



# UWICU 2017

## ANNUAL REPORT

*"Enhancing the quality of life for our members,  
while maintaining long-term financial stability."*

# Annual Report 2017

## **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*

## **The Credit Union Prayer**

*Lord, make me an instrument of Thy Peace  
Where there is hatred, let me sow love  
Where there is injury, pardon  
Where there is doubt, faith  
Where there is despair, hope,  
Where there is darkness, light  
And where there is sadness, joy.*

*O Divine Master  
Grant that I may not so much seek  
To be consoled as to console  
To be understood as to understand  
To be loved as to love  
For it is in giving that we receive  
It is in pardoning that we are pardoned  
And it is in dying  
That we are born to eternal life.*

# Annual Report 2017

## **U.W.I. Credit Union Vision Statement**

*The U.W.I. Credit Union is the institution of first choice for superior financial and other services.*

## **U.W.I. Credit Union Mission Statement**

*Dedicated to providing superior services continuously to enhance the quality of life of its members, while maintaining long-term financial stability.*

## **Our Core Values**

Integrity  
Proactivity  
Mutual Respect  
Commitment  
Confidence  
Achievement  
Family



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## LIST OF OFFICERS

### BOARD OF DIRECTORS

Mr. Dorwin Manzano	- President
Mr. Marlon Caesar	- Vice-President
Ms. Debra Maloney	- Secretary
Ms. Patricia Brown	- Director
Ms. Natasha Grant	- Director
Mr. Roger John	- Director
Ms. Marlene Saunders	- Director
Mr. Kennis Thomas	- Director
Dr. Steve A. West	- Director
Mr. Onyemauchekwu Osuji	- 1st Alternate
Ms. Vidwatee Ramdhanie	- 2nd Alternate

### SUPERVISORY COMMITTEE

Ms. Deborah Isaac	- Chairman
Ms. Sophia Persad	- Secretary
Ms. Tenesha Charles	- Member
Mrs. Stacey Greene-Mc Neil	- 1st Alternate
Mrs. Salisha Alladin-Moonsammy	- 2nd Alternate

### CREDIT COMMITTEE

Mr. Reynold Johnson Jnr.	- Chairman
Mr. Dane Goodridge	- Secretary
Mrs. Roxanne Ali-Hassan	- Member
Ms. Keisha Campbell	- Member
Mr. Jesille Fraser	- Member
Ms. Claudette Taylor	- 1 <sup>st</sup> Alternate
Mr. Pooran Badal	- 2 <sup>nd</sup> Alternate

### STAFF

Mrs. Donna Rosales-Gray	- General Manager
Mrs. Heather Thurab-Schulz	- Operations Manager
Mrs. Yvonne Romano	- Accounting & A.O.
Mr. Leon Grey	- Credit Supervisor
Ms. Samantha Rodrigues	- Executive Assistant
Ms. Fayola Jones	- Marketing Officer
Ms. Tameka Guerra-Clarke	- Accounting Officer
Ms. Rachelle Churaman	- Credit Officer
Mrs. Luticia Solomon	- Credit Officer
Ms. Krystel Thomas	- Credit Officer
Ms. Janiele Campbell	- Member Service Rep.
Ms. Jehnella Dick	- Member Service Rep.
Mrs. Charlotte Albert	- Record Management
Mr. Dennis Martin	- Security Officer
Mr. Kerwin John	- Security Officer

### SERVICE PROVIDERS

Mrs. Hyacinth Simms	- Accounting
Ms. Florencia Garcia	- Data Entry Services

## NOTICE

### *Dear Member*

Notice is hereby given that the 52<sup>nd</sup> Annual General Meeting of the U.W.I. Credit Union Co-operative Society Limited will be held on Saturday April 7<sup>th</sup>, 2018 at the Daaga Auditorium, The University of the West Indies, St. Augustine Campus commencing at 9:30 a.m.

### **PROGRAMME**

Credential Report  
Call to Order  
National Anthem  
Opening Prayer  
President's Address  
Acknowledgement of Guests

### **AGENDA**

Credential Report  
Notice of Annual General Meeting  
Standing Orders  
Minutes of the 51st Annual General Meeting  
Reports  
Credential Report  
Election of Officers  
Resolutions  
Any Other Business  
Vote of Thanks  
Conclusion

### **REGISTRATION**

8:30 a.m. to 10:00 a.m.



Debra Maloney (Ms)  
Secretary  
March 22<sup>nd</sup>, 2018

## STANDING ORDERS

1. (a) A member shall stand and identify himself when addressing the Chair.  
(b) Speeches shall be clear and relevant to the subject before the meeting.
2. A member shall only address the meeting when called upon by the Chairman to do so, after which he shall immediately take his seat.
3. No member shall address the meeting except through the Chairman.
4. A member may not speak twice on the same subject except:  
(a) as the mover of a motion - who has the right to reply.  
(b) he rises to object or to explain (with the permission of the Chair).
5. The mover of a "procedural motion" - (adjournment, lay on the table, motion to postpone) shall have no right to reply.
6. No speeches shall be made after the "question" has been put and carried or negated.
7. A member rising on a "point of order" shall state the point clearly and concisely. (A point of order must have relevance to the "standing orders").
8. (a) A member shall not "call" another member "to order" - but draw the attention of the Chair to a "breach of order".  
(b) In no event shall a member "call" the Chair "to order".
9. A "question" shall not be put to the vote if a member desires to speak on it or move an amendment to it - except, that a "procedural motion": the previous "question", proceed to the next business or the closure: "that the question be not put", may be moved at any time.
10. Only one amendment shall be before the meeting at one and the same time.
11. When a motion is withdrawn, any amendment to it falls.
12. The Chairman shall have the right to a "casting vote".
13. If there is equality of voting on an amendment, and if the Chairman does not exercise his "casting vote", the amendment is lost.
14. Provision shall be made for protection of the Chairman from vilification (personal abuse).
15. No member shall impute improper motives against another member.



## YOUR RIGHTS AND RESPONSIBILITIES AT YOUR ANNUAL GENERAL MEETING

You are important. You are one of the owners of the Credit Union, which exists to be of service to you.

You have the right to know about the Credit Union. Your questions and suggestions are therefore important and always welcome.

Your vote is important. It helps to select the Officers who must take responsibility for ensuring the successful performance of the Credit Union.

Be aware of your responsibility to select members who are **committed** and **willing to learn** and **to volunteer** their services to the Membership.

**Remember:**

- *with leadership comes responsibility*
- *you cannot separate a leader from his/her character*
- *skills without character will fail*

# MINUTES OF 51<sup>st</sup> ANNUAL GENERAL MEETING OF U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY, APRIL 22<sup>nd</sup> 2017 AT THE LEARNING RESOURCE CENTRE, THE UNIVERSITY OF THE WEST INDIES, ST. AUGUSTINE CAMPUS

## 1.0 COMMENCEMENT

1.1 The President, Mr. Dorwin Manzano, called the Meeting to order at 1.05 p.m. Mrs. Brenda Fraser led the meeting in the singing of the National Anthem. Father Steve West delivered the Invocation, which was followed by the reciting of the Credit Union Prayer.

## 2.0 1<sup>ST</sup> CREDENTIAL REPORT

A Credential Report taken at 1.00 p.m. indicated that there were present one hundred and seventy-eight (178) Ordinary Members, nine (9) Directors, twelve (12) staff and two (2) Guests.

## 3.0 PRESIDENT'S ADDRESS

In welcoming members and guests, the President, Mr. Dorwin Manzano thanked God for seeing the organization through 2016 into 2017, for the challenges gone through, for the things to come and most importantly for the blessings that were on the way. He explained that the rescheduling of the AGM from April 8th to 22nd was due to the fact that the audit exercise which was a legal requirement for holding the AGM, was incomplete. He apologized for any inconvenience members may have experienced as a result of the rescheduling of the AGM. He also thanked members for their punctuality which facilitated the prompt start of the day's proceedings.

3.1 Noting that 2016 had not been an easy year with its continuing challenges, namely the economic situation in the country and the shortage of financial resources, he stressed that members had something to look forward to and to have hope in, ie. the Credit Union. In that regard, he highlighted one of the core principles of the Credit Union Movement that is financial participation- where every member participated financially, by taking loans and doing other

financial transactions with the Credit Union. He added that if members failed to financially participate, the organization would not grow and there would be no surplus. He therefore urged members to support the organization in their quest to fulfil their dreams in keeping with the theme of the AGM, "My Dream, My Choice, My Credit Union" and put the Credit Union first.

3.2 The President ended by urging members to continue to work with the Credit Union during the difficult period ahead.

## 4.0 FEATURE ADDRESS

4.1 Ms. Lenore Callender introduced Mr. Robert Mayers, Executive Chairman of KSBM Asset Management Limited, who delivered the feature address.

4.2 Mr. Mayers gave a brief overview of the economic situation in the country stating that the outlook for Trinidad and Tobago was bleak due to declining production in the energy sector and that the Government would be forced to reduce its spending due to the scarce foreign exchange and the slowdown in economic activity. He also mentioned the recent downgrade by Standards and Poor's of the country's long-term sovereign ratings from A- to BBB+, noting that Trinidad and Tobago was in dire straits and that it would not get any better in the near future.

4.3 Turning to the theme of the AGM, My Dream, My Choice, My Credit Union, Mr. Mayers observed that members had already chosen their Credit Union – U.W.I. Credit Union. He therefore expounded on the "dream" of members. He defined "Dream" as a cherished aspiration, ambition or ideal, concluding that if one were going to dream, the sky should be the limit. He also added that, if the sky was

the limit, when does one know when he has gone too far? He offered several thoughts on this phenomenon by posing and answering the following questions:

- Who said the sky is the limit?
- Is it really the limit or do we just think so?
- How do we know our limits if we haven't tested them?
- How do we know we have not gone far enough?
- What does it mean to go too far?

4.4 In answer to the questions posed he gave the following answers -

1. The sky is not about limits but about possibilities
2. We think so, because we are bound at every turn by the limits of our beliefs. He urged members to leave enough room to be wrong, in order to expand and to grow.
3. It is only through pushing and testing against the limits of our perceptions, experiences, and culture that we can be a force for change; do not accept, challenge. If we don't test the limits of our perceptions and our ability and our world we will never know what lies beyond.
4. If we do not engage in work for which we have a real passion and pursue our work passionately, we have not gone far enough. If we do not have a clear sense of direction and meaning in our life, we have not gone far enough. Life is too short and precious not to live it with passion and pursue it with zeal. Whatever you choose to do in the future would be much too important to pursue with anything less than total commitment.
5. Have we gone too far if we try something new that fails? On the contrary, if we never fail we can be sure we are not going far enough. All change, all innovation begins with reimagining.

4.5 Finally, he urged members:

- Take big risks but give them careful

consideration, and make sure that a part of the process includes sharing your ideas with someone whose opinion you value.

- Seek and maintain the support of someone who loves you
- Be aware that change involves loss as well as opportunity; make enough room in your life and work for growth to occur.
- Be ready to feel afraid. All change is scary.

4.6 He ended by giving the story about three stone cutters, one was just cutting stones, another was cutting stones to make a living and the third was cutting stones to build a cathedral. Mr. Mayers suggested that we should all be building cathedrals in our lives. He urged members to go forth and dream.

4.7 Vote of Thanks

4.8 Vice President Mrs. Marlene Saunders gave a vote of thanks and presented a token of appreciation to Mr. Mayers.

## 5.0 ACKNOWLEDGEMENT OF GUESTS

5.1 The President acknowledged the presence of the following Guests:

Aero Services Credit Union - Carlene Lucas

Aero Services Credit Union - Patrice Durga

Commissioner for Co-operative Division -  
David Greaves

Commissioner for Co-operative Division -  
Mrs. Cassie Ann George-Cowie

Commissioner for Co-operative Division -  
Paula La Barrie-Mitchell

Police Credit Union - Fitzroy Frederick  
Pannell Kerr Foster, Luann Phillip

Clisco Credit Union - Learie Paris

Attorney - Leonard Birmingham

Attorney - Beverley Lutchington

Attorney - Margaret Edwards

Attorney - Rita Chen

## **6.0 50<sup>TH</sup> ANNIVERSARY**

6.1 A power point presentation on the history of the UWI Credit Union in commemoration of the 50th Anniversary was presented by Ms. Dara Lee, Research Assistant, Department of History, UWI.

## **7.0 2<sup>ND</sup> CREDENTIAL REPORT**

7.1 A Credential Report taken at 2.09 p.m. indicated that there were present two hundred and twenty-four (224) Ordinary Members, nine (9) Directors, twelve (12) staff and eighteen (18) Guests.

## **8.0 NOTICE OF MEETING**

8.1 The Secretary, Ms. Gail Hosein read the Notice of the Meeting and Agenda.

8.2 Standing Orders

8.3 The Standing Orders were taken as read and adopted on a motion moved by Prof. Winston Mellowes and seconded by Mrs. Ava George.

## **9.0 MINUTES OF THE 50<sup>TH</sup> ANNUAL GENERAL MEETING**

9.1 The President presented the Minutes of the 50th Annual General Meeting at pages 10 to 17 of the Brochure.

9.2 Dr. Jeffrey Smith pointed out an error on page 13 under 'Matters Arising' which should read:

"Dr. Jeffrey Smith indicated that there was an agreement between the University, Republic Bank and WIGUT representing the academic staff regarding an Employee Home Ownership Plan and that the U.W.I. Credit Union, should consider linking up with UWI and the various Unions representing the various grades of staff at UWI."

9.3 Acceptance

9.4 The Minutes of the 50th Annual General Meeting, as amended, were confirmed on a motion moved by Mrs. Brenda Fraser and seconded by Mr. Martin Lee John.

## **10.0 MINUTES OF THE SPECIAL GENERAL MEETING**

10.1 The President presented the Minutes of the Special General Meeting at pages 18 to 20 of the Brochure.

10.2 Acceptance

10.3 The Minutes of the Special General Meeting were confirmed on a Motion moved by Mrs. Merle King and seconded by Mrs. Auldith Davis.

10.4 Matters Arising – 50th AGM

10.5 Mr. Martin Lee John sought an update to the matter he had raised about the Credit Union setting up a system whereby it would have encouraged Members to get into small business in particular, the type of entrepreneurs who would come with ideas such as prototypes to intellectual property to commercial products and it would have meant partnering with NEDCO. The President admitted that the Board had not met with NEDCO but assured that if any member was desirous of going into a business venture that the Credit Union was ready and willing to provide assistance where necessary.

## **11.0 MATTERS ARISING – SPECIAL AGM**

11.1 In response to a suggestion by Mr. Lee John on how the Credit Union could access funding from the RDI to assist members, the President suggested that the member should submit any such proposal to the Board for its consideration. Mr. Lee John promised to submit same.

## **12.0 REPORTS**

12.1 Board of Directors Report

12.2 President Manzano delivered a PowerPoint presentation of the Report of the Board of Directors contained on pages 21 to 25 of the Annual Report. He also thanked the members of the various committees for their time and contributions in respect of the activities undertaken over the past year. Some highlights of the presentation were as follows:

Performance:	
Shares	4.92 % increase
Loans	10.08 % increase
Asset base	6.49 % increase
Membership	3.75 % increase
Net income	26.27 % increase
Delinquency	3.91 % increase
Capital	14.15 % increase

12.3 The President noted that all the targets set for 2016 were achieved

12.4 Outlook for 2017

12.5 The President noted that notwithstanding the current state of the national economy, the following growth targets have been set for 2017:

- Shares - 1%
- Loans - 10%
- Assets - 8%
- Membership - 5%
- Net Income - 5%
- Delinquency - <3%
- Institutional Capital - 12%

12.6 He stated that a revised draft Marketing Plan for the Credit Union had been formulated and was a priority item for the Board's review immediately after the AGM.

12.7 Outgoing Officers

12.8 The outgoing Officers were Mr. Dorwin Manzano, Ms. Lenore Callender and Ms. Gail Hosein.

12.9 Obituaries

12.10 The Board extended its deepest condolences to the bereaved families of members who passed away during the period

12.11 Acknowledgements

12.12 The Board acknowledged the kind assistance, sincere encouragement and ready co-operation given by:

The UWI Administration  
The Commissioner for Co-operative  
Development and his Staff  
The Central Finance Facility Co-operative  
Society Limited  
CUNA Caribbean Insurance Society Limited/  
CUNA Mutual Group  
The Division of Facilities Management, UWI  
The Faculty of Science and Technology, UWI  
The Faculty of Food & Agriculture, UWI  
The Institute of International Relations  
The Trinidad and Tobago Credit Union Deposit  
Insurance Fund Co-operative Society Limited  
The UWI Security  
The General Manager and Staff of the U.W.I.  
Credit Union  
Departmental Representatives  
All Members of the U.W.I. Credit Union

### 13.0 MATTERS ARISING

13.1 Mr. Martin Lee John saw the need for the Credit Union to analyze and assess itself to be able to evolve and regenerate itself through the members. He called for a review of the system of posting the Brochure on the internet which he felt would contribute to smaller turnout at AGM. He expressed the need to get members focused on the business of the Credit Union. The President thanked the member for his contribution.

13.2 With respect to outgoing officers, Mr. Mark Maundy questioned whether the President also should not be going up for election as he had served two consecutive terms. The President informed that there were no such term limits in the Credit Union's bye laws or in the Co-operative Societies Act.

13.3 The General Manager, Mrs. Donna Rosales-Gray explained that in anticipation of such a measure being introduced in the proposed legislation and to avoid the situation

of having the entire Board step down at once, the decision was taken two years ago by the Board that the longest serving director would voluntarily step down for one year. She added that the Credit Union was being proactive.

13.4 Mrs. Judith Wright expressed congratulations to the membership and the Board upon receiving positive reviews for compliance from the FIU. The President also congratulated members and agreed that it was because of their cooperation that the organization was compliant.

13.5 Mrs. Wright also questioned whether the Credit Union maintained that measure of relevance in comparison to other financial institutions. The President pointed out that the charges and fees imposed by banks were not applicable to the Credit Union. He also stated that at the end of the day members received dividends and had access to loans and other services at affordable rates and which resulted in good return for members' investment.

13.6 Mrs. Wright further queried as to what extent the FIU Regulations would affect some of the things members were accustomed to in their dealings with the Credit Union. The President admitted that it was a challenge but believed that the Credit Union could make it and remain compliant.

13.7 Mr. Marlon Sampson raised the issue of the postponement of the AGM, finding it disturbing, adding that confidence was important in finance and the postponement of the AGM could lead people to wonder what was happening. The President again explained the reason for the postponement, was due to the incomplete audit which was a statutory requirement for holding the AGM. He further assured members that the U.W.I. Credit Union was financially sound and strong.

13.8 Mr. Sampson also expressed concern that a member of the Supervisory Committee had raised a question about the statute bar, and wondered whether there was a clear policy

among elected members. The President stressed that it was a proactive approach, by the Board and not a legislative requirement.

13.9 The Vice President, Mrs. Marlene Saunders also sought to clarify the position stating that there was no policy that mandated people to step down, the practice that was introduced was out of preparing for the new Credit Union law, so as to avoid the instance where the entire nine (9) Board members having to demit office in the same election. She also expressed surprise that the former Chair of the Supervisory Committee was not aware of the matter.

13.10 Quoting from the Board Report with respect to outgoing officers, Mr. Sampson was of the view that the Board was instituting term limits and not that the longest serving member is standing down. Further, he added that according to the bye laws if someone is on the Supervisory Committee they cannot serve on any other committee. He also noted that he did not see anywhere Ms. Hosein had resigned. Director Saunders explained that Ms. Hosein was the first alternate on the Supervisory Committee who is only called to serve when there is an established vacancy. Mr. Sampson further queried why the second alternate was installed when a vacancy arose, to which Mrs. Saunders responded that the first alternate was offered but the member declined. Mr. Sampson felt that in the circumstances the member should have resigned.

13.11 The President explained that the issue of resigning did not arise because such officers do not hold an office. If no alternate was available, there would be need to call a Special General Meeting to fill that vacancy. Therefore, there wasn't any breach by proceeding to the second alternate.

13.12 On the question of the length of time before SEA grants were distributed to recipients, the Vice President admitted it was a genuine concern and gave the undertaking that in future this would be delivered by August/September.



13.13 Mrs. Brenda Fraser sought information on the break-in at the Credit Union's office. The General Manager gave an account of the break-in which occurred over the period January 29-30th. She reported that the electricity supply had been disconnected thus disabling the security system. She also stated that the burglars would have been disappointed as only a small vault which was not yet in use was taken away along with some other small items, which she added, were all insured. The matter was still under police investigation.

13.14 Mrs. Wright expressed her happiness that the staff was not present during the burglary and pointed out the need for better means of securing the Credit Union's valuables.

13.15 On the question of counselling for staff, the General Manager responded that this had been offered, but so far members of staff seemed to have bounced back. She also admitted that there was need to develop a culture of security in the office environment.

13.16 In response to a question from Mr. Nathan Wright about a back-up for the security system, the General Manager admitted there was no cloud back-up which she believed would have helped in retrieving footage.

13.17 Mr. Lee John took the opportunity to congratulate the Board, the respective committees and the hard-working staff.

13.18 Acceptance

13.19 The Board Report was accepted on a motion moved by Ms. Debra Maloney and seconded by Prof. Winston Mellowes. The motion was unanimously carried.

## 14.0 CREDIT COMMITTEE REPORT

14.1 Mr. Reynold Johnson, Chairman of the Credit Committee delivered a PowerPoint presentation of the Credit Committee's Report contained at pages 27 to 29 of the Annual Brochure. Some highlights were as follows:

- Loans processed - 2,883, 2% decrease
- Loans approved - 2,700
- Value of loans - \$48 million
- Mortgage loans - 16% increase
- Utility and debt - 15.89% increase
- Vehicles - 15.81% increase

14.2 The Chairman urged members to be honest with their financial needs and seek assistance and advice from the Credit Union. He thanked members for the opportunity to have been of service.

14.3 Matters Arising

14.4 Mr. Marlon Sampson questioned whether the increase in mortgage loans was because of something the organization was doing differently, was it a policy change or was it a blip? Mr. Johnson responded that there was no change in policy but the committee tried to accommodate members as much as possible. He disagreed with the suggestion that the increase in mortgage loans gave the organization a false sense of stability and that the loan portfolio was on the decline. He felt there was a greater need for mortgages which ideally helped the loan portfolio.

14.5 On the question of the delinquency rate, Mr. Johnson sought to clarify that it was safe to operate within certain parameters, stressing that it was something the Credit Union had to keep as low as possible and had to keep working on; it was a work in process.

14.6 Mr. Marlon Caesar further added that last year's delinquency of 4.15%, had been reduced to 3.91%. He cited that there was a problem with off campus members whose salary deductions were not under the control of the Credit Union, however things were being put in place to improve the delinquency collection in a proactive manner. Compared to the national standard, he continued that UWI Credit Union was well below the average and was working to reduce the risk of same increasing. He promised to provide the detailed breakdown which the member was seeking. The General Manager added that a form had recently been introduced

in which members were required to indicate arrangements for repayment of loans after retirement.

14.7 In view of the increase attributed to mortgage loans, Mr. Osuji suggested that something should be done to incentivize incoming members to take mortgage loans. Mr. Johnson observed however that the Credit Union could only go to a certain amount with mortgages as it was not really designed for that type of long term lending; but was trying to satisfy mortgage loans. On the question of the 4 per cent delinquency rate, Mr. Osuji also wanted to know what steps were going to be taken to recoup the moneys owed by members who were no longer within the direct control of the Credit Union.

14.8 Mr. Caesar noted that the Credit Union's policy of hedging against the members most at risk, was the sort of analysis required in order to improve the delinquency portfolio. Further, with respect to the mortgages and loans, a sensitivity analysis exercise would be conducted both in house and also with respect to external institutions. He explained that the loan portfolio was a mixture of the type of business generated in terms of what was happening in the society at any point in time.

#### 14.9 Acceptance

14.10 The Credit Committee Report was accepted on a motion moved by Mr. Kennis Thomas and seconded by Mrs. Valerie West. The motion was unanimously carried.

### 15.0 SUPERVISORY COMMITTEE REPORT

15.1 The Supervisory Committee Report was presented by Mrs. Charmaine Lord-Pope at pages 33 to 35 of the Brochure. She gave a brief overview of the activities undertaken by the Committee over the period. With respect to delinquency she suggested that there be staff dedicated to deal specifically with that portfolio. She also commended the staff for their willing assistance especially during the period of renovation at the Credit Union's offices.

#### 15.2 Matters Arising

15.3 Mrs. Judith Wright expressed concern with regard to two resignations from the Committee. The Chairman of the Supervisory Committee explained that Mr. Mark Maundy realized that he could not give the time and commitment so he stepped down and Mr. Chaney St. Martin took over; however, Mr. St. Martin because of his job responsibilities was also forced to step down. The first alternate was unable to take up the position also because of work commitments so that it fell to the second alternate.

Mrs. Wright then questioned whether the responsibilities of the portfolio were clearly articulated to persons offering themselves for nomination to these positions. The Chairman pointed out that at the Interviews conducted by the Nominations Committee, participants are briefed regarding the role and function of the committees.

15.4 The President further added that the Board also conducted an orientation for all persons interested in putting themselves up for nomination at which the roles and functions were explained. Emphasis was placed on the time and commitment, (although voluntary) that they were required, whether on the Board, Credit or Supervisory Committee. If the member decided to go forward, the Nominations Committee would then assess that person's ability before presentation to the AGM.

#### 15.5 Acceptance

15.6 The Supervisory Committee Report was accepted on a motion moved by Mrs. Brenda Fraser and seconded by Mrs. Nola David-Benz. The motion was unanimously carried.

### 16.0 PRESENTATION

16.1 The General Manager, Mrs. Donna Rosales-Gray, presented a token of appreciation to Mr. Leonard Birmingham, on his retirement as Attorney and thanked him for his years of committed service to the Credit Union. Mr. Birmingham thanked the Credit Union and

wished the members success in all future endeavours.

## 17.0 AUDITORS' REPORT

17.1 Mrs. Luann Phillip, representative of PKF Trinidad and Tobago, presented the Auditors' Report.

17.2 Acceptance

17.3 The Auditors' Report was accepted on a motion moved by Mr. Kennis Thomas and seconded by Mrs. Joycelyn Jackson. The motion was unanimously carried.

## 18.0 FINANCIAL STATEMENTS AND BUDGET

18.1 Mr. Marlon Caesar led members through a PowerPoint presentation of the Financial Statements as contained at pages 47 to 80 of the Brochure.

18.3 Matters Arising

18.4 Marlon Sampson questioned the gain in foreign exchange under income and a loss under expenses. The General Manager explained that it was an auditing procedure which just gives a net figure, fortunately, however, the loss was smaller so that it was the net effect of the investment. She apologized for not picking that up in the report.

## 19.0 BUDGET

19.1 Mr. Marlon Caesar gave some budget highlights as follows:

Total Budgeted Income	\$23.2m, 8% increase
Interest on Fixed Deposits	\$2.4 m, 9% decrease
Interest on Members Loans	\$19.5 m, 30% increase
Interest on Mortgage Loans	\$1.2 m, 11% decrease

19.2 With respect to the decrease in interest on mortgage loans, Mr. Caesar responded that in terms of the capital and availability of funds that "while we want to increase the loan portfolio, the risk for management in terms of long term loans as opposed to short term loans had to be a check and balance in terms of how

we conducted the affairs of the Credit Union. Bearing in mind that we want to increase our loan revenue".

- The Operating Expenditure was \$7.4 m an increase of 24%
- Net Income was \$15.8 m an increase of 1%
- Capital Expenditure was \$1.5 m

19.3 Matters Arising

19.4 In response to a query on the decrease in the budget for salaries when an Operations Manager is to be brought on board, the General Manager responded that during the renovation the security officer had worked many overtime hours, which is not anticipated in the current year. Also, with respect to the budgeted increase for honorarium, the General Manager stated it was hoped to give committee members an increase seeing that the organization had done well and they had taken a cut in the previous year.

19.5 Acceptance

19.6 The Financial Statements and Budget were accepted on a motion moved by Mrs. Marva Belfast and seconded by Mrs. Ruth Moraldo. The motion was unanimously carried.

## 20.0 NOMINATIONS COMMITTEE REPORT

20.1 The Nominations Committee Report as presented by Mr. Kenrick Nobbee was taken as read.

20.2 Acceptance

20.3 The Nominations Committee Report was accepted on a motion moved by Mr. Rolph Pollard and seconded by Mrs. Brenda Fraser. The motion was unanimously carried.

## 21.0 ELECTIONS

21.1 The elections process began on a motion moved by Mrs. Patricia Brown and seconded by Mrs. Brenda Carol Fraser.

21.2 Mrs. Julia Squires-Allard, Returning Officer conducted the elections procedure. She outlined the new voting process to members. Members would be voting for three nominees for the Board of Directors, three nominees for the Supervisory Committee and five nominees for the Credit Committee. The nominees were presented to the Meeting.

21.3 There were no nominations from the floor for the Board of Directors. Nominations ceased on a motion moved by Mrs. Patricia Brown and seconded by Mrs. Marlene Sobers.

21.4 There were no nominations from the floor for the Supervisory Committee. Nominations ceased on a motion moved by Mr. Kennis Thomas and seconded by Mr. Dorwin Manzano.

21.5 There were no nominations from the floor for the Credit Committee. Nominations ceased on a motion moved by Mr. Dorwin Manzano and seconded by Mr. Marlon Caesar.

21.6 The Returning Officer declared voting ceased.

## **22.0 RESOLUTIONS**

22.1 Dividends/Interest Rebate  
Be it resolved that a 5.00% (\$9,788,233) dividend be approved and that such dividend be disbursed as follows:

5.00% cash

The resolution was carried on a motion moved by Mr. Dorwin Manzano and seconded by Mrs. Brenda Carol Fraser.

22.2 Rebate  
And be it further resolved that an interest rebate of 7.00% (\$1,207,337) be applied to all ordinary loans.  
The resolution was carried on a motion moved by Mr. Dorwin Manzano and seconded by Ms. Natasha Grant.

22.3 Auditors  
Be it resolved that the firm PKF (Trinidad) be

retained as Auditors for the 2017 term.  
The resolution was carried on a motion moved by Mr. Dorwin Manzano and seconded by Mrs. Casandra Lai Leung.

22.4 Honorarium  
Be it resolved that \$100,000.00 of the Net Surplus be allocated as Honorarium for the year 2016.  
The resolution was carried on a motion moved by Mr. Dorwin Manzano and seconded by Prof. Winston Mellowes.

22.5 Education  
Be it resolved that \$56,106.00 of the Net Surplus of the Society be allocated to the Education Fund.  
The resolution was carried on a motion moved by Mr. Dorwin Manzano and seconded by Mrs. Valerie West.

22.6 Common Good  
Be it resolved that \$50,000.00 of the Net Surplus of the Society be allocated to the Common Good Fund.  
The resolution was carried on a motion moved by Mr. Dorwin Manzano and seconded by Ms. Cheringdell Depradine.

22.7 Building Fund  
Be it resolved that \$150,000.00 of the Net Surplus of the Society be allocated to the Building Fund.  
The resolution was carried on a motion moved by Mr. Dorwin Manzano and seconded by Mrs. Mary Ann Elizabeth Seebalack.

22.8 Liability  
Be it resolved that the Maximum Liability of the Society be increased from \$10M to \$20M.  
The resolution was carried on a motion moved by Mr. Dorwin Manzano and seconded by Mrs. Nola David Benz.

## **23.0 DOOR PRIZES**

23.1 Mrs. Brenda Fraser, assisted by Mrs. Thomas, conducted the draw for door prizes. Nine (9) lucky Members received prizes.

## 24.0 PRESENTATION

24.1 Director Roger John made a special presentation to Ms. Gail Hosein, retiring Secretary, on behalf of the Board, management, and staff. Mrs. Hosein thanked members for their support over the years.

## 25.0 RESULTS OF ELECTION

25.1 Ms. Julia Squires-Allard presented the results of the Elections as follows:

### SUPERVISORY COMMITTEE

Ms. Deborah Isaac	111
Ms. Tenesha Charles	92
Ms. Sophia Maria Persad	85
Mrs. Stacey Greene-Mc Neil (1st Alternate)	83
Mrs. Salisha Alladin-Moonsammy (2nd Alternate)	55

### BOARD OF DIRECTORS

Ms. Debra Maloney	118
Mr. Dorwin Manzano	118
Mr. Kennis Thomas	113
Mr. Onyemauchekwu Osuji (1st Alternate)	58
Ms. Vidwatee Ramdhanie (2nd Alternate)	16

### CREDIT COMMITTEE

Mr. Reynold Johnson Jr.	115
Mrs. Roxanne Ali-Hassan	107
Ms. Keisha Campbell	105
Mr. Dane Goodridge	105

Mr. Jesille Fraser	101
Ms. Claudette Taylor (1st Alternate)	81
Mr. Pooran Badal (2nd Alternate)	55

## 25.2 DESTRUCTION OF BALLOTS

25.3 A motion for the destruction of ballots was moved by Mrs. Marlene Saunders-Sobers and seconded by Mrs. Brenda Carol Fraser. The motion was unanimously accepted.

## 26.0 VOTE OF THANKS

26.1 The President thanked the guests, the officers of the Co-operative Division, the Returning Officer, Staff, UWI Administration, Carlos for assistance with IT, and the Auditor. He congratulated officers who had been elected and wished members a safe journey home.

## 27.0 CLOSURE

27.1 There being no further business to discuss, the President brought the Meeting to a close at 5.50 p.m.

Respectfully submitted



Debra Maloney (Ms)  
Secretary  
22<sup>nd</sup> April, 2017

## REPORT OF THE BOARD OF DIRECTORS OF THE U.W.I. CREDIT UNION FOR THE YEAR 2017/2018

### INTRODUCTION

The Board of Directors is pleased to present its Report on activities for the year 2017/2018. At its first meeting for the period under review, the following members were elected to the undermentioned positions:

President - Mr. Dorwin Manzano  
Vice-President - Mr. Marlon Caesar  
Secretary - Ms. Debra Maloney

Other members of the Board of Directors were:-

Ms. Patricia Brown  
Ms. Natasha Grant  
Mr. Roger John  
Ms. Marlene Saunders  
Mr. Kennis Thomas  
Dr. Steve West

The U.W.I. Credit Union in keeping with its vision, was able to successfully provide our members with access to financial and other services over the period. The Board of Directors remained committed and dedicated to the Mission of providing superior services continuously to enhance the quality of life of our members, while maintaining long-term financial stability. The Board of Directors also remained steadfast to the core values of: Integrity, Proactivity, Mutual Respect, Commitment, Confidence, Achievement and Family. Notwithstanding the economic challenges that we faced in 2017, your Credit Union stood with you and confronted and conquered such challenges.

### COMPLIANCE

The Board as part of its oversight responsibility worked closely with Management to ensure that the U.W.I Credit Union remained operating within the provision of the Law and was compliant with all laws pertaining to

the business of the Credit Union. The Board conducted its annual review of the Compliance Programme during the period. Additionally, an internal as well as an external Compliance Audit were successfully completed. Also in keeping with the Financial Intelligence Unit of Trinidad and Tobago Act Chapter 72:01 (FIU) and the Financial Obligation Regulations (FOR), all Officers and members of staff undertook mandatory annual compliance training.

### PERFORMANCE TARGETS

The Board of Directors U.W.I. Credit Union had set certain performance targets for 2017. A comparative review of the performance in respect of these targets for years 2016/2017 showed the following:

DESCRIPTION	TARGETS	ACTUAL
	2017	2017
Shares	1 %	5%
Loans	10 %	1%
Assets	8%	16%
Membership	5 %	0.3%
Net Income	5 %	7%
Delinquency	<2 %	<4.45%

### SHARES

Members' Share Capital increased from \$192,857,488 to \$201,754,258 a total increase of \$8,896,770 (5%) for the financial year ended 31<sup>st</sup> December, 2017.

### LOANS

The loan portfolio increased from \$ 139,962,880 to \$141,492,364 a total increase of \$1,529,489 (1%). The Board will be focusing critically on the loan portfolio in the new term in light of the significant implications of the International Financial Reporting Standard (IFRS 9), which will apply to the financial statements commencing 1<sup>st</sup> January, 2018. An insight into



preparation for IFRS 9 will be highlighted under the finance report. Details of the performance of loans can be found in the Credit Committee's Report.

### **DELINQUENCY**

The target set for delinquency was less than 2%, however, as at 31<sup>st</sup> December, 2017 the actual delinquency ratio stood at 4.54%. While this increased from the previous year, the Board is of the view that with the introduction of the new Delinquency Policy during the year and the guidelines prescribed therein together with the plan of action for the IFRS 9, the Delinquency Portfolio will be under effective and aggressive management and monitoring.

### **MEMBERSHIP**

The Credit Union continues to see steady growth in its membership and during the period a total of 179 new membership applications were approved by the Board. The total membership as at 31<sup>st</sup> December, 2017 stood at 5,071.

### **STAFFING AND HR ISSUES**

During the period, the Board through the HR Committee monitored the HR and operational matters and where applicable took appropriate actions. Accordingly, an Operations Manager and an additional Security Officer were recruited during the period. As part of the organization's succession plan, Post Retirement Contracts were issued to two (2) members of staff in respect of the current year.

It is noted that our General Manager will be proceeding on Pre-Retirement Leave effective 16<sup>th</sup> April, 2018 and will officially retire on 3<sup>rd</sup> August, 2018 after nineteen (19) years of dedicated and committed service to the U.W.I. Credit Union. The Board would like to publicly express our appreciation for the yeoman service and outstanding contributions our General Manager has made to the Credit Union over the period and to wish her best wishes on her retirement.

A major HR item on the agenda for the new term will be the development of a robust performance appraisal system for the staff.

### **BUILDING**

The Board intends to move forward with plans to renovate the property at Wilson Street and make ample use of same during the period. In fact the Annual Children's Christmas party was held at our Wilson Street property incident free and much to the enjoyment, delight, comfort and pleasure of our children and young credit union members.

### **TRAINING AND DEVELOPMENT**

During the period under review the Credit Union provided the following members with training and developmental opportunities within the Credit Union Sector and in particular the following forums:

- (1) Mr. Marlon Caesar and Ms. Marlene Saunders, (Directors) attended the World Council of Credit Unions, World Credit Union Conference, Vienna, Austria July 2017.
- (2) Mr. Roger John, Director attended the Leadership and Governance Conference held by the Trinidad and Tobago Credit Union Deposit Insurance Fund, Cooperative Society Limited in Costa Rica, April/ May, 2017.
- (3) Ms. Sophia Persad (Supervisory Committee) and Dr. Steve West (Director) attended the Credit Union Executive Directors (CUES) Conference in San Francisco, U.S.A., July, 2017.
- (4) Ms. Patricia Brown, Natasha Grant and Keisha Campbell attended the Leadership Conference hosted by the Association of Co-operative Credit Union Presidents (ACCUP) in Cancun, Mexico, October, 2017
- (5) Mr. Jesille Fraser (Credit Committee) Ms. Fayola Jones (Marketing Officer) Ms. Samantha Rodrigues (Executive Assistant) and Tenesha Charles (Supervisory Committee) all participated in the Caribbean Development Education Programmes and are all now designated CaribDEs.

## **STRATEGIC PLANNING AND TEAM BUILDING RETREAT**

The Board of Directors, Officers, Management and Staff participated in a Strategic Planning and Team Building exercise over the period January 4<sup>th</sup> to 6<sup>th</sup> 2018. Arising from the exercise it was agreed to develop products and services specifically targeted to our membership in the following catchment areas:

- (1) On-Campus Members
- (2) Off-Campus Members
- (3) The Golden Achievers (Retirees)
- (4) The Millennials (18-35 yrs)
- (5) Students

The Board intends to roll out these products and services within the next quarter.

## **BYE-LAWS**

The Board intended to convene a Special General Meeting within the last year, however the review of the Bye-Laws was not completed. The Board remains committed to completing this very important exercise within the new term.

## **SOCIAL AND CULTURAL ACTIVITIES**

The Board mandated the Social and Cultural Committee to plan and execute activities which promotes camaraderie, amicable relationships and fun among the Credit Union's membership.

The Biennial Joint Credit Unions Sports and Family Day was held at the Prisons Grounds, Arouca on August 12<sup>th</sup>, 2017. For this event 200 T-shirts were given free to members who attended. TECU Credit Union won the March Past while U.W.I. Credit Union placed second and Community Care Credit Union in third place. U.W.I. Credit Union won the Best Queen and the overall winner for the event was Community Care Credit Union with TECU Credit Union in second place and U.W.I. Credit Union in third place.

The Joint Credit Union All Fours Competition was hosted by TECU Credit Union on October 21<sup>st</sup> 2017 at Petrotrin Sports Club, Guaracara Park, Pointe-a-Pierre. TECU Credit Union emerged the winner of the game followed by

Aero Services Credit Union in second place and U.W.I. Credit Union in third place.

The Annual Children's Christmas Party was held on December 3<sup>rd</sup> 2017 for the first time at the Credit Union property at No. 16 Wilson Street, St Augustine. This function while tainted with heavy rainfall, to some extent restricted the activities planned for the children. Nevertheless, it was evident that the children in attendance enjoyed the rain, the ambience, the fun games, magic show and all the other activities that were possible.

The 28<sup>th</sup> Annual Calypso and Ole Mas Competition was held on February 2<sup>nd</sup> 2018 at the Dudley Huggins Car Park, U.W.I. St Augustine Campus. The quality of the calypsoes were in keeping with very high standard. The results of the competition were as follows:

- 1st Place - Mr. Rawle Peters  
2nd Place - Mr. Marlon Edmund  
3rd Place - Ms. Helen Jones

- The People's choice was won by Marlon Edmund
- The Best Social Commentary went to Rawle Peters; and
- The Best Party Song was won by Marlon Edmund
- The Audience Vintage was won by Camille Renaud with Helen Jones in Second place and Anson Brache third.
- The Best Ole Mas Band was won by The Faculty of Science and Technology.
- The portrayal of 'Politician Making T&T Great Again' won the Best Individual Female
- 'Trump Up To His Neck' won the Best Individual Male
- The Best Credit Union Portrayal was 'UWEE Turns 70'
- The Best Social Portrayal went to 'Top Cop'.
- The Biggest Flag was won by 'D SWIM POSSE'; and
- The Biggest Uniformed Posse was won by 'D SWIM POSSE'.

It was evident that all who attended the event had a great time. Entertainment was provided by a live band.

## OUTLOOK FOR 2018

The Board and Management team of The U.W.I. Credit Union being cognisant of the financial climate and other challenges currently being experienced by our members and by extension our nation, continues to seek the best interest of our members as we work and walk with you throughout this period demonstrating the Philosophy and Principles of Cooperatives. We have set the following growth targets for 2018:

- Shares - 3%
- Loans - 5%
- Assets - 8%
- Membership - 5%
- Net Income - 7%
- Delinquency - <3%

## BOARD MEETINGS

During the period April 2017 to March 2018, the Board held thirteen (13) meetings. Attendance at these meetings was as follows:

NAME	POSSIBLE	PRESENT	EXCUSED
Dorwin Manzano	13	12	1
Marlon Caesar	13	13	-
Debra Maloney	13	13	-
Patricia Brown	13	11	2
Natasha Grant	13	11	2
Roger John	13	13	
Kennis Thomas	13	13	
Marlene Saunders	13	11	2
Dr. Steve West	13	9	4

## OUTGOING OFFICERS

The outgoing Officers are Ms. Patricia Brown, Ms. Natasha Grant and Ms. Marlene Sobers. The Board expresses its sincere thanks to these Officers for their outstanding performance and invaluable service during their term of office. All of the outgoing Officers are eligible for re-election and have submitted nominations.

## OBITUARIES

The Board extends its deepest condolences to the bereaved families of members who passed away during the period.

## ACKNOWLEDGEMENTS

The Board acknowledges the kind assistance, sincere encouragement and ready co-operation given by:

The UWI Administration  
 The Commissioner for Co-operative Development and his Staff  
 The Central Finance Facility Co-operative Society Limited  
 CUNA Mutual Group/CUNA Caribbean Insurance Society Limited  
 Trinidad and Tobago Credit Union Deposit Insurance Fund Co-operative Society Limited  
 The Division of Facilities Management, UWI  
 The Faculty of Science and Technology, UWI  
 The Faculty of Food & Agriculture, UWI  
 The Institute of International Relations  
 The UWI Security  
 The General Manager and Staff of the U.W.I. Credit Union  
 Departmental Representatives  
 All Members of the U.W.I. Credit Union

## CONCLUSION

The Board of Directors wishes to thank the Members, Officers and Staff for continued commitment, dedication and faithfulness towards the Cooperative Principles and Philosophy and look forward to a productive and meaningful 2018. May God bless us all.



Debra Maloney (Ms.)  
 Secretary  
 Board of Directors, U.W.I. Credit Union  
 March 22, 2018

## REPORT OF THE CREDIT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2017

### INTRODUCTION

The Committee is pleased to present its Report on the activities for the year ended December 31<sup>st</sup>, 2017.

Following the AGM on April 22nd, 2017 elected members met on Monday 24<sup>th</sup> April to select a Chairperson and Secretary. The composition of the committee is as follows:

NAME	POSITION
Mr. Reynold Johnson	Chairperson
Mr. Dane Goodridge	Secretary
Mrs. Roxanne Ali-Hassan	Member
Ms. Keisha Campbell	Member
Mr. Jesille Fraser	Member
Ms. Claudette Taylor	1st Alternate
Mr. Pooran Badal	2nd Alternate

### MEETINGS

The Credit Committee met weekly throughout the year to review loan applications in line with its Terms of Reference. During the current financial climate the Committee facilitated additional meetings with members who experienced extraordinary financial difficulties.

The attendance by members of the Committee during the period is as follows:

NAME	POSSIBLE	PRESENT	EXCUSED
Reynold Johnson	35	34	1
Dane Goodridge	35	33	2
Roxanne Ali-Hassan	35	32	3
Jesille Fraser	35	33	2
Keisha Campbell	35	32	3

The Credit Committee also attended workshops on Risk Governance and Compliance Management, Financial and Strategic Planning and Compliance. These workshops were mandatory due to new regulations from the Trinidad and Tobago Central Bank. One member also attended ACCUPTT's 7th Leadership Conference. These workshops helped to enhance the performance of the Committee members.

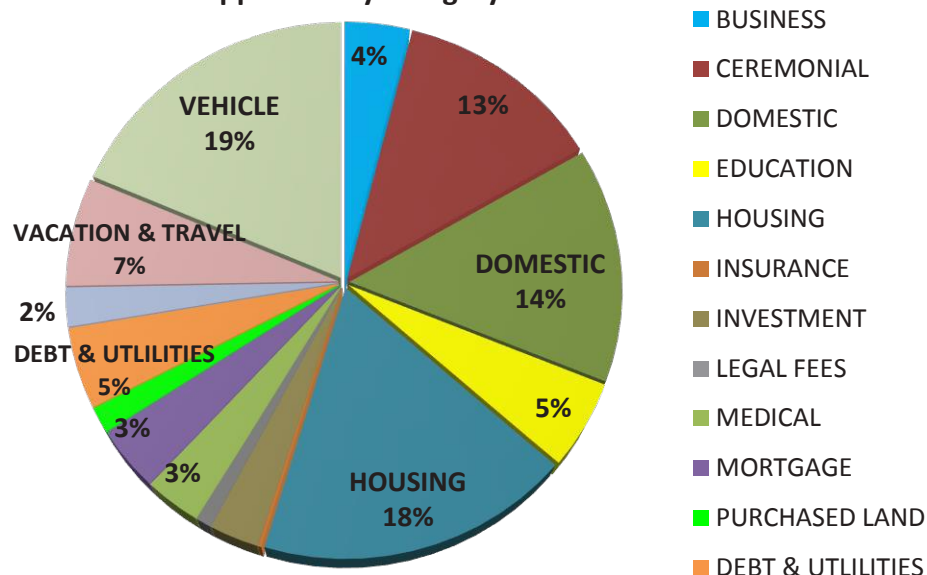
### LOANS

Loan applications processed numbered two thousand, six hundred and eighty-nine (2689) for the period ending December 31<sup>st</sup>, 2017. This represents 7.2% decrease compared to 2016 total of 2883.

A total of two thousand, four hundred and forty-three (2443) applications were approved valued at \$33.2 M. This represents a 44.8% decrease compared to 2016 value of \$48.1 M. twenty-four (24) were cancelled, two hundred and seven (207) were not approved, one (1) was still pending and fourteen (14) unprocessed.

LOANS	2017	VALUE \$	2016	VALUE \$	VARIANCE \$	VARIANCE %
Applications	2689	\$33,217,126	2883	\$62,566,130	(\$29,349,004)	-88.4%
Unprocessed	14	\$965,275	4	\$516,949	\$448,326	46.4%
Approved	2443	\$33,217,126	2700	\$48,105,792	(\$14,888,666)	-44.8%
Not Approved	207	\$7,189,765	135	\$4,114,261	\$3,075,505	42.8%
Cancelled	24	\$4,212,700	38	\$9,625,129	(\$5,412,429)	-128.5%
Pending	1	\$12,800	6	\$204,000	(\$191,200)	-1493.8%

**Loans Approved by Category 2017**



### DELINQUENCY ANALYSIS

During the year under review the Committee gave special attention to the monitoring of delinquent loans in collaboration with the Credit Department.

The delinquency ratio for 2017 stands at 4.54% compared to 3.91% in 2016, which indicates an increase.

Based on the analysis of the Credit Committee, the following are a few of the reasons that have attributed to the increase in the delinquency ratio during the financial year under review:

1. Loss of employment due to the country's economic climate
2. Retirees who were awaiting payment of gratuity and pensions
3. Change of employment
4. Members who have migrated
5. Members who were medically boarded.

### STRATEGIES TO DECREASE DELINQUENCY:

The Credit Committee in conjunction with the Credit Department implemented the following strategies in an effort to control delinquency.

1. The Credit Committee collaborated with the Credit Supervisor to call members who were in arrears from zero to thirty

days. This is done to mitigate members' accounts from going further in arrears.

2. Letters were sent to members with follow up phone calls from the Credit Department to those members who were in arrears three months and over. For those members who did not respond, second Reminder Notices were dispatched to reinforce the Institution's mandate to collect monies owed.
3. Final notices were sent to members whose mortgages are being held by the Credit Union and whose accounts were in arrears in order to make recoveries.

### RECOMMENDATIONS

The Credit Committee recommends the following:

1. Members with loans at various financial institutions should seek to consolidate loans into one loan with UWI Credit Union in an effort to increase disposable income.
2. Members should engage the UWI Credit Union before they approach any other financial institution.

3. In planning their finances, members should attend Financial Planning sessions being conducted by the UWI Credit Union, especially those who plan to retire within the next five years. We encourage all members to attend these sessions.

### **ACKNOWLEDGEMENT**

The Credit Committee wishes to thank Almighty God for a productive 2017. The Committee also

wishes to express its gratitude to the Board of Directors, General Manager, Credit Officers and other members of staff for their support during the year. We also thank the entire membership for their support and the opportunity to serve.



Dane Goodridge  
Secretary 2017  
On behalf of the Credit Committee



## REPORT OF THE EDUCATION COMMITTEE FOR THE YEAR 2017/ 2018

### INTRODUCTION

The Education Committee is pleased to present its Report on its April 2017 to March 2018 activities.

### COMMITTEE MEMBERS

The Board appointed the following members to serve on the Education Committee:

Ms. Marlene Saunders	- Chairperson
Ms. Camille Renaud	- Secretary
Ms. Lenore Callender	- Member
Ms. Natasha Grant	- Member
Ms. Unika Omowale	- Member
Ms. Fayola Jones	- Ex-Officio Member
Ms. Cheringdell Depradine	- Co-opted Member
Mrs. Stacey Greene-McNeil	- Co-opted Member

### ORIENTATION AND TRAINING PROGRAMMES

An Orientation programme was conducted for prospective 2018/ 2019 Board and Committee members on Fit & Proper Criteria, Leadership Roles and Responsibilities, and on relevant issues in the Credit Union Movement.

The elected 2017/2018 Board and Committee members participated in compliance training in accordance with the Finance and Intelligence Unit's (FIU's) Regulations.

The Board approved the Nominating Committee's recommendation for 1st alternates' training in preparation for service. The 1st alternate on the Supervisory Committee attended the Central Finance Facility's (CFF) Supervisory Committee Training Workshop.

Loans Officers also participated in external programmes in Money Laundering and Risk Management.

### SEMINARS AND WORKSHOPS

Mr. Trevor James, Peak Performance Coach, Quantum Possibilities Ltd., facilitated two sessions of an "I Can" Workshop that focused on coaching techniques for 2017 Secondary Entrance Examination (SEA) candidates, and for parents in the final session. The sessions were held on April 1<sup>st</sup> and 22<sup>nd</sup>.

On October 16<sup>th</sup> 2017, at its 2nd annual budget forum, UWI Credit Union (UWICU) hosted a Conversation with the People: Budget Review 2017 which was based on the Government of Trinidad & Tobago's October 2017 budget presentations. Panelists included Mrs. Christine Sahadeo, Senior Lecturer in the Department of Management Studies, The University of the West Indies (UWI), St. Augustine; Mr. Ozzie Warwick, General Secretary of the Oilfield Workers Trade Union (OWTU); and Mr. Martin Franklin, Former Head, Department of Economics, UWI.

The forum, which Dr. Marlene Attzs, Advisor to the Pro-Vice-Chancellor and Campus Principal (Institutional Effectiveness & Strategy), UWI, St. Augustine moderated, attracted twenty-nine (29) participants, who engaged in insightful and meaningful discussion.

### SHORT COURSE OFFERINGS

The Committee curtailed a number of its proposed short course offerings due to low registration and challenges in securing appropriate venues, for example the Entrepreneurial Skills Programme in conjunction with National Entrepreneurship Development Company (NEDCO) Ltd., and the Basic Christmas Cooking Course, respectively.

## BURSARIES

The 2017-2018 Jerris Attzs Bursary was awarded to first-year tertiary-level University entrant, Ms. Paige Craigwell, on the recommendation by the Student Affairs (Admissions) Office of The UWI, St. Augustine Campus.

Credit Union Bursaries were also awarded to the following second and third-year continuing tertiary-level students:

Mr. Kevin Pascall - Brenda Fraser Bursary

Ms. Tshai-Ann John  
(Youth member) - Claude McEachrane Bursary

Mr. Nathan Wright - Jill Thompson Bursary

Mrs. Natasha  
Richards-Isaac - Vibert Medford Bursary

## GRANTS

### *Secondary Entrance Assessment Grants*

At the July 12<sup>th</sup> 2017 Awards Ceremony, Secondary Entrance Assessment (SEA) Grants were awarded to twenty-four (24) students, who were placed in secondary schools.

Feature Speaker, Mr. J Errol Lewis, Chief Executive Officer, Junior Achievement of Trinidad and Tobago, delivered a practical address on goal setting in the context of transitioning from primary to secondary school.

### *Continuing Education Grants*

Nine (9) secondary school students, who maintained a B+ or 65% average, were awarded continuing second to fifth year grants.

### *Ordinary and Advanced Level Grants*

Ordinary ('O') and Advanced ('A') level grants were awarded to first and second-year candidates who successfully completed the Caribbean Examinations Council's (CXC's) Caribbean Secondary Education Certificate (CSEC) and Caribbean Advanced Proficiency Examinations (CAPE).

## AWARDS

There were no awards for excellence in scholastic, sporting and cultural activities.

Mr. Nathen Martin received the National Representation Award for foreign participation in the Under 12 - Caribbean Junior Invitational Tennis Tournament scheduled to take place from May 4<sup>th</sup> to 8<sup>th</sup> 2018 in Antigua.

## ACTIVITIES AND OUTINGS

### *Youth Trip*

On August 25<sup>th</sup> 2017, thirty-nine (39) members journeyed on a guided tour to Los Iros.

### *Retirees' Trip*

On November 24<sup>th</sup> 2017, sixty-one (61) individuals ventured to Salybia Nature Resort & Spa for a luncheon and day of relaxation.

## E-SERVICES

Registered members utilized the e-services to conveniently view historical account transactions, current balances, the status of loan applications, and to perform internal transfers between accounts.

## DEPARTMENTAL REPRESENTATIVES

At the March 29<sup>th</sup> 2017 meeting of Departmental Representatives, who serve as Liaisons between UWI Credit Union and the University community, updates were presented on the Credit Union's past and proposed activities.

Suggestions for addressing members' interests in small business ventures, wealth creation, and increased youth activities, were entertained.

## POST EVENTS

The Committee hosted a series of "How U Going" (HUG) sessions on February 21<sup>st</sup>, March 9<sup>th</sup> and 21<sup>st</sup> 2018. This initiative engaged conversations with UWI staff on re-assessing lifestyles and taking advantage of potential income-generating opportunities in the current economic climate.

## PROPOSED EVENTS

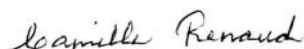
The proposed activities for 2018/ 2019 include:

- Orientation sessions for new and prospective Credit Union members;
- SEA Workshops;
- Award Ceremony for successful SEA, CXC and CAPE candidates;
- Legal Clinic;
- Entrepreneurial Workshop;
- Health and Wellness initiatives;
- Retirees' Forum;
- Youth activities;
- Appointment of Brand Ambassadors/ Advocates.
- Publication of UWI Credit Union's Newsletter 2018

## CONCLUSION

The Education Committee successfully completed a number of its initiatives and thanks Almighty God for guidance; the Board of Directors for the opportunity to serve; Officers of UWI Credit Union and UWI Departmental Representatives for their support; and Workshop and Seminar Facilitators for their service, during its 2017/ 2018 term in office.

The Education Committee is dedicated to serving the needs of its members in keeping with UWI Credit Union's Mission statement.



Camille Renaud  
Secretary  
On behalf of the Education Committee

## REPORT OF THE CREDIT UNION SUPERVISORY COMMITTEE FOR THE 52<sup>nd</sup> AGM

The Supervisory Committee is pleased to present its report for the period April 2017 to March 2018.

### COMPOSITION OF THE SUPERVISORY COMMITTEE

Subsequent to the election at the AGM, the Committee members met to select the Chairperson and the Secretary of the Committee. The results of this exercise is as follows:

NAME	POSITION
Deborah Isaac	Chairman
Sophia Persad	Secretary
Tenesha Charles	Member
Stacey Greene-Mc Neil	1 <sup>st</sup> Alternate
Salisha Alladin-Moonsammy	2 <sup>nd</sup> Alternate

### WORK PLAN

The Committee developed a Work Plan for the year comprising reviews in the following areas:

1. Loans
2. Selected categories of loan accounts (New, Closed, Delinquent, Officers)
3. Cash Verification
4. Bank Reconciliation Statements
5. Procurement Policies and Procedures – Capital Expenditure
6. Compliance
7. Investment
8. Follow-up on prior-year external auditor's Management Letter
9. Follow-up on prior-year Supervisory Committee reports
10. Business process review of key business processes
11. General ledger account verification
12. Information Systems
13. Review of Physical Security

During the year the Committee added two reviews

14. Vulnerability Assessment and Penetrating Testing
15. Review of Deceased members' accounts

### MEETINGS AND OFFICERS ATTENDANCE

A total of 100 meetings/visits were made as follows:

NAME	POSSIBLE	PRESENT	EXCUSED	ABSENT
Deborah Isaac	100	91	9	0
Sophia Persad	100	90	10	0
Tenesha Charles	100	71	29	0
Stacey Greene-Mc Neil	n/a	n/a	n/a	n/a
Salisha Alladin-Moonsammy	n/a	n/a	n/a	n/a

### DETAILS OF REVIEWS

#### Loans

From our review of loans, we found a measure of subjectivity in approval of loans by the Credit Committee. Although the Committee provided information on loan forms to explain why loans were not approved we could not always determine why some were approved instead of others. Our recommendation to include information on the reasons for approval was accepted and carried out but the subjective element remained. A scoring mechanism to assess a member's credit worthiness was not being used.

Weaknesses were identified regarding the recording of securities against loans. This affects the quality of information needed for operational decisions. We recommended that systems be put in place to ensure that the information entered in the database is accurate. Additionally, we saw a significant number of frequent borrowers heavily reliant of loans for day-to-day expenses and recommended that the Credit Union flag these members for consultation to aid in improving the member's financial situation.

In light of the pending introduction of the IFRS 9, (Financial Reporting Standard) in relation to the treatment of loans in the Financial Statements, we expect that there will be a more stringent approach to assessing credit worthiness in the granting of loans.

## **SELECTED CATEGORIES OF LOAN ACCOUNTS (NEW, CLOSED, OFFICERS, DELINQUENT)**

### **New**

This review examined new member accounts over the period January 1 – August 31, 2017. We identified a few instances of ambiguity in the process for granting loans to new members; issues with the accuracy of the database information on new members; and verification checks that were not being carried out. We recommended that an evaluation be carried out by the Board of the new member loan policy and that there be a system of verifications of entries made in CUMME to identify errors in the data inputted.

### **Closed**

The transactions relating to disbursement of sums on the account of the member who closed their accounts were appropriately processed in CUMME. However, we found that communication of information regarding matters that transpired with members needed to be improved. In a number of instances, neither the member file, nor CUMME, provided clarification of ambiguous details and the General Manager had to be consulted to explain what had transpired.

We recommended that for members where there were issues with the closure process above and beyond the norm, the file should contain a Minute page where these exceptions or other pertinent information are documented so that the details will be available to any staff or Credit Union official in the execution of their duties. This will also enable such information to be accessible even when CUMME is down.

### **Officers**

The Committee reviewed loans processed for Officers. Arising from the review we were generally satisfied that all loans examined were appropriately granted and approved in accordance with Credit Union's Policy. However, we noticed some ambiguity in the treatment of loans granted to Loan Officers which we credited to the change made to the

classification of an Officer. The root of this problem was version control as the change was made in one version of the Credit Policy whereas another version may be in use. We recommended version control for policy and related documents.

### **Delinquent**

The Committee examined the process followed to minimise the risk of default on loans, leading to delinquent accounts. We found a significant gap in the process that left and would continue to leave the Credit Union exposed. During the year the Board produced a Delinquency policy and detailed procedures which are expected to guide the actions taken on delinquent accounts. However, we remain concerned about the practice for granting loans.

### **Cash Verification**

Cash verification exercises were carried out. We found no issues regarding the holdings and recording of cash.

### **Bank Reconciliation Statements**

The Bank Reconciliation statements for the Current Account and the Savings Account were reviewed. The statements were completed in a timely manner; balancing items were properly reflected; transactions were posted in the correct period based; totals tallied; and there was evidence of review.

### **Procurement Policies and Procedures – Capital Expenditure**

We reviewed transactions related to the procurement of capital items (fixed assets, building, equipment). There was an issue of segregation of duties as each phase of the transaction was carried out by the General Manager, i.e. initiating the purchase, authorising it, recording/disposing of the asset in the accounts. We recommended that a member of staff other than the General Manager perform the recording function for capital items so that the necessary control and check points are embedded in the process, and no individual would have control over two or more phases of a transaction.

We performed a physical verification of the fixed assets and examined the procedures for updating the fixed asset register with item purchased and disposed. All of the items on record were located however a few were not tagged with the respective fixed asset number. We recommended that those untagged assets be tagged as well as all future purchases, so that the assets could be monitored, controlled and be easily identifiable.

We checked for a policy relating to Procurement of Capital Expenditure. There was none. However, there were some guidelines relating to recording and tagging of assets. We recommended that a Procurement policy be developed.

### **Business process review of key business processes**

We performed a review of the cash process and were satisfied that five (5) key controls for handling cash, namely, segregation of duties, accountability, reconciliations, safeguarding of cash, and monitoring, were being observed.

### **General ledger account verification**

As part of the review of general ledger accounts the Committee looked at the sundry debtors' accounts which comprised 4 subsidiary accounts. The largest figure on one of the accounts was in relation to a payment owed to the Credit Union by the University. This was outstanding as the Credit Union had not done the invoicing to bill the University over a period of years. We recommended that the billing be expedited.

### **Information Systems**

This review looked at cybersecurity practices at the Credit Union. We found that there was fair awareness of the need for cybersecurity and a number of best practices had been implemented. However, a more comprehensive approach was needed and as such we recommended that a cybersecurity policy be developed to include but not be limited to such areas as information security training, incidence response and disposal of IT equipment used to store data (for example computers and photocopiers)

We also examined the permissions held by staff and Officers for accessing the Credit Union software (CUMME) in relation to their responsibilities. We found that a number of user accounts had permissions in excess of what was required for their role as a result of permissions granted in the past that should have been removed but had not been. A user with excessive system access can potentially execute transactions across an entire business process with limited or no checks and balances. We recommended that the permissions assigned to users be reviewed and those that are not in line with the job responsibilities of the user be removed.

### **Physical Security**

We carried out a review of the physical security of the Credit Union which included the interior, internal perimeter and the external perimeter. While security measures were in place, they were not as robust as required and we recommended that they be improved. We note that management did not delay in initiating action to address some of the areas of weaknesses identified.

### **Compliance**

We postponed the review of compliance as the structures surrounding the process were still being developed.

### **Investment**

We did not complete our review of Investments as planned.

## **OTHER REVIEWS NOT ON THE WORK PLAN**

### **Vulnerability Assessment and Penetration Testing**

Recognising the prevalent cybersecurity threats facing businesses; the recent cybersecurity breaches worldwide; and the online presence of the Credit Union through its website, the Supervisory Committee initiated a contractual agreement with Ernst & Young (EY) to perform a Vulnerability Assessment and Penetration testing exercise to determine whether the Credit Union was vulnerable to any cybersecurity threats. EY concluded that there were a number



of weaknesses which could leave the Credit Union open to cybersecurity breaches. Recommendations made were implemented by the Credit Union as a matter of urgency. A follow-up review is expected to be carried out to determine whether the weaknesses were satisfactorily remediated.

#### **Review of Deceased Members' accounts**

There was a clear process being followed in the administration of the member's account post death and the roles of persons involved in the process were clearly assigned. However, activity on these accounts was not being monitored and there were a number of entries that required adjustment/attention including automatic interest charges, unclaimed balances and action on outstanding loan balances.

We recommended that action be taken to address these issues and that a fixed schedule be established for monitoring such accounts.

#### **Follow-up on prior-year external auditor's Management Letter**

Due to the late receipt by the Credit Union (July 7, 2017) of the Management Letter for 2015, we were delayed in performing this review to verify the implementation of the recommendations made by the External Auditors. However, some of the actions taken were verified as a result of a number of areas examined from our Work Plan and others were implemented prior to the external audit.

We were able to obtain one report prepared by the previous Supervisory Committee. The concerns were loan delinquency, source of funds and the increasing debt service ratio of members. The Board completed its work on the Delinquency Policy.

#### **ADVISORY**

The Committee performed a review of the Credit Union's Marketing Strategy and Plan based on a request from the Board. A detailed report on our assessment was presented to the Board.

#### **MEMBERS COMPLAINTS EMAIL**

As part of our responsibility to serve the members of the Credit Union, we requested the set-up of a member complaints email account. This is outstanding to date.

#### **Closing Remarks**

We wish to thank the General Manager and the members of staff who assisted us in our reviews.



Deborah Isaac  
Chairman  
Supervisory Committee

## REPORT OF THE NOMINATION COMMITTEE

### Dear Members

The Board of the UWI Credit Union in accordance with the Bye Law (35a) approved the following persons to serve on the Nominating Committee for 2018:

Dr. David Dolly (Chairman)  
Mrs. Brenda Fraser  
Mr. Cicero Lallo  
Mr. Kenrick Nobbee  
Canon Steve West

The following members were screened and deemed fit for office in the respective committees for 2018-2019.

### SUPERVISORY COMMITTEE

Ms. Tenesha Charles  
Ms Deborah Isaac  
Ms. Sophia Maria Persad  
Ms. Joanna Mc Carter  
Ms Judith Wright

### BOARD OF DIRECTORS

Ms. Patricia Brown  
Ms. Keisha Campbell  
Ms Natasha Grant  
Ms Liselle Guerin  
Mr Emerson John-Charles  
Ms Marlene Saunders-Sobers

### CREDIT COMMITTEE

Mss. Roxanne Ali-Hassan  
Mr. Pooran Badal  
Mr. Jessile Fraser  
Mr. Dane Goodridge  
Mr. Reynold Johnson Jr  
Ms. Judith Mc Gilluery

The Nomination Committee was pleased with the confidence, resilience and zeal which all interviewees displayed. Almost all the aspirants to the three committees were found to be compliant and in good financial standing.

There were a few who needed to fulfill certain compliant criteria These were immediately addressed by the administrative staff of the Credit Union. Almost all the candidates presented a high standard of certification and acumen in their respective professional fields. The more experienced members displayed even further development of their leadership within the organization. Hence the nominees appear fit and proper for their respective and intended positions. This is commendable.

Unfortunately, one member cannot participate in today's election. This person was nominated by a close relative who holds a senior position within the UWI Credit Union. This is a direct conflict of interest which cannot be accepted by the organization.

The Committee noted that a very useful and instructive orientation session was conducted for all nominees and attendance at this event was less than 50 per cent. Perhaps many members had already attended last year's session and did not think they could further benefit from a repeat of the discourse. This session was attended by the new nominees. It was noted that the Board, during the 2017-18 term, had been more proactive in the use of alternates on the various Committees and Sub-committees of the Credit Union. However the Committee wishes to recommend a more strategic approach to the inclusion of alternates on the committees to which they have been selected in order to make them better equipped to serve. The reason that the committee chairs presented needs revisiting. They feel that confidentiality will be compromised. This is not so. Also the issue of members of both the Credit and Supervisory Committees being screened every year must be addressed.

The committee recommends a special general meeting of members whereby the Union's

bye-laws must be reviewed. This meeting can address the concerns mentioned in the previous paragraph and other Governance matters worth reflecting upon at this stage in the growth process of the organization.

The nomination committee wishes to thank the UWI Credit Union for the confidence it has placed in us to conduct this screening. We also appreciate the cooperation which the Credit Union provided while we completed this task.

A handwritten signature in black ink, appearing to read 'David Dolly'.

Dr. David Dolly  
(Chairman)

## STATISTICAL DATA



## STATISTICAL DATA

	<b>2017</b>	<b>2016</b>
Members	5,098	4,837
Average share balance per member	\$39,575	\$39,871
Average loan balance per member	\$27,754	\$28,936

2017 ± 2016

Total Income	+ 8.57%
Total Expenditure	+ 29.40%
Interest from Loans	+ 5.61%
Investment Income	+ 31.04%
Membership growth	+ 5.40%
Share withdrawals and transfers	14.24%

### Net Income and Loan Interest

Year	Net Income	Loan Interest	Total Income
2013	12,165,065	16,031,214	17,633,346
2014	13,049,437	17,646,350	19,348,274
2015	12,320,400	17,798,604	19,928,240
2016	15,557,136	18,616,503	21,508,339
2017	15,620,795	19,660,169	23,349,654

### Growth of Shares and Loans

Year	Shares	Loans
2013	154,260,806	122,183,602
2014	166,840,695	130,539,617
2015	183,820,025	127,142,226
2016	192,857,488	139,962,879
2017	201,754,258	141,492,369

## FINANCIAL REPORTS







Chartered Accountants  
& Business Advisors

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

**FINANCIAL STATEMENTS**

**31 DECEMBER 2017**



Chartered Accountants  
& Business Advisors

## **UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

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# U.W.I. Credit Union Co-Operative Society Ltd.

115 Eastern Main Road, St. Augustine, Trinidad W.I.

Tel: (868) 662-2002 Ext. 3350-51 Tel./Fax: (868) 645-8526 E-mail: uwicu@cable.nett.net

## U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Management is responsible for the following:

- preparing and fairly presenting the accompanying Financial Statements of U.W.I. Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2017, the statements of comprehensive income, changes in members' equity and cash flows for the year then ended, and a summary of the 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 achievement of the Society's 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 utilized the International Financial Reporting Standards, as issued by the International Accounting Standards Boards 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 authorized for issue, if later.

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

Signed

Date: April 5, 2018

Signed

Date: April 5, 2018

**INDEPENDENT AUDITORS' REPORT****The Members****UWI Credit Union Co-operative Society Limited****Opinion**

We have audited the financial statements of UWI Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2017, the statements of comprehensive income, changes in members' equity 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 UWI Credit Union Co-operative Society Limited as at 31 December 2017 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 UWI 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 2017 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.

PKF Chartered Accountants and Business Advisors (Trinidad) is a member of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Telephone: (868) 235-5063  
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Partners: Renée-Lisa Philip Mark K. Superville



## **INDEPENDENT AUDITORS' REPORT (Cont'd)**

### **Responsibilities of Management and the Board of Directors for the Financial Statements**

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

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

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

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

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

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

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

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

- 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.



**Barataria**  
**TRINIDAD**  
**5 April 2018**



# UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## STATEMENT OF FINANCIAL POSITION



### ASSETS

		31 December	
	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		(\$)	(\$)
<b>Current Assets:</b>			
Cash and cash equivalents	5	55,102,072	47,480,986
Accounts receivable and prepayments	6	<u>2,478,780</u>	<u>2,180,661</u>
<b>Total Current Assets</b>		57,580,852	49,661,647
<b>Non-Current Assets:</b>			
Available-for-sale investments	7	19,292,100	17,132,310
Held-to-maturity investments	8	56,217,035	52,689,354
Loans to members	9	141,492,369	139,962,880
Investment property	10	2,226,954	2,265,161
Fixed assets	11	<u>4,385,248</u>	<u>3,894,199</u>
<b>Total Assets</b>		<u><b>281,194,558</b></u>	<u><b>265,605,551</b></u>

### LIABILITIES AND MEMBERS' EQUITY

<b>Liabilities:</b>			
Accounts payable and accruals	12	630,706	453,080
Members' deposits	13	16,130,187	15,940,199
Members' shares	14	201,754,258	192,857,488
Provision for severance		1,784,265	1,302,824
Provision for honoraria		<u>150,000</u>	<u>100,000</u>
<b>Total Liabilities</b>		<u>220,449,416</u>	<u>210,653,591</u>
<b>Members' Equity:</b>			
Reserve Fund	16	16,332,140	14,769,285
Investment Remeasurement Reserve	17	2,550,730	1,767,841
Education Fund	18	575,001	575,001
Common Good Fund	19	190,750	228,319
Building Fund	20	3,950,059	3,800,059
Retained Earnings		<u>37,146,462</u>	<u>33,811,455</u>
<b>Total Members' Equity</b>		<u>60,745,142</u>	<u>54,951,960</u>
<b>Total Liabilities and Members' Equity</b>		<u><b>281,194,558</b></u>	<u><b>265,605,551</b></u>

These financial statements were approved by the Board of Directors and authorised for issue on 5 April 2018 and signed on their behalf by:

Director:  Chairman, Supervisory Committee: 

(The accompanying notes form part of these financial statements)

# UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31 December	
	Notes	2017 (\$)	2016 (\$)
<b>Income:</b>			
Interest on members' loans	26	19,660,170	18,616,503
Interest on investments	27	3,449,981	2,625,224
Gain on foreign exchange		39,810	121,904
Miscellaneous income		<u>199,693</u>	<u>144,708</u>
		<u>23,349,654</u>	<u>21,508,339</u>
<b>Expenditure:</b>			
Bank charges		15,015	15,781
Board and Committee expenses	28	266,528	214,543
CUNA insurance premium		645,705	618,920
Education expenses		39,795	56,106
Interest on members' deposits		142,622	128,582
Loss on disposal of fixed assets		-	5,764
Loss on foreign exchange		7,694	4,232
Office security and maintenance	29	376,602	260,188
Other administrative expenses	30	1,765,292	772,904
Professional fees	31	369,218	541,101
Salaries and staff benefits	32	3,355,820	2,537,661
Special events	33	<u>744,568</u>	<u>795,421</u>
		<u>7,728,859</u>	<u>5,951,203</u>
Net surplus for the year		15,620,795	15,557,136
<b>Other Comprehensive Income:</b>			
<u>Items that may be reclassified subsequently to profit and loss</u>			
Gain on available-for-sale financial assets		<u>782,889</u>	<u>56,219</u>
<b>Total Comprehensive Income for the year</b>		<u><b>16,403,684</b></u>	<u><b>15,613,355</b></u>

# UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## STATEMENT OF CHANGES IN MEMBERS' EQUITY

31 DECEMBER 2017

	Reserve Fund (\$)	Investment Remeasurement Reserve (\$)	Education Fund (\$)	Common Good Fund (\$)	Building Fund (\$)	Retained Earnings (\$)	Total (\$)
Balance as at 1 January 2017	14,769,285	1,767,841	575,001	228,319	3,800,059	33,811,455	54,951,960
Total Comprehensive Income	-	782,889	-	-	-	15,620,795	16,403,684
Less: Appropriations as follows:							
10% to Reserve Fund	1,562,080	-	-	-	-	(1,562,080)	-
Education Fund	-	-	39,795	-	-	(39,795)	-
Common Good Fund	-	-	-	51,962	-	(51,962)	-
Building Fund	-	-	-	-	150,000	(150,000)	-
	16,331,365	2,550,730	614,796	280,281	3,950,059	47,628,413	71,355,644
Add/(less) adjustments as follows:							
Donations	-	-	-	(89,531)	-	89,531	-
Education expense	-	-	(39,795)	-	-	39,795	-
Dividends paid	-	-	-	-	-	(10,610,502)	(10,610,502)
Entrance fees	775	-	-	-	-	(775)	-
Balance as at 31 December 2017	<u>16,332,140</u>	<u>2,550,730</u>	<u>575,001</u>	<u>190,750</u>	<u>3,950,059</u>	<u>37,146,462</u>	<u>60,745,142</u>

(The accompanying notes form part of these financial statements)

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

**STATEMENT OF CHANGES IN MEMBERS' EQUITY  
(CONTINUED)**

**31 DECEMBER 2017**

	<b>Reserve Fund (\$)</b>	<b>Investment Remeasurement Reserve (\$)</b>	<b>Education Fund (\$)</b>	<b>Common Good Fund (\$)</b>	<b>Building Fund (\$)</b>	<b>Retained Earnings (\$)</b>	<b>Total (\$)</b>
Balance as at 1 January 2016	13,212,671	1,711,622	575,001	250,000	3,650,059	28,832,108	48,231,461
Total Comprehensive Income		56,219			-	15,557,136	15,613,355
Less: Appropriations as follows:							
10% to Reserve Fund	1,555,714	-	-	-	-	(1,555,714)	-
Education Fund		-	56,106	-	-	(56,106)	-
Common Good Fund		-	-	50,000	-	(50,000)	-
Building Fund		-	-	-	150,000	(150,000)	-
	14,768,385	1,767,841	631,107	300,000	3,800,059	42,577,424	63,844,816
Add/(less) adjustments as follows:							
Donations	-	-	-	(71,681)	-	71,681	-
Education expense	-	-	(56,106)	-	-	56,106	-
Dividends paid	-	-	-	-	-	(8,892,856)	(8,892,856)
Entrance fees	900	-	-	-	-	(900)	-
Balance as at 31 December 2016	<u>14,769,285</u>	<u>1,767,841</u>	<u>575,001</u>	<u>228,319</u>	<u>3,800,059</u>	<u>33,811,455</u>	<u>54,951,960</u>

(The accompanying notes form part of these financial statements)

# UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## STATEMENT OF CASH FLOWS

		31 December	
	<u>Notes</u>	<u>2017</u> (\$)	<u>2016</u> (\$)
<b>Operating Activities:</b>			
Net surplus for the year		15,620,795	15,557,136
Adjustments for:-			
Severance benefits adjustment		481,441	127,424
Depreciation		392,140	342,326
Honoraria expense		143,192	92,956
Loan loss expense		910,709	-
(Gain)/loss on disposal of fixed asset		<u>(27,035)</u>	<u>5,764</u>
Operating Profit before changes in Working Capital		17,521,242	16,125,606
Working Capital Changes	34	<u>(213,685)</u>	<u>(483,273)</u>
Net cash generated from Operating Activities		17,307,557	15,642,333
<b>Investing Activities:</b>			
Net cash used in Investing Activities	35	(8,162,727)	(26,382,593)
<b>Finance Activities:</b>			
Net cash (used in)/generated from Financing Activities	36	<u>(1,523,744)</u>	<u>538,691</u>
Net change in cash and cash equivalents		7,621,086	(10,201,569)
Cash and cash equivalents, beginning of year		<u>47,480,986</u>	<u>57,682,555</u>
<b>Cash and cash equivalents, end of year</b>		<b><u>55,102,072</u></b>	<b><u>47,480,986</u></b>
<b>Represented by:</b>			
Cash and cash equivalents		<u>55,102,072</u>	<u>47,480,986</u>



# UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

### 1. **Incorporation and Principal Activities:**

The Society is incorporated under the Co-operative Societies Act of the Republic of Trinidad and Tobago on 4<sup>th</sup> May 1966. Its registered office is situated at 118 Eastern Main Road, St. Augustine. It operates a Credit Union for the benefit of employees, staff of the University of the West Indies, its successors, subsidiaries, associated companies and institutions and persons who are closely connected with the bona fide employees, pensioners and contractors as stated above and such persons and personnel of companies and institutions approved by the Board of Directors.

The Credit Union is also an agent of CUNA Caribbean Insurance Society Limited and the Unit Trust Corporation of Trinidad and Tobago.

### 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 dollar. These financial statements are stated on the historical cost basis, except for the measurement at fair value of available-for-sale investments.

#### (b) **Use of estimates -**

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the 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 revenues and expenses 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) **Comparative information -**

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



# UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

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

#### (d) New Accounting Standards and Interpretations -

The Society has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Society or have no material impact on its financial statements, except for IFRS 9 Financial Instruments:

IFRS 1	First-time Adoption of Financial Reporting Standards - Amendments regarding the deletion of short-term exemptions for first-time adopters (effective for accounting periods beginning on or after 1 January 2018).
IFRS 2	Share-based Payment - Amendments regarding the classification and measurement of share-based payment transactions (effective for accounting periods beginning on or after 1 January 2018).
IFRS 4	Insurance Contracts - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).
IFRS 9	Financial Instruments (effective for accounting periods beginning on or after 1 January 2018).
IFRS 9	Financial Instruments - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).
IFRS 9	Financial Instruments - Amendments regarding prepayment features with negative compensation (effective for accounting periods beginning on or after 1 January 2019).
IFRS 12	Disclosure of Interest in Other Entities - Amendments regarding the specification of the disclosure requirements for an entity's interest classified as held-for-sale, held for distribution or as a discontinued operation (effective for accounting periods beginning on or after 1 January 2017).
IFRS 15	Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018).
IFRS 16	Leases (effective for accounting periods beginning on or after 1 January 2019).
IFRS 17	Insurance Contracts (effective for accounting periods beginning on or after 1 January 2021).

# UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

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

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

IAS 7	Statement of Cash Flows - Amendments resulting from disclosure initiative (effective for accounting periods beginning on or after 1 January 2017).
IAS 12	Income Taxes - Amendments resulting from recognition of deferred tax assets for unrealised losses (effective for accounting periods beginning on or after 1 January 2017).
IAS 28	Investment in Associates - Amendments regarding the long-term interests in associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2019).
IAS 40	Investment Property - Amendments regarding the transfer of investment property (effective for accounting periods beginning on or after 1 July 2018).
IFRIC 22	Foreign Currency Transactions and Advance Consideration (effective for accounting periods beginning on or after 1 January 2018).
IFRIC 23	Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019).

The Society has not applied IFRS 9 which has been issued but is not yet effective. Although its effect is likely to be significant, the impact cannot be determined with any degree of certainty, particularly with regard to twelve-month and life-time expected credit loss.

#### (d) Fixed assets -

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided on the straight-line basis except for building, which is depreciated on the declining balance method.

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

Office furniture	-	10%
Office equipment	-	20%
Fixtures and fittings	-	10%
Office machinery	-	33%
Air Condition units	-	20%
Building	-	4%

No depreciation is provided on freehold land or capital work-in-progress.

# U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

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

#### (d) **Fixed assets (cont'd) -**

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the "Gain /Loss on Disposal" account in the Statement of Comprehensive Income.

#### (e) **Financial instruments -**

Financial instruments carried on the Statement of Financial Position include cash resources, investments, loans, deposits and other liabilities. The standard treatment for recognition, de-recognition, classification and measurement of this Credit Union's financial instruments are noted in notes (i) – (iv), whilst additional information on specific categories of this Credit Union's financial instruments are disclosed in notes 5-8,10.

##### i) **Recognition**

The Credit Union initially recognizes loans, advances and deposits on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognized on the transaction date on which this Credit Union becomes a party to the contractual provision of the instrument.

##### ii) **De-recognition**

This Credit Union derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

##### iii) **Classification**

This Credit Union classifies its financial assets into the following categories: Cash and cash equivalents, financial assets at fair value through profit and loss; loans and receivables; held-to-maturity; and available-for sale assets. Management determines the classification of its investments at initial recognition.



U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

2. Significant Accounting Policies (Cont'd):

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

iii) **Classification (cont'd)**

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits with banks and short term highly liquid investments with maturities of three months or less when purchased. These are shown at cost which approximates market value.

Financial assets at fair value through the profit and loss

This category includes financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when this Credit Union provides money directly to its members with no intention of trading the receivable. Loans to members are stated at principal amounts outstanding net of allowances for loan losses. Specific allowances are made for potential losses on non-performing loans on the basis of net realizable value. Periodic portfolio reviews are conducted during the course of each year to determine the adequacy of allowances. Loans are secured by various forms of collateral, including charges over tangible assets, certificates of deposit, and assignment of funds held with other financial institutions.

Held to maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that this Credit Union's management has the positive intention and ability to hold to maturity. If this Credit Union were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be compromised and re-classified as available-for-sale.

Available-for-sale

Available-for-sale investments are those intended to be held for an indefinite period of time, and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

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

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

iii) **Classification (cont'd)**

Members' deposits

Members' deposits are stated at the principal amounts invested by members together with any capitalised interest. Members' deposits bear interest at rates that are not significantly different from current market rates and are assumed to have discounted cash flow values which approximate carrying values.

Members' shares

Members' shares are stated at fair value.

iv) **Measurement**

Financial instruments are measured initially at cost, including transaction costs. Subsequent to initial recognition, all financial assets at fair value through profit and loss and available-for-sale assets are measured at fair value, based on their quoted market price, at the reporting date, without any deduction for transaction costs. Where the instrument is not actively traded or quoted on recognized exchanges, fair value is determined using discounted cash flow analysis.

Any available-for-sale asset that does not have a quoted market price in an active market and where fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses. Gains and losses, both realized and unrealized, arising from the change in the financial assets at fair value through profit and loss are reported in other income.

All non-trading financial liabilities, originated loans and receivables and held-to-maturity assets are measured at amortised costs less impairment losses. Amortized cost is calculated on the effective interest method.

On disposal or on maturity of an investment, the difference between the net proceeds and the carrying amount is included in the Statement of Comprehensive Income. When available-for-sale assets are sold, converted or otherwise disposed of, the cumulative gain or loss recognized in equity is transferred to the Statement of Comprehensive Income.

v) **Impairment of financial assets**

The Credit Union assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

**U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

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

**v) Impairment of financial assets (cont'd)**

A financial asset or group of financial assets is impaired and impairment losses are incurred if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Credit Union about the following loss events:

- Significant financial difficulty of the issuer or obligor.
- A breach of contract, such as default or delinquency in interest or principal payments.
- It becoming probable that the borrower will enter in bankruptcy or other financial reorganization.
- The disappearance of an active market for that financial asset because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the estimated cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including adverse changes in the payment status of borrowers in the Credit Union or national or economic conditions that correlate with defaults on assets in the Credit Union.

**(f) Revenue recognition -**

**Loan Interest**

Interest charged on all loans to members is calculated at between 1% and 1.56% per month except for interest on mortgage loans, which is charged at 0.83% per month on the amount outstanding at the end of each month. In accordance with the practice in the Credit Union industry, interest income is only recognised when collected although it is accrued on the members' accounts.

Non-performing loans are amounts for which interest no longer continues to be accrued on the member's account on an ongoing basis because there is doubt as to the recoverability of the loans. Any income from loans recognised as non-performing is taken into income on a cash basis, but only after allowances for losses has been made. For non-performing loans, specific allowances are made for the unsecured portion of the loan.



**U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

**(f) Revenue recognition (cont'd) -**

Investment Income

Income from investments is accounted for on the accruals basis except for dividends, which are accounted for on a cash basis, consistent with International Accounting Standard #10.

Rental Income

Rental income is recognized on a straight line basis over the term of the lease.

**(g) Dividends payable to members -**

These dividends are computed on the basis of the average number of shares in issue throughout the year, the average being determined on the basis of the number of shares held at the end of each day.

**(h) Comparative figures -**

Where necessary, comparative data has been adjusted to conform to changes in the presentation of data in the current year. In particular, the comparative data has been adjusted to take into account the adoption of IAS 39. 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.

**(i) Foreign currency -**

Transactions in foreign currencies are translated at the rate of exchange ruling at the transaction date. Foreign monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange prevailing at the reporting date. Resulting translation differences and profits and losses from trading activities are included in the Statement of Comprehensive Income.

**(j) Investment property -**

Properties held for long-term rental yields and capital appreciation, which is not substantially occupied by the Society are classified as investment properties. Investment properties comprise land and buildings and are stated at historical cost less accumulated depreciation is provided on a straight line basis.

# U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

### 3. Financial Risk Management:

#### Financial risk factors

The Credit Union's activities are primarily related to the use of financial instruments. The Credit Union accepts funds from members and earns interest by investing in equity investments, government securities and on-lending to members at higher interest rates.

#### Financial Instruments

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

Financial Instruments	2017	
	Carrying Value	Fair Value
	(\$)	(\$)
<b>Financial Assets</b>		
Cash in hand and at bank	26,691,058	26,691,058
Fixed deposits	28,411,014	28,411,014
Investment securities	75,509,135	75,509,135
Loans to members	141,492,369	141,492,369
<b>Financial Liabilities</b>		
Members' deposits	16,130,187	16,130,187
<b>Financial Instruments</b>	2016	
	Carrying Value	Fair Value
	(\$)	(\$)
<b>Financial Assets</b>		
Cash in hand and at bank	19,331,343	19,331,343
Fixed deposits	28,149,643	28,149,643
Investment securities	69,821,664	69,821,664
Loans to members	139,962,880	139,962,880
<b>Financial Liabilities</b>		
Members' deposits	15,940,199	15,940,199

# U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

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

The Credit Union 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 policies employed by the Credit Union 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 Credit Union 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.

#### i) **Bonds**

The Society invests mainly in medium to long term bonds consisting of both floating rate and fixed rate instruments.

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

The Credit Union actively monitors bonds with maturities greater than ten years, as well as the interest rate policies of the Central Bank of Trinidad and Tobago.

# U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

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

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

##### ii) Loans

The Credit Union generally invests in fixed rate loans for terms not exceeding ten years. These are funded mainly from member deposits and shares.

##### iii) Interest rate sensitivity analysis

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.

2017						
	<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> (\$)	<u>Total</u> (\$)
<b>Financial Assets</b>						
Cash in hand and at bank	0.01%	26,651,058	-	-	40,020	26,691,058
Fixed deposits	1.33%	28,411,014	-	-	-	28,411,014
Investment securities	2.82%	75,509,135	-	-	-	75,509,135
Loans to members	13.76%	817,731	39,405,639	101,217,506	51,493	141,492,369
		<u>131,388,938</u>	<u>39,405,679</u>	<u>101,217,506</u>	<u>91,513</u>	<u>272,103,576</u>
<b>Financial Liabilities</b>						
Members' deposits	2.10%	<u>16,130,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,130,187</u>
2016						
	<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> (\$)	<u>Total</u> (\$)
<b>Financial Assets</b>						
Cash in hand and at bank	0.01%	19,291,343	-	-	40,000	19,331,343
Fixed deposits	1.33%	28,149,643	-	-	-	28,149,643
Investment securities	2.82%	69,821,664	-	-	-	69,821,664
Loans to members	13.76%	3,184,302	40,751,029	95,972,786	54,763	139,962,880
		<u>120,446,952</u>	<u>40,751,029</u>	<u>95,972,786</u>	<u>94,763</u>	<u>257,265,530</u>
<b>Financial Liabilities</b>						
Members' deposits	2.10%	<u>15,940,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,940,199</u>



# U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

### 3. Financial Risk Management (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 Credit Union 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 Credit Union's lending philosophy; provide policy guidelines to team members involved 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 Credit Union'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 Credit Union has policies to limit the amount of exposure to any single financial institution.

The Credit Union 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 of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Credit Union 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 Credit Union is exposed to 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 Credit Union. The Credit Union employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Credit Union's assets as well as generating sufficient cash from new and renewed members' deposits and shares.

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

**U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

**(c) Liquidity risk (cont'd) -**

**ii) Liquidity gap**

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

	<u>2017</u>			<u>Non-Interest Bearing</u>	<u>Total</u>
	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>(%)</u>	<u>(%)</u>
	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>		
<b>Financial Assets</b>					
Cash in hand and at bank	26,651,058	-	-	40,020	26,691,058
Fixed deposits	28,411,014	-	-	-	28,411,014
Investment securities	75,509,135	-	-	-	75,509,135
Loans to members	817,731	39,405,639	101,217,506	51,493	141,492,369
	<u>131,388,938</u>	<u>39,405,679</u>	<u>101,217,506</u>	<u>91,513</u>	<u>272,103,576</u>
<b>Financial Liabilities</b>					
Members' deposits	<u>16,130,187</u>	-	-	-	<u>16,130,187</u>
	<u>16,130,187</u>	-	-	-	<u>16,130,187</u>
	<u>2016</u>			<u>Non-Interest Bearing</u>	<u>Total</u>
	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>(%)</u>	<u>(%)</u>
	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>		
<b>Financial Assets</b>					
Cash in hand and at bank	19,291,343	-	-	40,000	19,331,343
Fixed deposits	28,149,643	-	-	-	28,149,643
Investment securities	69,821,664	-	-	-	69,821,664
Loans to members	3,184,302	40,751,029	95,972,786	54,763	139,962,880
	<u>120,446,952</u>	<u>40,751,029</u>	<u>95,972,786</u>	<u>94,763</u>	<u>257,265,530</u>
<b>Financial Liabilities</b>					
Members' deposits	<u>15,940,199</u>	-	-	-	<u>15,940,199</u>
	<u>15,940,199</u>	-	-	-	<u>15,940,199</u>



**U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**3. Financial Risk Management (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 Credit Union's measurement currency. The Credit Union is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Credit Union's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

**(e) Operational risk -**

Operational risk is the risk that derives from deficiencies relating to the Credit Union's information technology and control systems, as well as the risk of human error and natural disasters. The Credit Union's systems are evaluated, maintained and upgraded continuously.

**(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 Credit Union.

**(g) Reputation risk -**

The risk of loss of reputation arising from the negative publicity relating to the Credit Union's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Credit Union. The Credit Union applies procedures to minimise this risk.

**Fair value estimation**

The fair values of the Credit Union's financial assets and liabilities approximates to their carrying amounts at the reporting date.

# U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

### 4. Critical Accounting Estimates and Judgments:

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions in the process of applying the Credit Union's accounting policies. See **Note 2 (b)**.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. The Credit Union makes estimates and assumptions concerning the future. However, actual results could differ from those estimates 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 judgments, 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 held to maturity investments, available for sale or loans and receivables.
- ii) Which depreciation method is used for fixed assets.

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 judgments) 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. The recoverable amount is the present value of the future cash flows. Allowances are made for the excess of the carrying value over its recoverable amount.

- ii) Fixed assets

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

**U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**5. Cash and Cash Equivalents:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Republic Bank Limited Savings Account	26,605,776	19,245,398
RBC Bank Limited - US\$ Account	45,282	45,945
Trinidad and Tobago Unit Trust Corporation	19,055,197	18,839,287
JMMB Investments	558,201	512,740
KCL Capital Market Brokers	8,797,616	8,797,616
Cash in hand	<u>40,000</u>	<u>40,000</u>
	<b><u>55,102,072</u></b>	<b><u>47,480,986</u></b>

**6. Accounts Receivable and Prepayments:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
VAT receivable	292,163	292,163
CUNA Claims receivable	41,300	1,458
Investment income receivable and sundry debtors	2,065,317	1,807,040
LINCUS deposit	<u>80,000</u>	<u>80,000</u>
	<b><u>2,478,780</u></b>	<b><u>2,180,661</u></b>

**7. Available-for-Sale Investments:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Central Finance Facility investment	25,000	25,000
Firstline Securities	17,067,467	17,107,310
Trinidad and Tobago National Gas APO	<u>2,199,633</u>	<u>-</u>
	<b><u>19,292,100</u></b>	<b><u>17,132,310</u></b>

# UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

### 8. Held-to-Maturity Investments:

	31 December	
	<u>2017</u>	<u>2016</u>
	(\$)	(\$)
ROYTRIN Mutual Funds	9,337,355	8,437,539
Guardian Asset Management	11,045,000	10,834,556
Trinidad and Tobago Unit Trust Corporation	4,272,913	4,096,143
Bourse Securities Limited	14,502,259	14,083,481
First Citizens Bank Limited	2,047,008	2,237,635
KCL Giant Screen Entertainment	6,000,000	6,000,000
Sheppard Securities Limited	4,012,500	2,000,000
KCL Capital Market Brokers Limited	<u>5,000,000</u>	<u>5,000,000</u>
	<u><b>56,217,035</b></u>	<u><b>52,689,354</b></u>

### 9. Loans to Members:

	31 December	
	<u>2017</u>	<u>2016</u>
	(\$)	(\$)
Members' ordinary loans	125,036,227	125,503,972
Members' short-term loans	51,493	66,300
Members' mortgage loans	<u>23,138,558</u>	<u>20,215,808</u>
	148,226,278	145,786,080
Less: Allowance for loan losses	<u>(6,733,909)</u>	<u>(5,823,200)</u>
	<u><b>141,492,369</b></u>	<u><b>139,962,880</b></u>
<u>Allowance for loan losses</u>		
Balance brought forward	5,823,200	5,823,200
Additional allowance for loan losses	<u>910,709</u>	<u>-</u>
Balance carried forward	<u>6,733,909</u>	<u>5,823,200</u>



# UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

### 10. Investment Property:

	<u>Land</u> (\$)	<u>Building</u> (\$)	<u>Total</u> (\$)
<b>Cost</b>			
Balance as at 1 January 2017	1,310,000	1,588,208	2,898,208
Additions	-	-	-
Balance as at 31 December 2017	<u>1,310,000</u>	<u>1,588,208</u>	<u>2,898,208</u>
<b>Accumulated Depreciation</b>			
Balance as at 1 January 2017	-	633,047	633,047
Charge for the year	-	<u>38,207</u>	<u>38,207</u>
Balance as at 31 December 2017	-	<u>671,254</u>	<u>671,254</u>
<b>Net Book Value</b>			
Balance as at 31 December 2017	<u><b>1,310,000</b></u>	<u><b>916,954</b></u>	<u><b>2,226,954</b></u>
Balance as at 31 December 2016	<u><b>1,310,000</b></u>	<u><b>955,161</b></u>	<u><b>2,265,161</b></u>
	<u>Land</u> (\$)	<u>Building</u> (\$)	<u>Total</u> (\$)
<b>Cost</b>			
Balance as at 1 January 2016	1,310,000	1,588,208	2,898,208
Additions	-	-	-
Balance as at 31 December 2016	<u>1,310,000</u>	<u>1,588,208</u>	<u>2,898,208</u>
<b>Accumulated Depreciation</b>			
Balance as at 1 January 2016	-	593,248	593,248
Charge for the year	-	<u>39,799</u>	<u>39,799</u>
Balance as at 31 December 2016	-	<u>633,047</u>	<u>633,047</u>
<b>Net Book Value</b>			
Balance as at 31 December 2016	<u><b>1,310,000</b></u>	<u><b>955,161</b></u>	<u><b>2,265,161</b></u>
Balance as at 31 December 2015	<u><b>1,310,000</b></u>	<u><b>994,960</b></u>	<u><b>2,304,960</b></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**11. Fixed Assets:**

	<b>Land and Building (\$)</b>	<b>Office Furniture (\$)</b>	<b>Office Equipment (\$)</b>	<b>Fixtures and Fittings (\$)</b>	<b>Office Machinery (\$)</b>	<b>Air Condition Unit (\$)</b>	<b>WIP (\$)</b>	<b>Total (\$)</b>
<b>Cost</b>								
Balance as at 1 January 2017	3,406,681	457,336	332,203	599,944	309,877	86,240	599,850	5,792,131
Additions	7,425	35,142	-	3,999	5,681	-	816,936	869,183
Disposals	-	(11,762)	(8,487)	-	(22,286)	-	-	(42,535)
Transfers	502,655	129,581	41,793	183,586	143,629	188,134	(1,189,378)	-
Balance as at 31 December 2017	<u>3,916,761</u>	<u>610,297</u>	<u>365,509</u>	<u>787,529</u>	<u>436,901</u>	<u>274,374</u>	<u>227,408</u>	<u>6,618,779</u>
<b>Accumulated Depreciation</b>								
Balance as at 1 January 2017	1,005,871	312,575	170,828	168,417	206,826	33,415	-	1,897,932
Charge for the year	79,157	39,564	56,726	69,607	75,431	33,448	-	353,933
Disposal	-	-	(7,854)	-	(10,480)	-	-	(18,334)
Balance as at 31 December 2017	<u>1,085,028</u>	<u>352,139</u>	<u>219,700</u>	<u>238,024</u>	<u>271,777</u>	<u>66,863</u>	<u>-</u>	<u>2,233,531</u>
<b>Net Book Value</b>								
Balance as at 31 December 2017	<u>2,831,733</u>	<u>258,158</u>	<u>145,809</u>	<u>549,505</u>	<u>165,124</u>	<u>207,511</u>	<u>227,408</u>	<u>4,385,248</u>
Balance as at 31 December 2016	<u>2,400,810</u>	<u>144,761</u>	<u>161,375</u>	<u>431,527</u>	<u>103,051</u>	<u>52,825</u>	<u>599,850</u>	<u>3,894,199</u>



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

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**11. Fixed Assets (Cont'd):**

	<b>Land and Building (\$)</b>	<b>Office Furniture (\$)</b>	<b>Office Equipment (\$)</b>	<b>Fixtures and Fittings (\$)</b>	<b>Office Machinery (\$)</b>	<b>Air Condition Unit (\$)</b>	<b>WIP (\$)</b>	<b>Total (\$)</b>
<b>Cost</b>								
Balance as at 1 January 2016	3,414,483	607,709	497,751	647,133	376,960	253,416	-	5,797,452
Additions	-	-	47,539	8,719	71,125	-	599,850	727,233
Transfers	(7,802)	(150,373)	(213,087)	(55,908)	(138,208)	(167,176)	-	(732,554)
Balance as at 31 December 2016	<u>3,406,681</u>	<u>457,336</u>	<u>332,203</u>	<u>599,944</u>	<u>309,877</u>	<u>86,240</u>	<u>599,850</u>	<u>5,792,131</u>
<b>Accumulated Depreciation</b>								
Balance as at 1 January 2016	931,071	415,905	328,102	164,040	293,599	180,936	-	2,313,653
Charge for the year	78,494	39,021	55,813	60,182	51,435	17,582	-	302,527
	(3,694)	(142,351)	(213,087)	(55,805)	(138,208)	(165,103)	-	(718,248)
Balance as at 31 December 2016	<u>1,005,871</u>	<u>312,575</u>	<u>170,828</u>	<u>168,417</u>	<u>206,826</u>	<u>33,415</u>	<u>-</u>	<u>1,897,932</u>
<b>Net Book Value</b>								
Balance as at 31 December 2016	<u>2,400,810</u>	<u>144,761</u>	<u>161,375</u>	<u>431,527</u>	<u>103,051</u>	<u>52,825</u>	<u>599,850</u>	<u>3,894,199</u>
Balance as at 31 December 2015	<u>2,483,412</u>	<u>191,804</u>	<u>169,649</u>	<u>483,093</u>	<u>83,361</u>	<u>72,480</u>	<u>-</u>	<u>3,483,799</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**12. Accounts Payable and Accruals:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Interest on members' fixed deposits	65,607	66,196
Accruals	204,443	192,557
Stabilization Fund	45,434	47,158
Stale-dated cheques	166,572	37,374
Vacation leave payable	145,610	106,760
UTC Member transactions	<u>3,040</u>	<u>3,035</u>
	<b><u>630,706</u></b>	<b><u>453,080</u></b>

**13. Members' Deposits:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Members' fixed deposits	9,489,925	9,347,284
Target deposits	<u>6,640,262</u>	<u>6,592,915</u>
	<b><u>16,130,187</u></b>	<b><u>15,940,199</u></b>

**14. Members' Shares:**

The capital of the Credit Union consists of unlimited number of shares of **\$5.00** each.

Members' share balances are represented by members' share purchases and accumulated dividends, which are classified into shares of **\$5.00** each.

In accordance with International Financial Reporting Interpretation Committee (IFRIC) Interpretation #2, redeemable shares have been treated as liabilities.

# UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

**15. Proposed Dividends:**

The Board of Directors has proposed a dividend of **\$7,831,677** or **4%** for the year ended 31 December 2017 (\$9,788,233 or 5.00% in 2016) and an interest rebate on loans of **\$464,007** or **3%** on Ordinary loans and **\$62,609** or **4%** on Unsecured and Demand loans for the year ended 31 December 2017 (\$1,207,337 or 7.00% in 2016). This dividend is subject to approval by the membership at the Annual General Meeting and has not been included as a liability in these financial statements in accordance with IAS 10.

**16. Reserve Fund:**

In accordance with the Co-operative Societies Act, Chapter 81:03, Section 47 (2) and By-Law 16 of the Credit Union, at least 10% of the net surplus for the year of the Credit Union is to be charged to the reserve fund.

**17. Investment Re-measurement Reserve:**

In accordance with By-Law 33 (x) and IAS 39, the Board of Directors has created an investment re-measurement reserve which includes unrealised gains/losses on available-for-sale investments.

**18. Education Fund:**

In accordance with By-Law 16 (a) of the Credit Union, an amount not exceeding 5% of the net surplus for the year, after making provision for the Reserve Fund, is transferred to an Education Fund. This fund is to be used for educational purposes, in accordance with the By-Laws.

**19. Common Good Fund:**

This reserve includes appropriations transferred from Retained Earnings, as considered necessary by the Board of Directors.

**20. Building Fund:**

This reserve includes appropriations transferred from Retained Earnings, as considered necessary by the Board of Directors.

**21. Employees:**

The number of employees in the Credit Union at 31 December 2017 amounted to 15 (2016 - 13).

**U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
<b>Assets</b>		
Loans to directors and key management personnel and related persons	4,171,458	5,247,986
<b>Deposits and other liabilities</b>		
Deposits held by directors and key management and related parties	223,320	247,348
<b>Shares</b>		
Shares held by directors and key management	2,814,425	4,366,175
<b>Income</b>		
Directors and key management personnel	644,535	656,794
<b>Interest and other expenses</b>		
Directors and key management personnel	213,104	238,014
Key management compensation	373,385	335,588



# U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

### 23. **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. See Note 2 (e). Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, 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 general allowances for losses as follows:

<u>Arrears</u>	<u>Rate</u>
3 - 6 months	33.0%
6 - 9 months	66.6%
9 - 12 months	100.0%

Specific allowances are also made when loans are recognised as impaired. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The rate 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 quoted market prices.

#### (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.

# U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2017

### 24. Capital Risk Management:

The Society manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members, and providing value to its members by offering loan and savings facilities. The Society's overall strategy remains unchanged from previous years. The capital structure of the Society consists of equity attributable to members, and comprises members' shares, reserves and retained earnings.

### 25. Capital Commitment:

The Society has no capital commitments for 2017 and beyond.

### 26. Interest on Members' Loans:

	31 December	
	<u>2017</u>	<u>2016</u>
	(\$)	(\$)
Interest on ordinary loans	17,830,591	17,275,256
Interest on mortgage	<u>1,829,579</u>	<u>1,341,247</u>
	<u><b>19,660,170</b></u>	<u><b>18,616,503</b></u>

### 27. Interest on Investments:

	31 December	
	<u>2017</u>	<u>2016</u>
	(\$)	(\$)
Interest on savings account	30,166	30,053
Investment income	<u>3,419,815</u>	<u>2,595,171</u>
	<u><b>3,449,981</b></u>	<u><b>2,625,224</b></u>

### 28. Board and Committee Expenses:

	31 December	
	<u>2017</u>	<u>2016</u>
	(\$)	(\$)
Meeting	123,336	121,587
Honoraria	<u>143,192</u>	<u>92,956</u>
	<u><b>266,528</b></u>	<u><b>214,543</b></u>



**U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**29. Office Security and Maintenance:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Office expenses	203,803	144,146
Building maintenance	117,756	58,081
Security	8,527	15,074
Insurances	<u>46,516</u>	<u>42,887</u>
	<b><u>376,602</u></b>	<b><u>260,188</u></b>

**30. Other Administrative Expenses:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Advertising and promotion	24,223	14,854
Annual general meeting	124,353	124,758
Depreciation	392,140	342,326
Donations	89,531	71,681
League dues	5,000	5,000
Loan loss expense	910,709	-
Miscellaneous	6,878	9,572
Printing, postage and stationery	57,716	42,263
Stabilization Fund	45,434	47,158
Travelling and subsistence	13,070	4,618
Utilities	<u>96,238</u>	<u>110,674</u>
	<b><u>1,765,292</u></b>	<b><u>772,904</u></b>

**31. Professional Fees:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Legal and professional fees	<b><u>369,218</u></b>	<b><u>541,101</u></b>

**U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**32. Salaries and Staff Benefits:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Group Life and Health	29,393	39,200
National Insurance contributions	132,142	110,022
Salaries	2,388,348	1,944,793
Staff bonus and benefits	38,492	12,688
Pension payments	137,670	120,882
Training and development	148,334	136,752
Severance benefit expense	<u>481,441</u>	<u>173,324</u>
	<b><u>3,355,820</u></b>	<b><u>2,537,661</u></b>

**33. Special Events:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Bursaries and awards	61,411	51,807
Conventions and seminars	347,537	419,262
Credit Union Week	52,402	50,531
Social and cultural activities	<u>283,218</u>	<u>273,821</u>
	<b><u>744,568</u></b>	<b><u>795,421</u></b>

**34. Working Capital Changes:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Net change in accounts receivable and prepayments	(298,119)	(290,694)
Net change in accounts payable and accruals	177,626	(49,623)
Honorarium paid	<u>(93,192)</u>	<u>(142,956)</u>
	<b><u>(213,685)</u></b>	<b><u>(483,273)</u></b>

**U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**35. Net Cash Used in Investing Activities:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Additions to property, plant and equipment	(869,183)	(727,233)
Proceeds from the disposal of fixed assets	51,236	8,542
Net change in held-to-maturity investments	(3,527,681)	(9,974,481)
Net change in loans to members	(2,440,198)	(12,820,655)
Change in available-for-sale investments	<u>(1,376,901)</u>	<u>(2,868,766)</u>
	<b><u>(8,162,727)</u></b>	<b><u>(26,382,593)</u></b>

**36. Net Cash (Used in)/Generated from Financing Activities:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Increase in members' shares	8,896,770	9,037,463
Net change in members' deposits	189,988	394,084
Dividends paid on members' shares	<u>(10,610,502)</u>	<u>(8,892,856)</u>
	<b><u>(1,523,744)</u></b>	<b><u>538,691</u></b>

## RESOLUTIONS

Be it resolved that an allocation of \$ 1,560,877 representing 10% of the Net Surplus for the Year Ended 31st December, 2017 be credited to **the Reserve Fund**

Be it resolved that an allocation of \$39,795.15 of the Net Surplus for the Year Ended 31st December, 2017 be credited to the **Education Fund**

Be it resolved that an allocation of \$51,962 of the Net Surplus for the Year Ended 31st December, 2017 be credited to the **Common Good Fund**

Be it resolved that an allocation of \$150,000 of the Net Surplus for the Year Ended 31st December, 2017 be credited to the **Building Fund**

Be it resolved that a **Dividend** of 4% (\$7,831,677.05) on Shares be approved and that same be distributed in cash to members in good financial standing.

Be it resolved that an **Interest Rebate** with respect to loans be approved and applied in the following manner:

- (1) 3% (\$464,006.91) in respect of Ordinary Loans; and
- (2) 4% (\$62,608.83) in respect of Unsecure/Demand Loans

Be it resolved that an allocation of \$150,000.00 of the Net Surplus for the Year Ended 31<sup>st</sup> December, 2017 be approved and paid as Honorarium for 2017.

Be it resolved that the firm of PKF (Trinidad) be retained as Auditors for the Financial Year Ending 31<sup>st</sup> December, 2018

## PAYMENT OF DIVIDENDS

Dear Member

Please be advised that, subject to the approval of the resolution for dividend distribution at the Annual General Meeting, ALL dividends will be paid to Members via ACH on Friday April 13, 2018.

Members who DO NOT wish to have ALL dividends sent to their bank accounts are asked to complete the form below and return it to the Credit Union office not later than Thursday April 12, 2018.

Members without bank information will have their Dividend credited to their Special Deposit Account. Withdrawals will be subject to compliance with the Know Your Customer requirements.



Donna Rosales Gray (Mrs.)  
General Manager  
March 22, 2018

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To : The General Manager, U.W.I. C.U.

Please allocate my 2018 dividend payment as indicated below:

Option 1 ☐ All to Loan (Ordinary/Demand/Unsecured)

Option 2 ☐ All to Target Deposit

Option 3 ☐ -----  
Please specify clearly

-----  
Name in Block Letters

-----  
Signature

Credit Union Account Number -----



## APPENDIX 1

### *Services Offered by U.W.I. Credit Union*

- Awards for Excellence (in National, International Education & Sports)
- Bursaries (5) – 1 Community, 4 Members
- CAPE/A level Grants
- Departmental Representatives for the Dissemination of Information
- **Direct bank transfers from credit union accounts**
- Dividend on Shares
- Educational Programmes
- Family Indemnity via CUNA Mutual Group (Death Benefit)
- Financial Counselling
- Financial Planning
- Financial Plans for Retirees
- Fixed Deposits
- Insurance on Loans up to \$100,000.00
- Legal Advice
- Linx acceptance
- Loans (Ordinary, Home Improvement, Mortgage, Small Business) at Competitive Rates
- Personal Pension Plan via CUNA Mutual and UTC
- Secondary Entrance Assessment Grants
- Social, Cultural and Sporting Programmes
- Special Incentives on Savings
- Special Programmes for Youth and Retired Members
- Target Deposit (Savings) Account
- Telephone Enquiry (24-Hour) on Account via CUTES 663-8032
- Online statements and internal account transfers

# Notes

