKF for 2020.
- The acceptance of the Budget for the year 2020.

COVID-19 Assistance

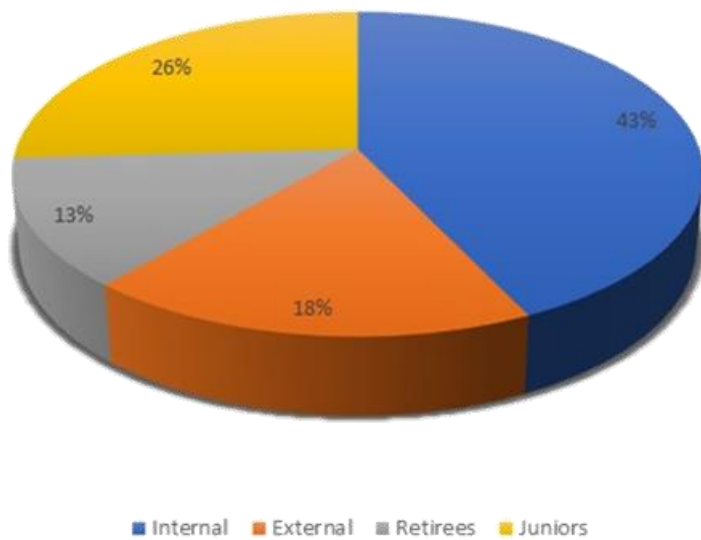
In recognizing that, even though Angostura Holdings Limited did not reduce staff, our members may still have been negatively impacted by the effects of COVID-19, the Board took the decision to offer loan payment deferrals, for up to three (3) months for all members in good standing.

The Board also engaged with our sole Cooperative member, Myerson Credit Union, to enable them to access funding from the \$100M financing facility offered by the Government of Trinidad and Tobago to the Credit Union movement through the CCULTT. We are happy to report that the funds advanced since been repaid, with interest.

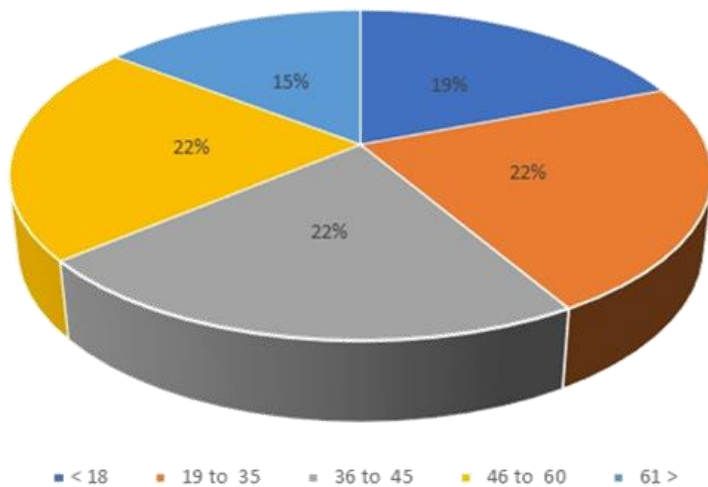
In recognizing the challenges faced by families within our fence line community the Board donated several tablets to Mrs. Sandra Awai, a well-known activist within the Laventille community and Angostura stalwart. The devices were very well

received, as they allowed the less privileged children to access the various online learning platforms offered by their schools and the Ministry of Education.

TOTAL ACTIVE MEMBERSHIP AS AT DECEMBER 31ST, 2020



MEMBERSHIP BY AGE GROUP AS AT DECEMBER 31ST, 2020



Statistical Highlights

As at the end of December 2020 our membership stood at 758 members. This is a net increase of 8 members as, although we had 25 members joining us in 2020, we also lost 17 members during the year due to resignations and deaths.

In 2020 our total assets grew slightly from \$61.9M to \$62.0M, a change of \$0.1M or less than 0.1%. Our net surplus for that same period reflected a year-on-year growth of \$0.42M or 25% (from \$1.64M to \$2.06M). This increase was based on improved investment income, reduced expenditure coming out of the effects of COVID-19 as well as a reduced IFRS 9 ECL provision given our enhanced drive at debt recovery and loan risk management.

Organizational Development & Training

We implemented our new business operating system, Emortelle, in the last quarter of 2019 and continued its roll out into 2020. Specific modules were identified, e.g. IFRS 9 Risk Management, and implemented with staff receiving the required training. We have identified additional modules that we would like to implement in the future including Global Information Access which allows members web-based account access and management capabilities.

In December 2020, the AGECU embarked on a project to bring about transformational change within the organization. This transformation is intended to modernize the organization and to reposition our Credit Union as a competitive force in the provision of financial services to our members. This project is being led by DRA Consulting and its experienced principal Ms. Dawn Richards and is made up three (3) major components:

1. Professional Business Practices,
2. Business Alignment,
3. Workflow Efficiency Improvement

The project is still ongoing and is scheduled to be completed by the end of Q2 2021, however members should have already noticed and experienced the changes made.

[Social activities for 2020](#)

In 2020, the activities of the marketing committee were stymied, as events had to be cancelled due to the COVID-19 pandemic. The committee focused its efforts on building a platform to meet the challenges posed by the pandemic in how members conducted their business.

AGECU's Website

Work continued on the creation of a website that will act as a functional marketing tool to engage our ideal customers and convert them into valued members.

Given the drive to increase membership, it is important that we target young professionals who are more inclined to take loans and perhaps grow with the credit union. This audience is digital savvy and conducts most of their business online. The website will be officially launched at the 2021 AGM.

Special Loan Promotion

The "Christmas into Carnival" Loan Promotion kicked off in Nov 2020. Members were offered two tiers of loans to encourage participation. Seventy-nine (79) persons took loans during the promotional period, 17 in Tier 1 and 62 in Tier 2.

- Three (3) persons in Tier one won \$1500 each in Food Vouchers.
 - Nicole Castro
 - Navindra Narine
 - Mariella Pavy
- Three (3) persons in Tier two won \$1500 in Food Vouchers and \$1500 in Furniture Vouchers.
 - Johann Merritt
 - Keishana Clarke
 - Allister Hector

Conclusion

As a Board we will continue to seek organizational development and improvement for the benefit of our members and their families. Our focus for the coming year is to continue the development of our resources and the revitalization of the Credit Union image of one

focused on member service and continuously providing value to our members. We say a heartfelt thank you to our Manager, Staff and each and every member of our Credit Union for your support over the past year and in the coming year as we “Move towards Service Excellence.

Attendance Record

JANUARY TO MARCH 2020 (PREVIOUS TERM)				
NAME	POSITION	PRESENT	EXCUSED	TOTAL
Lambert George	President	2	0	2
Mario Clarke	Vice President	2	0	2
Ronda Betancourt	Secretary	2	0	2
Marc Paul	Asst Secretary	1	1	2
Johann Merritt	Treasurer	2	0	2
Shernelle Sargeant	Asst Treasurer	1	1	2
Wayne Mc Donald	Director	2	0	2
Nikecia Moore-Burrowes	Director	2	0	2
Beverly De Freitas	Director	2	0	2
Brenda De La Rosa	Director	2	0	2
Ariana Maharaj	Director	2	0	2
Codrington Plante	Director	2	0	2
Nigel Farfan	1st Alternate	1	1	2

APRIL TO DECEMBER 2020 (CURRENT TERM)				
NAME	POSITION	PRESENT	EXCUSED	TOTAL
Lambert George	President	9	0	9
Mario Clarke	Vice President	9	0	9
Ronda Betancourt	Secretary	8	1	9
Marc Paul	Asst Secretary	6	3	9
Johann Merritt	Treasurer	9	0	9
Shernelle Sargeant	Asst Treasurer	9	0	9
Wayne Mc Donald	Director	9	0	9
Nikecia Moore-Burrowes	Director	7	2	9
Beverly De Freitas	Director	9	0	9
Brenda De La Rosa	Director	6	3	9
Ariana Maharaj	Director	7	2	9
Codrington Plante	Director	9	0	9
Nigel Farfan	1st Alternate	0	9	9

Due to COVID19 restrictions, no meetings were held in March or April. A meeting was also not held December.

Supervisory Committee Report

OPERATIONAL HIGHLIGHTS

Following the deferral of the 45th Annual General Meeting (45th AGM), the team as sworn in on 29th April 2019, and witnessed by Ms. Lisa Duberry of the Co-operative Development Division of the Ministry of Labour and Small Enterprise Development remained in service, pending elections at the 45th AGM. The Committee continued to comprise 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 **1stAlternate**
Mr. Anthony Livingston
2nd Alternate

SUPERVISORY COMMITTEE

While COVID-19 has affected everyone in different capacities, adaptations to the new normal were required by all parties of the Committee. Drastic changes in working schedules and childcare needs, along with observation of public health ordinance guidelines did have a significant impact on the ability of the Committee to fulfill all obligations.

As with other statutory meetings, virtual meetings became the preferred medium by which meetings were conducted. Reduced on-site meetings also meant fewer opportunities for review of hardcopy records.

PROFESSIONAL DEVELOPMENT

Understandably, there were reduced opportunities for training en masse for all officers. However, with significant changes in how the institution has had to adapt and improve on processes, therein lies opportunity for Supervisory Committee members to become familiarized with the process and nurture aptitude and acumen for spotting when things are amiss.

SUPERVISORY COMMITTEE AUDITS

With the move towards virtual statutory meetings and transition to the Emortelle software, remote reviews through the software during virtual meetings could be the direction of choice for the Supervisory committee.

While some challenges were met in exercising this duty, no major discrepancies in how the AGEUCU conducts its business were observed.

The few issues brought forward were promptly explained by the Office staff or the Board as necessary.

BOARD OF DIRECTORS

The Committee must commend the Board in its foresight to postpone the AGM and the readiness with which they were able to adapt to virtual meetings.

Continued issues with the Emortelle software were cited as the major reason for the lapse in timeliness of reporting of financials by the Office of the Treasurer. Slight improvement was seen in this aspect towards the end of the period. With the key role the Office of the Treasurer holds, it is paramount that this Office be afforded ample resources to govern the Financial Operations of the Office and provide timely insight of same to the Board and Supervisory Committees in an effective and sustainable manner.

CREDIT COMMITTEE

The Credit Committee, chaired by Ms. Darlene Coombs, continued to perform given the challenges during the period. Reporting was also seen to fall off during the period due to a combination of Emortelle and COVID-19 restrictions. Loans that were reviewed were seen to be approved in accordance with the Loan policy.

In some instances, the committee may have been overzealous in its request for applicant information, as the Credit Union tries to find a balance between serving members and protecting the membership. This indicates to the Supervisory Committee that a hard revision of the Loan Policy and our products and pre-requisites needs to be done using concrete data and trends. Loan handbook for members would be useful to members, along with copies of Bylaws.

EDUCATION COMMITTEE

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

With the gathering restrictions imposed by COVID-19 mitigations, opportunities for seminars and mass outreach would have been limited. As more businesses adapt to the virtual environment, this avenue should be explored to engage and educate membership for the 2021 – 2022 period.

MARKETING COMMITTEE

The Marketing Committee, chaired by Ms. Vitra Deonarine, as was the running theme for most committees, experienced setbacks in delivering some key items such as the much

anticipated and long overdue website.

As Marketing initiatives are key to the long-term success of AGEUCU, sincere consideration and support should be given to proposed innovations and projects assigned to the committee.

NOMINATION COMMITTEE

With increased demands of home and work life that come with COVID-19, it comes as no surprise that new volunteers to serve are difficult to come by. A drive to recruit young professionals to be groomed by our experienced stalwarts is necessary for sustainable operations of the AGEUCU. The benefits of serving should be highlighted such as training and networking opportunities in the Credit Union arena, Financial awareness, and directorship of our own business.

AGECU STAFF

2020 threw additional curveballs to the office staff in the form of losing two admin staff in quick succession. The Supervisory Committee would like to recognize the Office staff for holding the fort while suitable replacements were being sought.

On that note, we would also like to extend congratulations and a warm welcome to our newly joined AGEUCU staff member, Ms. Annika Des Vignes.

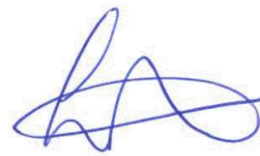
CONCLUSION

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



Lacey Ann Arneaud
Supervisory Committee Secretary

Attendance Record

Previous term January – December 2020

NAME	POSITION	PRESENT	EXCUSED	ABSENT	TOTAL
William Jordan	Chairperson	5	0	0	5
Lacey Ann Arneaud	Secretary	3	1	1	5
Mahalia McDonald Lawrence	Member	4	1	0	5
Terran Eligon	Member	3	1	1	5
Ruth Mohan	Member	5	0	0	5
Garnet Glasgow	1 st Alternate	0	0	5	5
Anthony Livingston	2 nd Alternate	4	1	0	5



Credit Committee Report

No inaugural meeting for the term 2020/2021 was held by the Credit Committee due to the development of the global pandemic, COVID-19, which impacted the local community from March 2020. As a result of this unprecedented impact, the elected 2019 Credit Committee continued in office until such time that an AGM can be safely held.

There were two resignations that occurred during the extended term of the Credit Committee as highlighted in the listed officers below. As a result of these resignations, Beverly De Freitas became a full member in the extended period.

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

Loan Portfolio:

The aim was to disburse 8 million for the 2020 financial period but what was actualized was 70% with a final disbursement of \$5.6 million.

During the 2020 period under review a total of 266 loans were approved, amounting to a total loan disbursement which is 23% less from 2019. A dollar value difference of \$1,639,097.

This was the first full year that the credit union used the upgraded Emortelle operational software. The Credit Committee was granted access to the financials of the loan portfolio on Emortelle and received introductory training in navigating the Emortelle platform.

In balancing between the need for continued operation and strict adherence to health regulations, the Credit Committee incorporated a hybrid model of virtual and physical meetings, where one officer would be on site and the others virtually. Commendations must be given to the office staff for all the support provided to the Credit Committee during the pandemic and particularly for the virtual meetings.

Given the state of uncertainty, members were hesitant to take on additional debt and as a result the loan disbursement was curtailed.

Table 1 shows the disbursement for the past five years as well as the recommended disbursement for the upcoming 2021 financial period.

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

Year	No Loans	Disbursement	Int Earned/annum
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	266	5,618,162.25	297,432.22
2021*		8,500,000.00	

**Projected Disbursement for 2021 Period*

Delinquency:

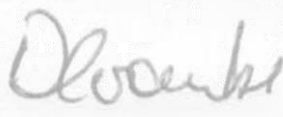
At the close of the 2019 financial period the delinquency loan portfolio stood at \$2,753,985. With the continuous effort by the office to manage the portfolio, at the end of the 2020 financial period it was reduced to \$1,286,576, which represents 3.58% of our Total Loan Portfolio. According to the PEARL Standards the ideal goal is to maintain the delinquency rate below 5% of total loans outstanding.

Conclusion:

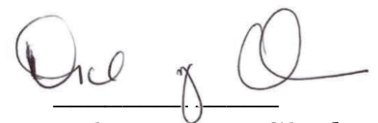
The Credit Committee is thankful to all the officers and the office staff for the support provided during this devastating and unprecedented global pandemic.

We wish to thank the membership for the opportunity to serve on the Credit Committee.

Yours respectively,



Darlene Coombs
Chairperson



Nicole Mayers-Clarke
Secretary

Attendance Record

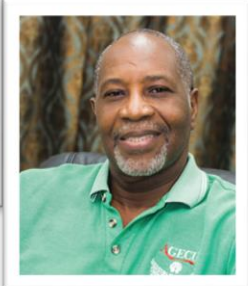
Previous Term: January 2020 – March 2020

JAN 2020 - MAR 2020	POSITION	PRESENT	ABSENT	EXCUSED	TOTAL # OF MEETINGS HELD
DARLENE COOMBS	CHAIRPERSON	13	0	1	
NICOLE MAYERS-CLARKE	SECRETARY	11	0	3	
CODRINGTON PLANTE	MEMBER	14	0	0	14
KARLA HOSEIN	MEMBER	5	3	6	
ARIANNA MAHARAJ	MEMBER	7	5	2	
BEVERLY DE FREITAS	1 st ALTERNATE	8	4	2	
AVE SCOTT	2 nd ALTERNATE	2	7	5	

Extension of term: April 2020 – December 2020*

APRIL 2020 - DEC 2020	POSITION	PRESENT	ABSENT	EXCUSED	TOTAL # OF MEETINGS HELD
DARLENE COOMBS	CHAIRPERSON	31	0	2	
NICOLE MAYERS-CLARKE	SECRETARY	23	0	10	
CODRINGTON PLANTE	MEMBER	33	0	0	33
KARLA HOSEIN	MEMBER	8	<i>RESIGNED</i>		
ARIANNA MAHARAJ	MEMBER	8	7	18	
BEVERLY DE FREITAS	1 st ALTERNATE	9	24		
AVE SCOTT	2 nd ALTERNATE	1	<i>RESIGNED</i>		

*14 Virtual meetings were held in 2020



Education Committee Report

The Committee

The existing members of the Education Committee continued a second term in office due to the unprecedented Covid-19 pandemic. The first meeting for the second term was held on September 26, 2020 via Zoom. At this meeting a discussion was held with the existing members requesting to serve for a second term, the Education Committee comprised of 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 2020

The period 2020-2021 was tremendously different due to the COVID-19 pandemic and therefore the approach in executing activities significantly changed as we were challenged to create innovative methods to continue educating our membership. The Education Committee successfully facilitated

the following events mainly through our digital platform with the assistance of the Marketing Committee throughout the term:

- Distribution of tablets to children in the Laventille community through a partnership with the More Love Foundation.
- Partnered with the Managing Director of GID Limited to provide financial insights on Credit Cards, Mortgages and Planning for Higher Education.
- Partnered with Attorney at Law of Fayola Cooper and Associates Ltd who prepared a video with information on Wills and Administration.
- Distribution of the 45th Anniversary Tokens
- Participated in Credit Union Month with activities for Credit Union Week and Members' Appreciation Day which was observed in October 2020. Members were gifted with branded face masks during the activities.

Lindley Abdullah S.E.A. Awards

Fifteen (15) junior members were successful in the Secondary Entrance Assessment Examination in 2020

and received gift certificates in the form of A.G.E.C.U. shares, Bmobile MiFi Internet Devices, Bookstore vouchers and additional vouchers for the top performers. Due to the guidelines set by the Ministry of Health in light of the Covid-19 pandemic, the traditional ceremony was not held.

Congratulations to the junior members for their achievement in the 2020 S.E.A. examination:

Junior Member	Parent
Alexandrea Dowell	Lystra Patrick
Ana-Maya Burrowes	Nikecia Moore-Burrowes
Daron Dhanraj	Rajindra Dhanraj
Jonathan Springer	Julien Springer
Justin Chanicka	Karen Chanicka
Kaleeyse Farmer	Marlon Farmer
Kissha Dollaway	Kashief Dollaway
Rakeem Dempster	Carrie Joseph-Dempster
Savir Ramjitsingh	Avinash Ramjitsingh
Sharva Sooklal	Avinath Sooklal
Xiomora Cato	Jemilia Powell
Hailey Gobin	Geetanjalie Gobin
Josiah Wright	Devon Wright
Johnatan Best	John Best
Sadik Collymore	Wendell Collymore

Challenges

The Covid-19 pandemic was our greatest challenge during the period.

As a result of the pandemic several planned activities were cancelled, while the way of executing others required major changes for example the SEA Awards. In addition, there was a delay in the delivery and distribution of the 45th Anniversary Token further to which we experienced technical issues with some of the tokens which compelled us to postpone the distribution until said issue was resolved.

The shift system, which was introduced by the company, Angostura Limited continued to challenge the availability of the membership to participate in the planned activities and the availability of some committee members.

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.

Richard Swift
Leila Salvatori

Conclusion

The Education Committee continued to appreciate the support extended by the Manager, Board of Directors,

Marketing Committee and Office Staff, and is honored to have been given the opportunity to serve for the 2020-2021 term.

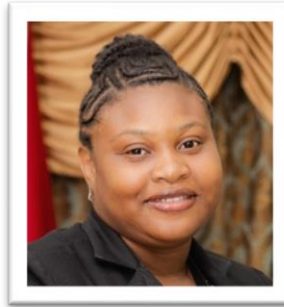
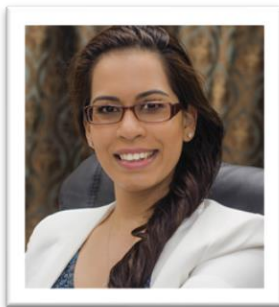
Respectfully submitted,



Ariana Maharaj
Chairperson



Nicki Abraham
Secretary



Attendance Record

There were nine meetings held during the period of January – December 2020

Member	Present	Excused	Absent	Total
Ronald Mano (Previous Term)	8	1	0	9
Sanmatee Maharaj (Previous Term)	8	1	0	9
Sharon Joseph (Previous Term)	0	9	0	9
Ariana Maharaj (Previous Term)	7	2	0	9
Nicki Abraham (Previous Term)	9	0	0	9
Russell Wilson (Previous Term)	8	1	0	9
Nigel Farfan (Previous Term)	0	9	0	9

Nomination of Officers

The AGECU's Board of Directors facilitates the selection process for the Board and statutory committees' members through the Nominating Committee. With the cancellation of the 2020 Annual General Meeting, as a result to the pronouncement of the 'stay-at-home' order by the Government of Trinidad and Tobago issued in March 2020, the Nomination Committee members were asked to stay on and continue their duties, in particular the screening of candidates for the position of the Supervisory and Credit committees, as well as the Board of Directors.

All members who had previously been nominated in 2020 for the Supervisory and Credit committees, as well as the Board of Directors, confirmed their continued commitment to serving, once elected.

In addition, the nomination process was reopened for one week from February 15th to February 19th, 2021, to any member in good standing who wished to offer themselves up for election to the Board or any statutory committee. The following members are being offered for such consideration by the membership.

Nominees for the Credit Committee

SHIVANI NARINESINGH

New Nominee

Marketing Officer

Nominated by: Lawn Davis

Seconded by: Shavez Mohammed



Nominees for the Board of Directors

JOHANN MERRITT

Procurement Coordinator

Served on the following:

Board of Directors

Nominated by: Ronda Betancourt

Seconded by: Nikecia Moore-Burrowes



SHERNELLE SARGEANT

Financial Accountant

Served on the following:

Board of Directors

Nominated by: Lacey Ann Arneaud

Seconded by: Karla Hosein



MARC PAUL

Manager – Process Operations

Served on the following:

Credit Committee

Board of Directors

Nominated by: Hazel Joseph

Seconded by: Mariella Pavy



BEVERLY DE FREITAS

Retiree

Served on the following:

Credit Committee

Board of Directors

Nominated by: Codrington Plante

Seconded by: Darlene Coombs



STRUANELL PETERS

Cost Accountant

Served on the following:

Board of Directors

Nominated by: Ronda Betancourt

Seconded by: Nikecia Moore-Burrowes





Resolutions

DIVIDENDS & INTEREST REBATE

- Whereas the Board of Directors has continued to manage the Society's resources in an efficient and effective manner; 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 **\$2,008,971.00** for the year ended 31st December 2020.

BE IT RESOLVED: *“That in accordance with Bye Law# 32 (a) xvi a dividend of three percent (3.00%) be approved and paid in cash to members on their shareholdings for the period of 2020 and that such dividend be credited to the Loan/Interest accounts of those members whose loans have become delinquent;*

BE IT FURTHER RESOLVED: *that an interest rebate of two percent (2.0%) be declared on interest paid on all Ordinary Loans for the year 2020.”*

HONORARIUM

- Whereas the Angostura Group Employees' Credit Union Co-operative Society Ltd has realized a Net Surplus of **\$2,008,971.00** despite significant economic and social challenges during the financial year; and
- 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 \$130,000.00 be declared and divided among the Management Team which consists of 34 Members.”*

AUDITORS

- Whereas the Board of Directors acknowledges that PKF Chartered Accountants and Business Advisors has faithfully served the AGEUCU as our auditors for at least the last 20 years; and
- Whereas the AGEUCU's Bye Law# 28 (xi) grants the AGM the power to appoint an Auditor for the ensuing term from the list of

Auditors approved by the Commissioner;

BE IT RESOLVED: *“That the Firm of Maharaj, Mohammed & Company Limited be appointed as Auditors of the Society for the financial year ending 31st December 2021.*

BAD DEBT WRITE-OFF

➤ Whereas Angostura Group Employees Credit Union Co-operative Society Limited (AGECU) makes every effort to recover bad debts or delinquent loans in pursuance of the recovery procedures of the society; and

- Whereas AGECU’s efforts to recover seven (7) accounts valued at the sum of \$196,915.65 have proven futile; and
- Whereas AGECU’s has previously made loan loss provisions which fully covers the amount of \$196,915.65; and
- Whereas the Board continues to pursue the recovery of bad debts or delinquent loans even after they have been written off.

BE IT RESOLVED: *That seven (7) accounts in the sum \$196,915.65 be written-off during the 2021 financial year.*

Amendment to Byelaws

Be it resolved that Bye Law #25 which reads as:

Annual General Meetings:

- a. The supreme authority of the Society shall be vested properly in General Meetings of members at which every member has the right to attend and vote on all questions.
- b. The Board shall convene the Annual General Meeting no later than one (1) month after the report on the audit of the accounts of the Society is received. At least fourteen (14) days' notice shall be given to all members. The notice shall state the date, time and venue of the meeting and the business to be transacted thereat.
- c. A special General Meeting shall be convened by the Secretary on the request of the President, The Board, The Supervisory Committee, The Commissioner or his representative or on the receipt by the Secretary of a written demand signed by not less 1/5 of the members, stating the purpose of the meeting.
- d. A special General Meeting shall be held within thirty (30)

days of the receipt of the request demand.

- e. The quorum for any Annual General Meeting or Special General Meeting shall be thirty (30) members.
- f. No matter other than stated on the Agenda shall be discussed at any Special Annual Meeting even though a majority of the members present vote otherwise.

Be now amended to read as:

- a. The supreme authority of the Society shall be vested properly in General Meetings of members at which every member has the right to attend and vote on all questions.
- b. The Board shall convene the Annual General Meeting no later than three (3) months after the report on the audit of the accounts of the Society is received. At least fourteen (14) days' notice shall be given to all members. The notice shall state the date, time, venue and mode of the meeting**

and the business to be transacted.

- c. A special General Meeting shall be convened by the Secretary on the request of the President, The Board, The Supervisory Committee, The Commissioner or his representative or on the receipt by the Secretary of a written demand signed by not less 1/5 of the members, stating the purpose of the meeting.
- d. A special General Meeting shall be held within thirty (30) days of the receipt of the request demand.

- e. The quorum for any Annual General Meeting or Special General Meeting shall be thirty (30) members.

No matter other than stated on the Agenda shall be discussed at any Special Annual Meeting even though a majority of the members present vote otherwise.

Budgetary Proposals

Summary & Objectives – Proposed Budget 2021

The proposed budget illustrated below covers the period January – December 2021 and accounts for funds relating to the operation of our Credit Union, as well as projected capital expenditure relating to the construction of our new building. This will be the new home of the Angostura Group Employees Credit Union and we are well on our way to its realization.

We have entered 2021 filled with hope for the future and determined to conquer all challenges. We continue our movement forward in the face of the existing social and economic turmoil that our twin island republic is facing because of COVID-19. Our progress towards our set strategic goals to be achieved during 2019 and onward to 2020 is steady. Although delays have occurred in some areas, we are confident that the goals will be met.

INCOME

We have based our income projections on our performance experienced in 2018 and have considered the expected income from our widened membership bond, improved and more marketed loan

products. Our loan interest for 2021 will continue to be our main income source supplemented by the returns from our held to maturity and available for sale investments.

EXPENSES

Governance – These expenses relate to the oversight and management of the AGEUCU by the Board and various committees. Our AGM expenses are estimated based on additional expenses due to the hybrid (physical and virtual) format. Board & Committee expenses include on-boarding training for new members within the various committees, the review and revision of our Strategic Plan, and expenses related to the implementation of a comprehensive performance management system for all Committees.

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 rental and service agreements and are not expected to increase in the coming year.

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. The educational workshops and our usual events will now be held virtually or in scale down versions. Credit Union Month celebrations, SEA awards, a socially distanced Children's Christmas party, and initial preparations for our 50th Anniversary Celebrations will account for most of the proposed expenditure for the year under this heading.

Other Expenses – Share Protection Premiums will continue to be borne by the AGEUCU, as we recognise the value it provides to our members beneficiaries. We continue to carry the Loan Protection expense, as loans continue to be grandfathered as part of the policy change made in 2015. This cost will eventually cease as the existing loans continue to be repaid and the related premiums reduce. We project interest to be paid on members' deposits will reduce based on the constrictions observed in our economy whereby risk-adverse individuals are more willing to deplete deposits than engage in additional debt funding.

CAPITAL EXPENDITURE

Our proposed construction of an AGEUCU building has been required to pivot given the change in the way business is conducted as a result of the effects of COVID-19. We will reengage our architectural and engineering providers for a "fit for purpose" revision of the design and scope of our proposed building.

Our implementation of the Emortelle business solution is still ongoing as we continue to add modules and services. Members would have recently received of their account statements via email. This will be a continuing trend, as we seek to enhance our service levels whilst

taking advantage of available technology.

In 2020 we faced a changed economic landscape, where retrenchment and business closures became the norm because of the adverse effects of COVID-19. The Government has attempted to provide macro and microeconomic support, as best as possible, however they have indicated that this cannot be sustained the face of falling revenues and growing debt.

Given this, we recognise that the AGEUCU, and Credit Union Movement as a whole, must contribute to and support our society and we endeavour to do our part as best as possible in the coming year.

To ensure our Credit Union continues to flourish, prosper, and move forward to the achievement of its goals we will need the compliance and support of all members. We look forward to your continued support in our thrust for the growth, development, and success of the AGEUCU in 2021 and beyond.

AGECU PROPOSED BUDGET FOR 2021

	\$	\$
INCOME		
Loan Interest	3,600,000	
Income from Deposits	380,000	
Income from Marketable Securities	24,300	
Income from Social Events	2,000	
Other Income	50,000	
TOTAL INCOME		4,056,300
EXPENSES		
Governance Expenses		
Annual General Meeting	70,000	
Board & Committee Expenses	190,000	
Honoraria	180,000	440,000
Administrative & Operational Expenses		
Expected Credit Loss Provision	320,000	
Banking & Financial Fees	11,000	
Depreciation	32,000	
Insurances - Fidelity, All Risk, DEGL, Prop	14,435	
IT & Data Processing	81,025	
Office Operating Expenses	87,000	
Printing & Stationery	43,260	
Property Maintenance	7,200	
Rental - Office Space	162,000	
Telephone	12,000	769,920
Personnel Expenses		
Salaries	460,968	
Employee Welfare	7,200	
Employers' Contribution - NIS & Pension	77,872	
Medical & Life Insurance	34,578	
Training	40,000	620,618
Legal & Professional Fees		
Audit & Accounting Fees	81,000	
Bad Debt Recovery Fees	40,000	
Legal & Advisory Fees	68,375	189,375
Marketing & Promotional Expenses		
Co-Op Celebration Activities	152,500	
Donations	20,000	
Education Expenses	17,500	
Marketing Expenses	34,000	224,000
Other Expenses		
CUNA Premiums - Share Protection/Life Savings	177,000	
CUNA Premiums - Loan Premium	50,000	
Deposit Insurance Fund (TTCUDIF)	16,661	
Interest on Members Deposits	70,000	
League Dues	5,000	318,661
TOTAL EXPENDITURE		2,562,574
PROJECTED NET INCOME FOR THE YEAR		1,493,726

Budgetary Proposals

Budgetary Proposals

Capital Expenditure Budget 2020/2021

Pre Construction Costs:

Residual Project & Tender Costs	<u>15,000</u>	15,000
Building Construction Cost		
Preliminaries & Mobilization	<u>600,000</u>	600,000
Business System Upgrade		
-Software	<u>24,240</u>	24,240
Office Equipment & Furniture	<u>90,000</u>	90,000

Total		<u><u>729,240</u></u>
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Financials



Chartered Accountants
& Business Advisors

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

FINANCIAL STATEMENTS

31 DECEMBER 2020



Chartered Accountants
& Business Advisors

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

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Angostura Group Employees Credit Union Co-operative Society Limited

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

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 2020, 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 March 2021


Treasurer – Board of Directors
24th March 2021



Chartered Accountants
& Business Advisors

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 2020, 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 2020 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



Chartered Accountants
& Business Advisors

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.



Chartered Accountants
& Business Advisors

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 March 2021

5.

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

STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>			
	<u>Notes</u>	31 December	
		<u>2020</u>	<u>2019</u>
		(\$)	(\$)
Current Assets:			
Cash and cash equivalent	5	4,678,463	4,600,105
Accounts receivable and prepayments	6	<u>1,000,219</u>	<u>1,269,001</u>
Total Current Assets		<u>5,678,682</u>	<u>5,869,106</u>
Non-Current Assets:			
Investments	7	17,373,008	14,217,689
Loans to members	8	36,727,790	39,626,099
Property, plant and equipment	9	<u>2,230,549</u>	<u>2,261,696</u>
Total Non-Current Assets		<u>56,331,347</u>	<u>56,105,484</u>
Total Assets		<u>62,010,029</u>	<u>61,974,590</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>			
Liabilities:			
Accounts payable and accruals	10	2,091,823	2,375,482
Members' deposits		6,031,769	6,178,060
Members' shares (non-permanent)	11	<u>43,469,319</u>	<u>44,375,191</u>
Total Liabilities		<u>51,592,911</u>	<u>52,928,733</u>
Members' Equity:			
Reserve fund	12	4,227,924	4,018,497
Education fund	13	525,265	448,413
Building fund	14	1,832,536	1,729,717
Investment re-measurement reserve	15	973,486	852,691
Undivided earnings		<u>2,857,907</u>	<u>1,996,539</u>
Total Members' Equity		<u>10,417,118</u>	<u>9,045,857</u>
Total Liabilities and Members' Equity		<u>62,010,029</u>	<u>61,974,590</u>

These financial statements were approved by the Board of Directors and authorised for issue on 24 March 2021 and signed on their behalf by:

 President	 Treasurer	 Chairman Supervisory Committee
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(The accompanying notes form part of these financial statements)

6.

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

STATEMENT OF COMPREHENSIVE INCOME

	<u>Notes</u>	For the year ended 31 December	
		<u>2020</u> (\$)	<u>2019</u> (\$)
Income:			
Loan interest		3,757,790	4,094,727
Income from deposits		370,782	404,855
Income from other investments		325,429	176,864
Entrance fees		1,700	1,660
Bad debts recovered		38,000	-
Other income		<u>30,000</u>	<u>-</u>
Total Income		<u>4,523,701</u>	<u>4,678,106</u>
Expenditure:			
Administrative expenses	19	1,726,345	2,107,141
Board and committee expenses		126,346	223,129
Finance cost		10,692	7,792
Marketing expense		15,760	130,113
Personnel costs	20	<u>588,168</u>	<u>572,725</u>
Total Expenditure		<u>2,467,311</u>	<u>3,040,900</u>
Net surplus for the year		2,056,390	1,637,206
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Net fair value gain on financial assets classified as FVTOCI		<u>120,795</u>	<u>131,710</u>
Total Comprehensive Income for the year		<u>2,177,185</u>	<u>1,768,916</u>

(The accompanying notes form part of these financial statements)

7.

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

STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED EARNINGS

For the year ended 31 December 2020

	<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 2020	4,018,497	448,413	1,729,717	852,691	1,996,539	9,045,857
Total comprehensive income for the year	-	-	-	120,795	2,056,390	2,177,185
Appropriations:						
(i) 10% to the Reserve Fund	205,639	-	-	-	(205,639)	-
(ii) 5% to the Education Fund	-	102,819	-	-	(102,819)	-
(iii) 5% to the Building Fund	-	-	102,819	-	(102,819)	-
	4,224,136	551,232	1,832,536	973,486	3,641,652	11,223,042
Adjustments:-						
Entrance fees	1,700	-	-	-	(1,700)	-
Education expenses	-	(25,967)	-	-	25,967	-
Unclaimed shares and dividends	2,088	-	-	-	-	2,088
2019 dividends and interest rebate paid	-	-	-	-	(808,012)	(808,012)
Balance as at 31 December 2020	<u>4,227,924</u>	<u>525,265</u>	<u>1,832,536</u>	<u>973,486</u>	<u>2,857,907</u>	<u>10,417,118</u>

(The accompanying notes form part of these financial statements)

8.

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

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

For the year ended 31 December 2020

	<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:						
(iv) 10% to the Reserve Fund	163,720	-	-	-	(163,720)	-
(v) 5% to the Education Fund	-	81,860	-	-	(81,860)	-
(vi) 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)

9.

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

STATEMENT OF CASH FLOWS

	For the year ended 31 December	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Cash flows from operating activities:		
Net surplus for the year	2,056,390	1,637,206
Adjustment for:		
Depreciation	33,595	18,682
Expected credit loss	<u>563,271</u>	<u>640,262</u>
Operating profit before working capital changes	2,653,256	2,296,150
Net change in accounts receivable and prepayments	268,782	408,505
Net change in accounts payable and accruals	<u>(281,571)</u>	<u>307,441</u>
Net cash provided by operating activities	<u>2,640,467</u>	<u>3,012,096</u>
Cash flows from investing activities:		
Net change in loans to members	2,335,038	847,870
Net change in investments	(3,034,524)	(2,222,623)
Net change property, plant and equipment	<u>(2,448)</u>	<u>(12,690)</u>
Net cash used in investing activities	<u>(701,934)</u>	<u>(1,387,443)</u>
Cash flows from financing activities:		
Net change in members' shares	(905,872)	1,267,893
Net change in members' deposits	(146,291)	1,169,406
Dividends and interest rebate	<u>(808,012)</u>	<u>(1,393,495)</u>
Net cash (used in)/provided by financing activities	<u>(1,860,175)</u>	<u>1,043,804</u>
Net change in cash resources	78,358	2,668,457
Cash resources, beginning of year	<u>4,600,105</u>	<u>1,931,648</u>
Cash resources, end of year	<u>4,678,463</u>	<u>4,600,105</u>
Represented by:		
Cash and cash equivalent	<u>4,678,463</u>	<u>4,600,105</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 2020

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 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 -

i) The Society has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Society or have no material impact on its financial statements.

IFRS 1 First-time Adoption of Financial Reporting Standards - Amendments regarding subsidiary as first-time adopter (effective for accounting periods beginning on or after 1 January 2022).

IFRS 3 Business Combinations - Amendments regarding the definition of a business (effective for accounting periods beginning on or after 1 January 2020).

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

2. Summary of Significant Accounting Policies (Cont'd):

(c) New Accounting Standards and Interpretations -

- | | |
|---------|---|
| IFRS 3 | Business Combinations - Amendments regarding the reference to the conceptual framework (effective for accounting periods beginning on or after 1 January 2022). |
| IFRS 4 | Insurance Contracts - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021). |
| IFRS 4 | Insurance Contracts - Amendments regarding IFRS 17 and the extension of the temporary exemption from applying IFRS 9 (effective for accounting periods beginning on or after 1 January 2023). |
| IFRS 7 | Financial Instruments: Disclosures - Amendments regarding additional disclosures arising from interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021). |
| IFRS 9 | Financial Instruments - Amendments regarding fees in the 'ten percent' test for derecognition of financial liabilities (effective for accounting periods beginning on or after 1 January 2022). |
| IFRS 16 | Leases - Amendments regarding Covid-19 related rent concessions (effective for accounting periods beginning on or after 1 June 2020). |
| IFRS 16 | Leases - Amendments regarding the interest rate benchmark reform (effective for accounting periods beginning on or after 1 January 2021). |
| IFRS 16 | Leases - Amendments regarding the accounting treatment of lease incentives (effective for accounting periods beginning on or after 1 January 2022). |
| IFRS 17 | Insurance Contracts (effective for accounting periods beginning on or after 1 January 2023). |
| IAS 1 | Presentation of Financial Statements - Amendments regarding the definition of material (effective for accounting periods beginning on or after 1 January 2020). |
| IAS 1 | Presentation of Financial Statements - Amendments regarding the classification of liabilities as current and non-current (effective for accounting periods beginning on or after 1 January 2023). |

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

2. Summary of Significant Accounting Policies (Cont'd):

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

- IAS 7 Statement of Cash Flows - Amendments regarding the definition of material (effective for accounting periods beginning on or after 1 January 2020).
- IAS 16 Property, Plant and Equipment - Amendments regarding proceeds before intended use (effective for accounting periods beginning on or after 1 January 2022).
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding onerous contracts and cost of fulfilling a contract (effective for accounting periods beginning on or after 1 January 2022).
- IAS 41 Agriculture - Amendments regarding taxation in fair value measurements (effective for accounting periods beginning on or after 1 January 2022).

(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.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

2. Significant Accounting Policies (Cont'd):

(d) Property, plant and equipment -

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

2. Significant Accounting Policies (Cont'd):

(e) Financial instruments (cont'd) -

Initial measurement

- (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 FVOCP*'.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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 2020

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
CO-OPERATIVE SOCIETY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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.

	Stage 1 12 mth ECL (\$)	Stage 2 Lifetime ECL (\$)	Stage 3 Lifetime ECL (\$)	Total (\$)
Loans				
Low risk	21,446,166	-	-	21,446,166
Medium Risk	14,359,758	-	-	14,359,758
Substandard	-	475,810	-	475,810
Doubtful	-	-	364,965	364,965
Impaired	-	-	<u>1,145,863</u>	<u>1,145,863</u>
Total gross carrying amount	<u>35,805,924</u>	<u>475,810</u>	<u>1,510,828</u>	<u>37,792,562</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	187,420	103,599	1,715,401	2,006,420
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Increases/(decreases) due to change in credit risk	(72,126)	(102,391)	731,285	556,768
Write-offs	-	-	(1,504,920)	(1,504,920)
Loss allowance on new loans	<u>6,504</u>	<u>-</u>	<u>-</u>	<u>6,504</u>
Loss allowance, end of year	<u>121,798</u>	<u>1,208</u>	<u>941,766</u>	<u>1,064,772</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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	900,008
Other	<u>35,000</u>
Total assets obtained by taking possession of collateral	<u>935,008</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.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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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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:

	2020	
	<u>Carrying Value</u>	<u>Fair Value</u>
	(\$)	(\$)
Financial Assets		
Cash and cash equivalent	4,678,463	4,678,463
Accounts receivable and prepayments	1,000,219	1,000,219
Investments	17,373,008	17,373,008
Loans to members	36,727,790	36,727,790
Financial Liabilities		
Accounts payable and accruals	2,191,823	2,191,823
Members' deposits	6,031,769	6,031,769

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**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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31 DECEMBER 2020

3. Financial Risk Management (Cont'd):

Financial Instruments (cont'd) -

	2019	
	Carrying	Fair
	Value	Value
	(\$)	(\$)
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		
Accounts payable and accruals	2,375,482	2,375,482
Members' deposits	6,178,060	6,178,060

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	
	2020	2019
	(\$)	(\$)
Loans to members (no defaults anticipated)	36,727,790	39,626,099
Investments with no default anticipated	17,373,008	14,217,689
Accounts receivable with full repayment expected	1,000,219	1,269,001
Cash held at reputable financial institutions	4,678,463	4,600,105
	<u>59,779,480</u>	<u>59,712,894</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

3. Financial Risk Management (Cont'd):

Aged Analysis of Financial Assets -

As at 31 December 2020, loans of **\$1,064,772** (2019: **\$2,006,420**) 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>2020</u> (\$)	<u>2019</u> (\$)
Up to 3 months	78,769	-
More than 3 months but less than 6 months	178,015	-
More than 6 months but less than 9 months	9,526	602,123
More than 9 months but less than 1 year	98,655	473,670
Over 1 year	<u>699,807</u>	<u>930,627</u>
	<u>1,064,772</u>	<u>2,006,420</u>

As at 31 December 2020, a total of **\$1,999,854** (2019: **\$3,634,261**) in loans were considered to be past due. This value includes loans whose payments were received after 31 December 2020 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>2020</u> (\$)	<u>2019</u> (\$)
Up to 3 months	726,671	1,819,844
More than 3 months but less than 6 months	1,131,584	251,437
More than 6 months but less than 9 months	141,599	1,556,755
More than 9 months but less than 1 year	-	6,225
Over 1 year	<u>-</u>	<u>-</u>
	<u>1,999,854</u>	<u>3,634,261</u>

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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.

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

31 DECEMBER 2020

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.

	2020					Total (\$)
	<u>Effective Rate</u> (\$)	<u>Up to 1 year</u> (\$)	<u>1 to 5 years</u> (\$)	<u>Over 5 years</u> (\$)	<u>Non - Interest Bearing</u> (\$)	
Financial Assets						
Cash and cash equivalent	0.03%	4,627,463	-	-	51,000	4,678,463
Investments	4.75%	10,783,324	3,000,000	3,583,684	6,000	17,373,008
Loans to members	9.65%	294,993	5,474,571	30,948,680	9,546	36,727,790
Financial Liabilities						
Members' deposits	3.75%	4,431,714	1,497,680	102,375	-	6,031,769
	2019					Total (\$)
	<u>Effective Rate</u> (\$)	<u>Up to 1 year</u> (\$)	<u>1 to 5 years</u> (\$)	<u>Over 5 years</u> (\$)	<u>Non - Interest Bearing</u> (\$)	
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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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.

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

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31 DECEMBER 2020

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.

	2020			
	<u>Up to</u>	<u>1 to</u>	<u>Over</u>	<u>Total</u>
	<u>1 year</u>	<u>5 years</u>	<u>5 years</u>	<u>Total</u>
	(\$)	(\$)	(\$)	(\$)
Financial Assets				
Cash and cash equivalent	4,678,463	-	-	4,678,463
Investments	10,789,324	3,000,000	3,583,684	17,373,008
Loans to members	304,539	5,474,571	30,948,680	36,727,790
Financial Liabilities				
Members' deposits	4,431,714	1,497,680	102,375	6,031,769
	2019			
	<u>Up to</u>	<u>1 to</u>	<u>Over</u>	<u>Total</u>
	<u>1 year</u>	<u>5 years</u>	<u>5 years</u>	<u>Total</u>
	(\$)	(\$)	(\$)	(\$)
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

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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31 DECEMBER 2020

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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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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.

ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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.

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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>2020</u>	<u>2019</u>
	(\$)	(\$)
Petty cash	1,000	6,000
Cash in hand	50,000	18,607
Trinidad and Tobago Unit Trust Corporation:		
- TTD Income Fund	160,653	158,305
- USD Income Fund	116,171	114,768
Republic Bank Limited - TTD Current Account	<u>4,350,639</u>	<u>4,302,425</u>
	<u>4,678,463</u>	<u>4,600,105</u>

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

6. Accounts Receivable and Prepayments:

	31 December	
	<u>2020</u> (\$)	<u>2019</u> (\$)
Prepayments	3,557	4,726
Payroll receivables	867,218	905,775
Matured investment refund	354,035	1,000,000
Other receivables	<u>642,627</u>	<u>225,718</u>
	1,867,437	2,136,219
Allowance for impairment	<u>(867,218)</u>	<u>(867,218)</u>
	<u>1,000,219</u>	<u>1,269,001</u>
Allowance for impairment:		
Balance, beginning of year	<u>867,218</u>	<u>867,218</u>
Balance, end of year	<u><u>867,218</u></u>	<u><u>867,218</u></u>

7. Investments:

	31 December	
	<u>2020</u> (\$)	<u>2019</u> (\$)
Shareholdings:		
First Citizens Bank Limited	267,130	276,256
Co-operative Credit Union League of Trinidad & Tobago	6,000	6,000
Bonds:		
Frank Templeton Investments Limited	751,837	614,385
KCL Capital Market Brokers Limited	5,213,721	3,189,077
Murphy Clarke Financial Limited	6,083,684	5,083,684
Units:		
Trinidad and Tobago Unit Trust Corporation – 1 st Scheme	2,050,636	2,048,287
Other:		
Republic Bank Limited – Loan Note	-	3,000,000
Aspire Investments Limited – Pearls AUM	<u>3,000,000</u>	<u>-</u>
	<u>17,373,008</u>	<u>14,217,689</u>

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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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>2020</u>	<u>2019</u>
	(\$)	(\$)
Loan to members	37,792,562	41,632,519
Less: Allowance for impairment	<u>(1,064,772)</u>	<u>(2,006,420)</u>
	<u>36,727,790</u>	<u>39,626,099</u>
 Allowance for impairment:		
Balance, beginning of year	2,006,420	1,366,158
Charge for the year	563,271	640,262
Reversals during the year	<u>(1,504,919)</u>	-
Balance, end of year	<u>1,064,772</u>	<u>2,006,420</u>

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ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

9. Property, Plant and Equipment:

Cost	Freehold property (\$)	Construction in progress (\$)	Office furniture and equipment (\$)	Computer software (\$)	Computer hardware (\$)	Total (\$)
Balance as at 1 January 2020	1,344,158	788,559	152,961	41,997	68,157	2,395,832
Additions	-	-	2,448	-	-	2,448
Balance as at 31 December 2020	<u>1,344,158</u>	<u>788,559</u>	<u>155,409</u>	<u>41,997</u>	<u>68,157</u>	<u>2,398,280</u>
Accumulated Depreciation						
Balance as at 1 January 2020	-	-	58,262	27,916	47,958	134,136
Charge	-	-	19,036	6,300	8,259	33,595
Balance as at 31 December 2020	-	-	<u>77,298</u>	<u>34,216</u>	<u>56,217</u>	<u>167,731</u>
Net Book Value						
Balance as at 31 December 2020	<u>1,344,158</u>	<u>788,559</u>	<u>78,111</u>	<u>7,781</u>	<u>11,940</u>	<u>2,230,549</u>
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>

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ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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

	Freehold property (\$)	Construction in progress (\$)	Office furniture and equipment (\$)	Computer software (\$)	Computer hardware (\$)	Total (\$)
Cost						
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	1,344,158	788,559	152,961	41,997	68,157	2,395,832
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	-	-	58,262	27,916	47,958	134,136
Net Book Value						
Balance as at 31 December 2019	1,344,158	788,559	94,699	14,081	20,199	2,261,696
Balance as at 31 December 2018	1,344,158	783,559	106,435	16,011	17,525	2,267,688

**ANGOSTURA GROUP EMPLOYEES' CREDIT UNION
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

10. Accounts Payable and Accruals:

	31 December	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Staledated cheques	-	1,724
Sundry creditors	370,731	401,706
Audit fees	73,125	73,125
Interest on members' fixed deposits	-	35,407
CUNA premiums	1,558,505	1,675,336
Loan/share protection payable	46,351	178,577
Statutory deductions	-	11,772
CUNA Family Indemnity Plan	<u>43,111</u>	<u>(2,165)</u>
	<u>2,191,823</u>	<u>2,375,482</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 By-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.

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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 IFRS 9, 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 Undivided Earnings.

16. Dividend and Interest Rebate:

The Board of Directors has proposed a dividend of 3% for the year ended 31 December 2020 which is estimated at **\$1,282,892** and an interest rebate of 2% which is estimated at **\$74,957**. 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.

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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>2020</u>	<u>2019</u>
	(\$)	(\$)
<u>Assets, Liabilities and Members' Equity</u>		
Loans and other receivables		
Directors, committee members, key management personnel	<u>2,840,266</u>	<u>3,311,221</u>
Shares, deposits and other liabilities		
Directors, committee members, key management personnel	<u>2,645,538</u>	<u>3,042,017</u>
Expenses		
Interest due to related parties	1,356	163
Dividends paid to related parties	<u>51,951</u>	<u>80,906</u>
	<u>53,307</u>	<u>81,069</u>
Key management compensation		
Short-term benefits	219,545	182,000
Post employment benefits	<u>16,029</u>	<u>15,600</u>
	<u>235,574</u>	<u>197,600</u>

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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 2020.

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.

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19. Administrative Expenses:

	31 December	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Annual general meeting	11,429	63,255
Co-op celebration activities	115,045	46,739
CUNA insurance	169,750	304,288
Data processing	156,822	150,720
Depreciation	33,595	18,682
Education expenses	25,967	20,306
General expenses	71,813	60,518
Honoraria	49,480	184,774
Impairment/expected credit loss expense	563,271	640,262
Insurance	19,319	13,633
Interest on members' fixed deposits	11,682	53,290
League dues	4,293	4,293
Legal and professional fees	215,367	235,910
Maintenance and cleaning	2,463	13,462
Office expenses	71,715	57,980
Printing and stationery	20,174	45,412
Rates and taxes	13,135	26,889
Rent	162,000	162,000
Telephone	9,025	4,728
	<u>1,726,345</u>	<u>2,107,141</u>

20. Personnel Costs:

	31 December	
	<u>2020</u>	<u>2019</u>
	(\$)	(\$)
Salaries and staff benefits	555,582	536,854
Staff pension	32,586	35,871
	<u>588,168</u>	<u>572,725</u>

AGECU



46th Annual
General
Meeting

*"Moving to Service Excellence...
Hope for the Future"*