



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

2020 ANNUAL REPORT

THE WAY FORWARD...

Creating Generational Wealth

Ms. Deborah Clement

Placed first in Group #5 and is the Overall Winner of the U.W.I. Credit Union Art Competition 2020 see below.

Artist's message to the Credit Union

Having ended (some what prematurely) my long career of 30-plus years as an Educator at both secondary and tertiary levels, I'm thoroughly enjoying the serendipity of a quiet retirement and venturing into a new life as a practising artist and...in this time of covid...voluntary recluse. With gratitude to God for sustaining me, I'm savouring the alone time, drinking in the light pouring through my windows and the deep blue of our skies; taking the time to read, listen and reflect more on the purpose of human existence and to ask like Shadow, "What is Life?" I've embarked on an experiment to create art by transcending some of the norms, rules and strictures of Drawing while still retaining the potential for messaging, for searching, for enabling the viewer to question/ examine, to L O O K.

This is an unnerving time for some, especially as we accustom ourselves to enduring turbulence but we can all use this as stimulus for creating. As Roethke says: "In a dark time the eye begins to see..."



Artist's Description:

"HANDS EXTEND ACROSS OUR DIVISIONS, CONNECTING GENERATIONS. We must overcome our apparent differences. Circles represent our dreams (as bubbles) and our real attempts (as ornaments) to improve this 'space' for everyone. At times the waters may seem rough (peripheral frame) but can actually be gentle and easy. I use available materials to prove that we can use anything to create an uplifting message."

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Annual Report 2020

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.

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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MEET *the* Officers



Board of Directors

(L-R) Ms. Unika Omowale, Mr. Joseph Drayton, Ms. Natasha Grant, Ms. Marlene Saunders-Sobers, Mr. Marlon Caesar, Mrs. Kathy Ann Hogan, Ms. Patricia Brown, Mr. Kennis Thomas, Ms. Deborah Isaac,



Supervisory Committee

(L-R) Mrs. Stacey Greene-Mc Neil, Ms. Judith Wright, Mr. Keilon Campbell



Credit Committee

(L-R) Mr. Reynold Johnson Jr., Ms. Akilah Telesford, Mr. Dane Goodridge, Mrs. Roxanne Ali-Hassan, Mr. Jesille Fraser

MEET *the* Team

General Manager's Office

(L-R) Mrs. Luticia Solomon, Mrs. Heather Thurab-Schulz, Ms. Fayola Jones, Ms. Samantha Rodrigues



Finance and Accounting Department

(L-R) Ms. Janiele Campbell, Mrs. Cathrina Becessar-Sookram, Mrs. Tameka Guerra-Clarke



Credit Department

(L-R) Mrs. Krystel Thomas, Ms. Felicia John, Mr. Leon Grey, Mrs. Dianah Peters-Philip, Mrs. Margaret Ann Toussaint and Mr. Terrance John (not in picture)



Operations Department

(L-R) Ms. Kristal Rahim, Mr. Kerwin John, Ms. Rachelle Churaman, Mr. Dillon Logan, Ms. Maryann Sebalac, Mr. Jerard Archbald



LIST OF OFFICERS

BOARD OF DIRECTORS

Mr Marlon Caesar - President
Ms. Marlene Saunders-Sobers - Vice-President
Ms. Kathy Ann Hogan - Secretary
Ms. Patricia Brown - Director
Mr. Joseph Drayton-Director
Ms. Natasha Grant - Director
Ms. Deborah Isaac -Director
Ms. Unika Omowale- Director
Mr. Kennis Thomas - Director
Mr. Roger John - 1st Alternate
Ms. Sophia Persad - 2nd Alternate

SUPERVISORY COMMITTEE

Ms. Judith Wright - Chairman
Mr. Keilon Campbell - Secretary
Ms. Stacey Green McNeil - Member
Ms. Wenda Rocke - 1st Alternate

CREDIT COMMITTEE

Mr. Dane Goodridge - Chairman
Ms. Akilah Telesford - Secretary
Mr. Reynold Johnson Jnr. - Member
Mrs. Roxanne Ali-Hassan - Member
Mr. Jesille Fraser - Member
Ms. Earla Sylvester - 1st Alternate
Ms. Julie Kublalsingh - 2nd Alternate

STAFF

Mrs. Heather Thurab-Schulz – General Manager
Mrs. Cathrina Becessar-Sookram-Finance and Accounting Manager
Mr. Leon Grey – Credit Supervisor
Ms. Rachelle Churaman – Operations Supervisor
Ms. Samantha Rodrigues - Executive Assistant
Ms. Fayola Jones - Marketing Officer
Mr. Terrence John – Recoveries Officer
Mrs. Tameka Guerra-Clarke - Accounting Officer I
Mrs. Luticia Solomon - Accounting Officer II
Mrs. Dianah Peters Phillip- Credit Officer
Ms. Krystel Thomas - Credit Officer
Ms. Janiele Campbell – Accounting Assistant I
Ms. Maryann Sebalac- Member Service Representative
Ms. Felicia John- Member Service Representative
Ms. Kristal Rahim- Member Service Representative
Mr. Jerard Archbald - Records Officer
Mr. Kerwin John - Security Officer
Mr. Dillon Logan-Security Officer

SERVICE PROVIDERS

Mr. Leonard Allemony – Office Assistant/Groundsman
Mr. Dennis Martin –Messenger/Driver

NOTICE

Dear Member

Notice is hereby given that the 55th Annual General Meeting of the U.W.I. Credit Union Cooperative Society Limited will be held via Zoom Conferencing Application on Saturday May 1, 2021 commencing at 9:00 a.m.

PROGRAMME

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

REGISTRATION

All active member in good financial standing, fourteen years and older must pre-register no later than April 27, 2021 to vote.



Kathy Ann C. Hogan
Secretary
March 2021

AGENDA

Credential Report
Notice of Annual General Meeting
Standing Orders
Minutes of the 54th Annual General Meeting
Reports
Credential Report
Election of Officers
Resolutions
Any Other Business
Vote of Thanks
Conclusion

STANDING ORDERS

1. Members shall keep their microphones muted and video cameras off for the duration of the meeting, except for when making contributions for the meeting.
2. A member shall use the "Raise his/her hand function on the Zoom Platform, wait to be recognised by the Chairman before unmuting your microphone and identify him or herself when addressing the Chairman.
3. Speeches shall be clear and relevant to the subject before the meeting
4. A member shall only address the meeting when called upon by the Chairman to do so, when invited to make a Contribution, click the microphone icon in the bottom left corner to unmute your microphone. If you speak while your microphone is muted a notification will pop-up, prompting you to unmute same.
5. All Members are asked to keep all cell phones silent. The vibrate setting can also cause disruptions. If you must take urgent calls, please once again ensure your microphone is muted.
6. All Members are asked to utilise the chat box to share any issues you are having so that the team can troubleshoot during the session with minimal interruptions.
7. All Members are reminded to conduct themselves in a professional manner. Please refrain from sharing any explicit, violent or inappropriate content.
8. No member shall address the meeting except through the Chairman.
9. 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 Chairman)
10. The mover of a "procedural motion" (adjournment, lay on the table, motion to postpone) shall have no right to reply
11. No speeches shall be made after the "question" has been put and carried or negated.
12. A member rising on a "point of order" shall state the point clearly and concisely. (A point of order must have relevance to the "standing orders")
 - (a) A member shall not "call" another member "to order" - but draw the attention of the Chairman to a "breach of order".
 - (b) In no event shall a member "call" the Chairman "to order"
13. 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.
14. Only one amendment shall be before the meeting at one and the same time.
15. When a motion is withdrawn, any amendment to it falls.
16. The Chairman shall have the right to a "casting vote".
17. If there is equality of voting on an amendment, and if the Chairman does not exercise his "casting vote", the amendment is lost.
18. Provision shall be made for protection of the Chairman from vilification (personal abuse).
19. 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 THE 54TH ANNUAL GENERAL MEETING OF THE U.W.I. CREDIT UNION COOPERATIVE SOCIETY LIMITED HELD ON JULY 25TH, 2020

1.0 COMMENCEMENT

1.1 Welcome

At 9.35 a.m. on July 25th, 2020, the President, Mr. Dorwin Manzano, welcomed all Members to the 54th Annual General Meeting of the U.W.I. Credit Union Co-operative Society Limited (UWICU). He noted that the Annual General Meeting was being held virtually for the first time in UWICU's history.

The President noted that one hundred and forty-two (142) members were logged into the meeting portal together with seven (7) guests, among whom he noted, were Mr. Paul Treinen, Chief Operating Officer of the World Council of Credit Unions Inc. (WOCCU) and Mr. Noel Jones, President of Guaymay Energy Alliance Credit Union Co-operative Society Limited.

1.2 Moderator

The President informed the membership that the General Manager, Mrs. Heather Thurab-Schulz, had been appointed Moderator, for the Virtual Annual General Meeting.

2.0 NATIONAL ANTHEM

Ms. Brenda Fraser led the membership in singing the National Anthem.

3.0 INVOCATION

Father Dr. Steve A. West, delivered the invocation after which members were asked to recite the Credit Union's (UWICU) prayer.

4.0 PRESIDENT'S ADDRESS

4.1 Acknowledgements

The President greeted members and acknowledged the presence of specially invited guests, Mr. Paul Treinen, Chief Operating Officer, WOCCU; Mr. Noel Jones, President, Guaymay Energy Alliance Credit Union Cooperative Society; and Mr. Collin Bartholomew, Returning Officer, for the Election of Officers proceedings.

4.2 Inaugural Virtual Meeting

In welcoming Members and guests to the very historic occasion of the U.W.I. Credit Union Co-operative Society's first virtual Annual General Meeting (AGM), the President noted that UWICU was the first Credit Union in Trinidad and Tobago and the Caribbean Region, to hold a full virtual AGM amidst the COVID-19 Pandemic. He went on to state that the hosting of this virtual AGM was made possible through the support of Members who participated in the webinars and the mock AGM which all culminated in the live AGM being held today, and which ensured that Members had the opportunity to exercise their democratic right to participate in the affairs of the Society.

4.3 President's Tenure

The President reflected on his tenure in UWICU that began on April 9th, 2011, when he was approached by the late Ms. Jill Thompson, a former President, to serve on the Board of Directors. This gave him the opportunity to participate in the highest decision-making body within UWICU, outside of the AGM.

4.4 Appreciation of past Presidents

He then acknowledged and expressed appreciation to Mr. John Ramnanan and Mr. Kennis Thomas, past Presidents, for their leadership and encouragement which resulted in his readiness and willingness to discharge the duties and responsibilities conferred upon him.

4.5 Membership and Staff Growth, International Recognition of UWICU

The President noted the tremendous growth and development of the Membership and Staff of UWICU over the period, as well as the quality of services provided to Members. He also noted that UWICU was recognised locally, regionally, and within the international credit union system for its dedication and service to its members. As such, it was with great pride and pleasure that he represented UWICU at WOCCU's Conferences, World Council Young Credit Union Professional Programme, and the Caribbean Development Education Programme (CaribDE).

4.6 Participation in World Council Young Credit Union Professional Programme

The President indicated that during the preceding week, July 22-24, 2020, he participated in the first virtual forum of the World Council Young Credit Union Professional Programme together with over 600 participants from around the world. He stressed that he was confident that UWICU was properly and strategically aligned to take its membership forward.

4.7 COVID-19 Pandemic

Regarding the current Pandemic facing Trinidad and Tobago, and the world at large, the President commended the staff for their dedication and commitment in ensuring that members continued to receive service during the restrictive period, as UWICU navigated through the effects of the COVID-19 Pandemic. He also thanked the membership for its cooperation during the challenging period and noted that there was no crisis that did not have a beginning and an end. He stressed that even COVID-19 would also pass. He thanked all members for their cooperation regarding the adherence to protocols such as the wearing of masks and sanitising of hands when conducting business at the UWICU's Office.

4.8 Closing remarks

In closing, the President wished continued prosperity and good health to all members and their families.

5.0 NOTICE OF MEETING

5.1 Official Notice to formally convene the 54th Annual General Meeting was given by the Secretary, Ms. Debra Maloney, (who was logged in from St Lucia) read the Notice to formally convene the 54th Annual General Meeting of the U.W.I. Credit Union Co-operative Society Limited. Ms. Maloney took the opportunity to remind the Membership to take note of the voting requirements and encouraged all to keep safe.

5.2 Acknowledgement of overseas participation

The President acknowledged the presence of Ms. Dawn Smith-Layne who participated in the meeting from Barbados, Ms. Victoria Phillip who participated in the meeting from the United States of America, and Mr. Jed Justin Goodridge who logged in from Jamaica.

6.0 CREDENTIAL REPORT

6.1 Meeting formally constituted

The President reported that at 9:47 a.m., a total of two hundred and three (203) members were logged into the AGM meeting portal. As such, he declared the meeting duly constituted.

7.0 STANDING ORDERS

7.1 Amendment of Standing Orders

In presenting the nineteen (19) Standing Orders which governed the conduct of Members at the meeting, the President highlighted the following Standing Orders which were amended to facilitate the virtual nature of the meeting:

1. Members shall keep their microphones muted and video cameras off for the duration of the meeting, except when making contributions. A member shall use the 'Raise Hand' function on the Zoom Platform, wait to be recognised by the Chairman before unmuting his/her microphone, and identify him or herself when addressing the Chairman.

2. A Member shall only address the meeting when called upon by the Chairman to do so; when invited to make a contribution, click the microphone icon in the bottom left corner to unmute the microphone. If a member speaks while his/her microphone is muted, a notification will pop-up, prompting him/her to unmute same.
3. All Members are asked to utilise the chat box to share any issues they are having so that the team can troubleshoot during the session with minimal interruptions.
4. All Members are reminded to conduct themselves in a professional manner. Please refrain from sharing any explicit, violent, or inappropriate content.

The President stated that all other Standing Orders remained the same.

7.2 Adoption of Standing Orders

The Standing Orders were adopted by the meeting on a motion for, moved by Ms. Tshian John and seconded by Ms. Petula Bernard-Craigg.
[Votes: 145 (99%) in favour; 0 (0%) against; 2 (1%) abstained]

8.00 GREETINGS

Mr. Paul Treinen, Executive Vice President and Chief Operating Officer, WOCCU conveyed greetings on behalf of the President and CEO of WOCCU, Dr. Brian Branch. He then offered congratulations to UWICU for being the first Credit Union in Trinidad and Tobago and the Caribbean region, to host a virtual AGM. He encouraged UWICU to embrace the challenges brought on by COVID-19 by turning them into new positive opportunities. He then indicated that since the World Council pivoted to virtual contact, its reach and impact had been widened. Mr. Treinen reflected that he travelled to Trinidad and Tobago many times since his first visit 30 years ago, and noted that the people of the country had a very special place in his heart, for which he was very grateful. On that note, he thanked the President for the opportunity to be a part of the historic AGM and offered his best wishes on behalf of WOCCU.

9.0 BROCHURE

A motion that the Brochure be taken as read was moved by Ms. Illissa Craigg and seconded by Ms. Debra Maloney. The motion was accepted by the meeting.
[151 (93%) voted in favour; 1 (1%) against; 10 (6%) abstained.]

10.0 MINUTES OF THE 53RD ANNUAL GENERAL MEETING

10.1 Omissions and Corrections

There were no omissions or corrections to the Minutes of the 53rd AGM held on April 6th, 2019.

10.2 Confirmation

Minutes of the 53rd Annual General Meeting were confirmed on a motion moved by Ms. Illissa Craigg and seconded by Ms. Debra Maloney.
[Votes: 116 (95%) in favour; 0 (0%) against; 9 (5%) abstained]

11.0 MINUTES OF THE SPECIAL GENERAL MEETING

11.1 Omissions and Corrections

There were no omissions or corrections to the Minutes of the Special General Meeting of January 8th, 2020.

11.2 Confirmation

Minutes of the Special General Meeting held on January 8th, 2020 were confirmed on a motion moved by Mr. Joseph Drayton and seconded by Ms. Charlotte Albert.
[Votes: 151 (92%) in favour; 0 (0%) against; 13 (8%) abstained]

12.0 MINUTES OF THE RECONVENED SPECIAL GENERAL MEETING

12.1 Omissions and Corrections

There were no omissions or corrections to the Minutes of the Reconvened Special General Meeting of January 28th, 2020.

12.2 Confirmation

Minutes of the reconvened Special General Meeting held on January 28th, 2020, were confirmed on a motion moved by Ms. Marva Belfast and seconded by Ms. Charlotte Albert. [Votes: 151 (90 %) in favour; 0 (0%) against; 17 (10%) abstained]

13.0 REPORTS

13.1 Board of Directors

The President presented a summarised version of the Report of the Board of Directors and informed the membership that the report in its entirety can be viewed in the Brochure which had been posted on UWICU's website over one (1) month ago. He highlighted the following:

2019 Surplus earned Eighteen Million, One Hundred Thousand Dollars (\$18.1 million); Revenue - Twenty-Three Million Dollars (\$23 million); Expenses - Eight Million, Three Hundred Thousand Dollars (\$8.3 million)

Increase in profits by 50%

| | | |
|------|---|----------------|
| 2018 | - | \$12 million |
| 2019 | - | \$18.1 million |

Operating Expenses decreased by 14%

| | | |
|------|---|---------------|
| 2018 | - | \$9.7 million |
| 2019 | - | \$8.3 million |

13.02 Income

The President reminded Members that loans were the Credit Union's primary business and encouraged members to make UWICU their first choice when they need to access financial services.

13.03 Targets

- The target of 3% for shares was met but the target for loans of 5% for Loans was not met;
- 2.5% of the targeted 5% increase in membership was achieved;
- 15.23% Net Income was achieved as opposed to the targeted 7%;
- 8% Delinquency as opposed to the targeted 3%

13.04 Institutional Capital

The membership was informed by the President that UWICU currently had a 20.98% Institutional Capital which was above the international standard of 10%.

13.05 Strategic Plan

- 2020 represented the third year of UWICU's three-year Strategic Plan with The Creation of Generational Wealth as its focus;
- 2018's emphasis was on forging new opportunities with colleagues and stakeholders;
- 2019 was aligned towards digital transformation, to which the hosting of the virtual annual general meeting bore testimony; and
- Systems were in place to expand the digital platform of UWICU with the assistance of members.

13.6 Training and Development

Members of the Board, Committees, and Staff were exposed to training in areas such as:

- Anti-Money Laundering;
- Caribbean Development Education Programme (CaribDE);
- Customer Service; and
- Effective Credit Management.

13.7 Sub Committees

Some achievements of the established Sub Committees were:

13.7a Education Committee:

- Recognition Programme— Caribbean Secondary Education Certificate (CSEC) and Caribbean Advanced Proficiency Examinations (CAPE);
- Membership forums;
 - Redesigned Secondary Entrance Assessment (SEA) Workshop whereby virtual membership meetings were held;
 - 4th Annual Budget Forum at which the media was invited and which received much publicity;

- Short Courses—gardening, carpentry, jewelry making, etc.
- Bursaries:
 - Jill Thompson Award for Excellence in the Associate Degree in Co-operative Studies, which was issued for the first time in 2019;
 - The Jerris Attzs Bursary;
 - The Jill Thompson Bursary;
 - The Vibert Medford Bursary;
 - The Brenda Fraser Bursary; and
 - The Claude McEachrane Bursary.

13.7b Social and Cultural Committee

Some events of the Social and Cultural Committee were:

- Joint All Fours - UWICU was the 2019 champions;
- Annual Retirees' Function;
- Annual Children's Christmas Party; and
- 30th Calypso & Ole Mas Competition.

Congratulations were extended to the winners by the President:

| | | |
|-----------|---|-------------------|
| 1st place | - | Ms. Helen Jones |
| 2nd place | - | Mr. Anson Branche |
| 3rd place | - | Ms. Jael Grant |

13.7c Marketing Committee

- Social media, such as WhatsApp, text, and e-mails were used to keep members updated and informed of UWICU's activities;
- Bus Stop Initiative whereby the bus shed in the vicinity of Massy Stores, St Augustine, and the Priority Bus Route was branded with the UWICU's logo and colours; and
- Brand Ambassador Programme which would shortly replace the Department Representative Programme currently in place.

13.7d Building Committee

- The property on McCarthy Street was expected to be completed shortly, making it ready for use in the very near future; and
- The Board entered into a three-year lease arrangement for the property on Wilson Street, in the first instance, while final plans were

finalised for the development of that site.

13.7e Human Resource Committee

- The Organisational Chart was restructured with positions created and filled; and
- The Employees' Handbook was updated to allow staff to function according to policies and guidelines of UWICU;

13.7f Governance Risk Compliance Committee

- The Committee had oversight of all governance matters relevant to the UWICU;
- The Committee reviewed and updated the Compliance Policy to ensure that UWICU was current with new developments and was not exposed to both internal and external threats.
- The Chair stated that UWICU had a successful compliance audit.

13.7g Finance and Investment Committee

- There was a Review of the Credit Policy;
- The Implementation of a Credit Scoring System which brought the credit administration in line with the IFRS9 reporting standard with which UWICU has been compliant.

13.8 Outgoing Officers

The following officers were identified as outgoing:

- Mr. Kennis Thomas - Offering /Eligible for re-election;
- Ms. Debra Maloney - Not offering for re-election. Migrated to St Lucia; and
- Mr. Dorwin Manzano - Not offering for re-election. Standing down for one year.

13.9 Deceased members

- Condolences were expressed to the families of the eleven (11) deceased members who passed away during the period.

13.19 Expression of Thanks and Acceptance

The President expressed thanks to All for their support during the period under review. The Report of the Board of Directors was accepted by

the meeting on a motion moved by Ms. Sophia Persad and seconded by Ms. Andrea Primus. [Votes: 174 (97%) in favour; 0 (0%) against; 5 (3%) abstained]

14.0 FINANCIAL REPORT

14.1 Auditors' Report

Mrs. Jenine Felicien-Romain, representative of PKF Chartered Accountants & Business Advisors, read the 'Opinion' of the Independent Auditors' Report.

14.2 Acceptance

The Independent Auditors' Report was accepted on a motion moved by Mr. Robert Phillip and seconded by Dr. Michelle Mellows. [Votes: 162 (94 %) in favour; 1 (1%) against; 8 (5%) abstained]

15.0 CREDENTIAL REPORT

The President reported that as at 10.14 a.m. there were two hundred and thirty-eight (238) members and ten (10) guests logged into the meeting portal.

16.0 FINANCIAL STATEMENTS

The Vice-President, Mr. Marlon Caesar, acknowledged the contribution of management, staff, and fellow officers who served the UWICU with pristine dedication and commended members for actively doing business with UWICU. He then led the meeting through the Financial Statements and highlighted the following:

16.1 Statement of Financial Position

- Profit increased from twelve million, one hundred thousand dollars (\$12.1 million) in 2018 to eighteen million, one hundred thousand dollars (\$18.1 million) in 2019;
- Operating revenue increased by 32% and operating expenditure decreased by 19%;
- Total Assets increased from two hundred and ninety-three million, one hundred thousand dollars (\$293.1 million) in 2018 to three hundred

and ten million, one hundred thousand dollars (\$310.1 million) in 2019;

- Retained Earnings increased by 13%; and
- Increase in "Expected credit losses" provision of one million, two hundred thousand dollars (\$1.2 million) for 2019.

16.2 Statement of Comprehensive Income

- Operating revenue slightly increased from twenty-two million, five hundred thousand dollars (\$22.5 million) in 2018 to twenty-three million dollars (\$23 million) in 2019;
- Interest on members' loan decreased by 4% from nineteen million dollars (\$19 million) in 2018 to eighteen million, one hundred thousand dollars (\$18.1 million) in 2019;
- Interest on investments increased from three million, two hundred thousand dollars (\$3.2 million) in 2018 to four million, six hundred thousand dollars (\$4.6 million) in 2019; an increase of 44%;
- Gains from financial assets was two million, one hundred thousand dollars (\$2.1 million);
- The revaluation surplus from Wilson Street property was one million, three hundred thousand dollars (\$1.3 million); and
- Total Other Comprehensive Income of three million, four hundred thousand dollars (\$3.4) million for 2019.

16.3 Expenditure

- Salaries and staff benefits for 2019 were four million, one hundred thousand dollars (\$4.1 million) which was a 41% increase from the 2018 value of two million, nine hundred thousand dollars (\$2.9 million) in 2018;
- 1% increase in the cost for Special events; and
- Professional fees decreased by 14%.

16.4 Statement of Financial Position

- Total Assets increased by 6%, from two hundred and ninety-three million, one hundred thousand dollars (\$293.1 million) in 2018 to three hundred and ten million, one hundred thousand dollars (\$310.1 million) in 2019, mainly as a result of the acquisition of property at No. 5 McCarthy Street;

- Loans to members increased from one hundred and forty-four million, one hundred thousand dollars (\$144.1 million) in 2018 to one hundred and forty-six million dollars (\$146 million) in 2019;
- The Vice-President noted that adjustments were made regarding mortgage, education, and vehicle loans to enable them to be more competitive in the financial market. He pointed out that business loans and education programmes were focused on, with emphasis on financial courses to ensure that members built on creating wealth for themselves and their families;
- Members shares increased by 3%, from two hundred and eight million dollars (\$208 million) in 2018 to two hundred and fourteen million, two hundred thousand dollars (\$214.2 million) in 2019.

16.5 Vice-President's remarks

The Vice-President stressed to members that:

- The Board and management were prudent to ensure that reserves remained above the international standard in light of the COVID-19 Pandemic;
- PEARLS ratio of 21.1% was approximately 100% above international benchmark;
- Net Loan/Total Assets was at 47% which was below international benchmark of 70–80%;
- The Loan Policy was being reviewed to ensure that members benefitted more from doing business with UWICU as opposed to the banks;
- The UWICU practiced the philosophy of people helping people;
- The delinquency ratio increased from 7.36% in 2018 to 8.02% in 2019;
- The longer the debt was outstanding, the larger the provision.
- A new scoring system was instituted for the processing of loans to assist in identifying risks which was a direct consequence of the implementation of IFRS9; and
- A Recoveries Officer was engaged to mitigate losses due to delinquency.

In closing, Mr. Caesar indicated that the Board, Management, and Staff remain committed and

dedicated to deliver improved services which would enhance the quality of life of members. He then invited questions on the Financial Statements.

16.6 Question and Answer Session

The President informed the membership that their questions would be relayed by the General Manager, Mrs. Heather Thurab-Schulz, who acted as Moderator.

In response to a question on whether virtual meetings would be continued in the future, the President indicated that circumstance and the membership would decide. He pointed out that provisions were made to amend the Bye-Laws which would aptly allow for the hosting of any such meetings in the future.

A member, through the Moderator, asked to whom and for what purpose the property at Wilson Street was leased. The President informed the membership that the property was leased to Elijah Centre Ministries for a period of three (3) years for the purpose of hosting social programmes and community activities among its membership. He also indicated that Elijah Centre Ministries had approached UWICU to partner with them, noting that UWICU's members could benefit from the activities.

The Moderator relayed the question of what accounted for the variation between the loan delinquency target of less than 3% and the actual 8% and what would be done to mitigate this in the future. The Vice-President explained that the target was to reduce the delinquency rate from 7.36 to less than 3%, the possibility of which, he noted was in anticipation of the effects of IFRS9 together with the engagement of the Recoveries Officer. He further noted that the delay with that process also impacted the target as well as the increased financial challenges of members. The President added that the delinquency rate actually jumped from 7% to 8%, and not 3% to 8%, as may have been the opinion of the member who raised the question.

In response to the next question regarding what was the strategic plan for increasing membership for 2020–2021, the President stated the plan was to target the student population and the catchment of persons who work in and around The UWI as he felt certain they could benefit from the services of UWICU.

On behalf of a member, the Moderator asked if there would be an increase in the repayment period for mortgages. The Vice-President responded by stating that part of the review of the credit policy was to extend the period of repayment to twenty-five (25) years with a cap of one million, five hundred thousand dollars (\$1.5 million) after having considered the profile of the member and the level of salary and income.

In response to a request for an explanation on the plan to increase special mortgage loans by numbers or by the percentage of membership, the Vice-President explained that a greater risk would be involved when the period of the mortgage repayment is extended, therefore, he continued, the mortgage portfolio would be kept at 20% of UWICU's total asset base.

Another member requested clarity on security of shares and deposits in excess of one hundred and twenty-five thousand dollars (\$125,000). The President informed the members that UWICU was a member of the Trinidad and Tobago Credit Union Deposit Insurance Fund wherein which members' shares and deposits were insured up to a maximum of one hundred and seventy-five thousand dollars (\$175,000). He further informed the membership that beyond the covering of that insurance, a term insurance was introduced whereby a member can access separate insurance for any additional exposure in terms of shares and deposits exceeding one hundred and seventy-five thousand dollars (\$175,000).

In referring to an earlier question on the hosting of future virtual meetings, Mrs. Hazel Thompson-Ahye enquired whether, going forward, consideration would be given to hosting hybrid meetings. The President indicated that having tapped into the virtual forum and the level of participation, he did not perceive any challenges

in hosting hybrid meetings in the future. Mrs. Thompson-Ahye commended the President and team on the smooth progression of the virtual AGM.

The President took the opportunity to thank Mrs. Thompson-Ahye, on behalf of the members, for her contribution in the Parliament regarding the increase of payment to Beneficiaries on the death of a member from five thousand dollars (\$5,000) to fifty thousand dollars (\$50,000).

Through the Moderator, a member enquired how UWICU was addressing the decline on returns on assets when the asset base had significantly increased over the last decade which far outstripped the increase of generated income. The Vice President explained that point was a concern of credit unions generally. He mentioned that members viewed doing business with credit unions as an investment strategy because of the level of dividends paid, which ranged from 3% to 5% compared to the banks who were offering 0.2% on the average savings account. The Vice President went on to state that, however, the banks were now offering lower interest rates than the credit unions, hence the reason for the adjustment to the credit policy to make credit unions more competitive. He continued by pointing out that banks generated income from foreign exchange, loans, credit cards, and other products so they can easily offer loans at a cheaper rate, whereas the credit unions generated most of their income from loans. The Vice-President stressed that credit unions faced the challenge of balancing the rate of interest on loans with meeting operating costs and the ability to offer a return on members' investment in the form of dividends.

Regarding "Gain on foreign exchange" in the Statement of Comprehensive Income on page 69 of the Brochure, a member enquired whether UWICU was actively reducing its foreign currency investment, and whether the investment had been negatively impacted by international market conditions. The Vice-President explained that there was an impact on the entire financial market, but UWICU's level of exposure was not high since it had not invested directly into funds that were solely pegged to the U.S. market.

The Moderator relayed the final question on what properties were classified as investment properties and what was the ratio of non-earning assets to total assets. The Vice-President informed the members that the Wilson Street property was the only investment property and the McCarthy Street property was not classified as an investment property. Mrs. Heather Thurab-Schulz indicated that the ratio of non-earning assets to total assets was 4.3% which the Vice-President noted was below the international benchmark of 20%.

16.20 Adoption

The Financial Statements were adopted by the meeting on a motion moved by Dr. Michelle Mellows and seconded by Ms. Andrea Primus. [Votes: 175 (97 %) in favour; 1 (1%) against; 5 (3%) abstained]

17.0 BUDGET

The Vice President presented the Budget for the 2020 term to the meeting. Some highlights of the forecasted eight million, five hundred thousand dollars (\$8.5 million) Budget 2020 were as follows:

- Total Operating revenue was forecasted at nineteen million, nine hundred thousand dollars (\$19.9 million) which was 13% below 2019's actual performance of twenty-three million dollars (\$23 million);
- Interest on members' loans was expected to fall by 10% from sixteen million, six hundred thousand dollars (\$16.6 million) in 2019 to fourteen million, nine hundred thousand dollars (\$14.9 million) in 2020;
- Interest on mortgage was expected to increase by 57% from two million, four hundred thousand dollars (\$2.4 million) in 2020 from one million, five hundred thousand dollars (\$1.5 million) in 2019;
- Delinquent loans were expected to be regularised;
- Interest on fixed deposits was forecasted to decrease by 47% from four million, four hundred thousand (\$4.4 million) in 2019 to two million, three hundred thousand dollars (\$2.3 million) which was based on an average over the last three years.

- Operating expenditure was budgeted at ten million, one hundred thousand dollars (\$10.1 million) which was an expected increase of 6% over nine million, five hundred thousand dollars (\$9.5 million) in 2019;
- Provisions on investments one million, five hundred thousand dollars (\$1.5 million) for 2020 as opposed to three hundred and seventy-three thousand dollars (\$373,000) in 2019;
- Finance and governance costs was expected to decrease by 23.7%;
- A mandatory payment of three hundred and twenty-six thousand dollars (\$326,000) was made to the Green Fund;
- Net income was expected to fall by 36% in 2020 to nine million, nine hundred thousand dollars (\$9.9 million) which excluded the adjustments for IFRS9. In 2019, the net income was thirteen million, four hundred thousand dollars (\$13.4 million);
- Capital expenditure budgeted at eight million, five hundred thousand dollars (\$8.5 million) from which four million, nine hundred thousand dollars (\$4.9 million) was spent in 2020, on the property on No. 5 McCarthy Street. The renovations was now 98% completed. The actual expenditure for the building of four million, four hundred thousand dollars (\$4.4 million) inclusive of associated fees, was met in 2019; and
- Purchase of a generator was budgeted from the Annual Budget approved by the membership.

17.1 Questions on the Budget

The Vice-President invited questions on the Budget. However, the Moderator, Mrs. Thurab-Schulz, indicated that in the interest of time, only five (5) questions could be answered immediately. The first question posed via the Moderator was a request for an explanation on what Bye-Law provided for virtual meetings and why was it necessary to amend the Bye-Laws as indicated in the Resolutions.

The Chairman, Dorwin Manzano indicated that currently the Bye-Laws did not specifically speak to face-to-face or virtual meetings and was

subject to interpretation. However, he stressed that in order to avoid ambiguity, the Board felt it was prudent to make the amendment to clearly provide for face-to-face or virtual meetings. Another member enquired about what type of stocks UWICU invested in to which the Vice-President responded that UWICU held First Citizens Bank (FCB) and National Gas Limited (NGL) shares and explained that since those shares were government backed, the level of risk was low.

In response to a question on whether UWICU would offer U.S. accounts in the future, the President stated that currently the UWICU did not have the licence to facilitate that activity and noted that such activity would place UWICU under the direct supervision of the Central Bank.

A request was made for details of the major items making up the increase in Salaries from two million, nine hundred thousand dollars (\$2.9 million) in 2018 to four million, one hundred thousand dollars (\$4.1 million) in 2019. The Vice-President explained that aspects of the increase in salaries would have involved ex-gratia payments to staff who exited the organisation during 2019; and training expenses for staff; increase in staff benefits; severance payments and instances during the restructuring exercise wherein members of staff were being trained by existing staff members who were about to exit the organisation, inter alia.

The Moderator highlighted a comment by a member that students at the Hugh Wooding Law School could also be targeted as prospective members of UWICU. The President noted the comment.

17.8 Acceptance

The Budget was accepted on a motion moved by Mr. Darien D'Arceuil and seconded by Ms. Shelly Slater.

[Votes: 177 (97 %) in favour; 1 (1%) against; 5 abstained]

18.0 CREDENTIAL REPORT

The President reported that at 11.00 a.m. there were two hundred and fifty-two (252) members logged on with ten (10) guests. The President noted that this was the highest attendance at an AGM for UWICU.

19.0 CREDIT COMMITTEE REPORT

Mr. Reynold Johnson presented the Report of the Credit Committee to the meeting. Some highlights of the performance of the loan portfolio were:

| | 2019 | 2018 | Increase/Decrease |
|----------------------|--------|-------|-------------------|
| Loans | 2,370 | 2,672 | 11.30% decrease |
| Loans approved | 2,144. | 2,390 | 9.54% decrease |
| Loans declined | 181 | 245 | 26.1% decrease |
| Total loans approved | 37.5 | 38.0 | 1.32% decrease |

Mr. Johnson noted that the Promotional Loans continued to play a significant part of the loan portfolio and thanked the General Manager for her contribution to the presentation of this product.

| | 2019 | 2018 | Increase/Decrease |
|------------------|------|------|-------------------|
| Delinquency | 8.0% | 7.4% | 8.9% increase |
| Delinquent loans | 167 | 149 | 12% increase |

Mr. Johnson advised that the eighteen (18) delinquent loans belonged to persons who may have experienced job losses, taken no-pay leave, or left their jobs. Eleven (11) represented employees of The U.W.I. and seven (7) were off-Campus employees. He also pointed out that a risk-based assessment scoring system was implemented and a Recoveries Officer was now employed to help combat delinquency. Mr. Johnson gave thanks to Almighty God for health and strength for the past year and expressed gratitude to the Board and staff for their continued support. The Committee's recommendations are:

- Members' financial status be reviewed at fifty (50) years of age;
- Members be exposed to finance planning training; and

- Members should contact the UWICU when experiencing difficulties in meeting loan payments.

The Moderator relayed a question asking for further details regarding the bad debt write-off of three hundred and seventy-three thousand, six hundred and one dollars (\$373,601). The Vice-President informed the membership that the outstanding sum was that of a past tenant of the Annex to UWICU's building. He advised that although the value was written off, efforts continued to recover the outstanding sum from the tenant.

In response to the question as to whether an increase in delinquency was expected as a result of the COVID-19 Pandemic, Mr. Johnson indicated that an increase in delinquency was foreseen because of the three-month moratorium, in the first instance.

In response to a concern raised by a Member regarding the recommendation regarding members having reached fifty (50) years, Mr. Johnson reminded that currently it was a recommendation submitted to the Board for consideration and approval. The President responded to a further question by stating that currently the law does allow for joint accounts on Deposit Accounts, but not Share Accounts.

19.8 Acceptance

The Report of the Credit Committee was accepted by the meeting on a motion moved by Ms. Rachel D'Arceuil and seconded by Ms. Charlotte Albert. [Votes: 177 (97 %) in favour; 2 (1%) against; 4 abstained]

19.9 Supervisory Committee Report

Ms. Debrorah Isaac presented the Report of the Supervisory Committee to the meeting. Some highlights of the Report were:

- Ms. Tenesha Charles resigned at the end of the year and was replaced by Mr. Keilon Campbell;
- Areas identified for review were:
- Loans;
- Cash Verification;
- Review of dividends paid;

- Bank reconciliation statements;
- Source of funds verification process;
- Compliance process;
- Governance Risk Compliance Committee;
- General Ledger Account transactions;
- Certain operational processes; and
- Supervisory Committee Prior-year recommendations—Follow up on implementation.

19.9a Loans review

- There was an improvement regarding the process of how loans were being granted;
- Loans were being granted in a more objective manner which was reflected in the quality of loans granted and aids risk management;
- There was now a more robust approach to granting loans which helped with compliance to IFRS9 and improved on delinquency;

19.9b Review of Dividends paid

- The software was adequately configured to the calculations;
- The manual aspect of the process needed to be strengthened;
- The overall process needed to be documented; and
- The procedure and process for management of the payment of dividend was adequate;

19.9c Investment Committee activities

- The Investment Committee operated in compliance with its terms of reference and did not invest in any risky undertaking;
- Documentation was appropriately documented, recorded, and tracked;
- A few administrative issues were brought to the attention of the Chair which would be rectified in the coming period; and
- Investment Committee activities examined.

19.9d General Ledger Account Transactions

A few minor issues related to journal entries, interest payments, documentation, and record keeping were identified. Recommendations were made and the General Manager was informed with a view to having those rectified.

19.9e Bank reconciliation statements

- No issues were found in the administration and management of blank cheques.
- There was concern that the procedure for blank cheque administration was not documented.

19.9f Compliance Process/Source of Funds

- There was a general satisfaction with the management, monitoring, and compliance process;
- A few recommendations were raised to strengthen the process;
- Key concerns were identified regarding a few inadequacies in certain source of funds documentation.

19.9g Recommendations

Parties responsible for implementation of recommendations were identified as:

- General Manager and Staff;
- Board of Directors; and
- Sub-committees:
 - Education Committee;
 - Social and Cultural Committee;
 - Investment Committee; and
 - Governance Risk and Compliance (GRC) Committee.

19.9h Recommendations brought forward from 2017–2018 totalled 27

- 9 - Recommendations outstanding;
- 7 - Related to policy development;
- 1 - Related to development of a manual;
- 11 - Implemented;
- 6 - Verified;
- 1 - Partially implemented; and
- 6 - Status indeterminate.

19.9i For 2019 there were 23 recommendations

- 12 - Outstanding with 3 related to policy development;
- 10 - Implemented;
- 0 - Verified; and
- 1 - Suggestion for improvement was made, which was not seen as a weakness.

19.9j For 2019–2020 period

- 43 - Recommendations for follow up; and
- 6 - Indeterminate (not yet implemented).

Ms. Isaac advised that she represented the Supervisory Committee at the Spin-to-Win loan promotion by UWICU to ensure that the process was transparent and fair.

19.10 Vulnerability Assessment and Penetration Testing

Ernst & Young had been enlisted by the UWICU to ensure that vulnerabilities previously identified were satisfactorily remediated and that none currently existed;

A Video showing how the Supervisory Committee hotlink could be accessed was played.

19.11 Questions and Answers to the Supervisory Committee

Through the Moderator, a member enquired where one can go to track recommendations. Ms. Isaac advised that the recommendations were internal and were submitted to the Board and the General Manager, which she noted were issues to be undertaken by the incoming Supervisory Committee.

There being no further questions, Ms. Isaac thanked her fellow Committee members for their commitment and hard work during the period, and to UWICU's members for the trust they placed in the Committee.

Ms. Debra Maloney offered sentiments of congratulations to the Supervisory Committee and enquired of Ms. Isaac if she would avail herself to offer training to the incoming Supervisory Committee to allow for continuity. Ms. Isaac indicated that was to be expected, particularly in light of the large number of recommendations they would be required to follow up on, and in light of members who had never served before being elected to the Committee.

19.12 Acceptance

The Report of the Supervisory Committee was accepted by the meeting on a motion moved by Ms. Shelly Slater and seconded by Mr. Joseph Ince.

[Votes: 181 (97 %) in favour; 0 (0%) against; 5 (3%) abstained]

20.0 CREDENTIAL REPORT

The President, Mr. Dorwin Manzano, reported that at 12:14 p.m. there were two hundred and sixty (260) members and ten (10) guests participating in the meeting.

21.0 RESOLUTIONS

21.1 Reserve Fund

Be it resolved that an allocation of one million, four hundred and seventy thousand, and one hundred and forty-eight dollars (\$1,470,148) representing 10% of the Net Surplus for the year ended December 31st, 2019, be credited to the Reserve Fund.

[Votes: 202 (99%) in favour; 0 (0%) against; 2 (1%) abstained]

21.2 Education Fund

Be it resolved that an allocation of seventy-seven thousand, eight hundred and fifty dollars (\$77,850) of the Net Surplus for the year ended December 31st, 2019, be credited to the Education Fund.

[Votes: 199(97%) in favour; 1 (.5%) against; 4 (2%) abstained]

21.3 Common Good Fund

Be it resolved that an allocation of twenty thousand dollars (\$20,000) of the Net Surplus for the year ended December 31st, 2019, be credited to the Common Good Fund.

[Votes: 198(97%) in favour; 0 (0%) against; 3(3%) abstained]

21.4 Building Fund

Be it resolved that an allocation of one hundred

and fifty thousand dollars (\$150,000) of the Net Surplus for the year ended December 31st, 2019, be credited to the Building Fund

[Votes: 192 (94%) in favour; 4 (2%) against; 8 (4%) abstained]

21.5 Dividend

Be it resolved that a Dividend of 3.5% on Shares be approved and which should be distributed in cash to members in good financial standing.

[Votes: 180 (97%) in favour; 1 (1%) against; 4 (2%) abstained]

21.6 Interest Rebate

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

- (1) 5.5% in respect of Ordinary Loans; and
- (2) 6.5% in respect of Unsecure/Demand Loans

[Votes: 192 (94%) in favour; 2 (1%) against; 10 (5%) abstained]

21.7 Honorarium

Be it resolved that an allocation of 2.5 % of the Net Surplus for the year ended December 31st, 2019 be approved and paid as Honorarium for 2019.

[Votes: 177 (87%) in favour; 7 (3%) against; 20 (10%) abstained]

21.8 Appointment of Auditors

Be it resolved that the firm of Moore Business Solutions Trinidad and Tobago Limited be retained as Auditors for the financial year ending December 31st, 2020, to U.W.I. Credit Union Co-operative Society Limited.

[Votes: 199(97%) in favour; 1 (1%) against; 5 (2%) abstained]

21.9 Acceptance

The Resolutions were accepted on a motion moved by Ms. Marlene Saunders and seconded by Mr. Joseph Ince.

22.0 RESOLUTIONS FOR AMENDMENTS TO BYE-LAWS TO FACILITATE VIRTUAL MEETINGS

1(a) (xvi) “virtual” means webcasts, teleconferences, videoconferencing or similar mediums of communication whereby a participant can hear, speak and participate in the proceedings.

22.1 Amendment to Bye-Law 1(a)(xvi)

The amendment to Bye-Law 1(a)(xvi) was accepted by the meeting on a motion moved by Ms. Marva Belfast and seconded by Ms. Charlotte Albert. [Votes: 161(98%) in favour; 0 (0%)against; 3 (2%) abstained]

21(a) The supreme authority of the Society shall be vested in properly constituted general meetings of members (whether held virtually or face-to- face) at which every member has the right to attend and vote on all questions.

22.2 Amendment to Bye-Law 21(a)

The amendment to Bye-Law 21(a) was accepted by the meeting on a motion moved by Fr. Dr. Steve A. West and seconded by Ms. Makanzwa Pita. [Votes: 182 (97%) in favour; 1 (1%)against; 3 (2%) abstained]

31(a) The Board shall meet as often as the business of the Society may require, but not less than once each month, whether virtually or face-to-face. At all meetings of the Board, five (5) members shall constitute a quorum.

22.3 Amendment to Bye-Law 31(a)

The amendment to Bye-Law 31(a) was accepted by the meeting on a motion moved by Ms. Marlene Saunders and seconded by Ms. Charon Ince-Christopher. [Votes: 186 (99%) in favour; 1 (1%)against; 0 (0%) abstained]

40(d) The Supervisory Committee shall meet as often as the business of the Society may require, but not less than once each month, whether

virtually or face-to-face. At all meetings of the Committee, two (2) members shall constitute a quorum.

22.4 Amendment to Bye-Law 40(d)

The amendment to Bye-Law 40(d) was accepted by the meeting on a motion moved by Mr. Joseph Ince and seconded by Mr. Joseph Drayton. [Votes: 187 (96%) in favour; 5 (3%) against; 1 (1%) abstained]

41(e) The Credit Committee shall meet at least once a week, virtually or face-to- face, and act in accordance with the loan policy.

22.5 Amendment to Bye-Law 41(e)

The amendment to Bye-Law 41(e) was accepted by the meeting on a motion moved by Ms. Camille Charles and seconded by Ms. Ava George. [Votes: 193 (98%) in favour; 1 (1%) against; 1 (1%) abstained]

23.0 NOMINATIONS COMMITTEE REPORT

23.1 Chair’s Report

Dr. David Dolly, Chairman of the Nominations Committee, read the report as outlined on pages 54 and 55 of the Brochure, which revealed the nominees for elections as:

Board of Directors:

Mr. Joseph Drayton;
Ms. Deborah Isaac;
Mr. Roger John;
Ms. Sophia Persad;
Ms. Meagan Sylvester; and
Mr. Kennis Thomas.

Credit Committee:

Mrs. Roxanne Ali Hassan;
Mr. Dane Goodridge;
Mr. Jesille Fraser;
Mr. Reynold Johnson Jr.;
Ms. Julie Kublalsingh;

Ms. Akilah Telesford; and
Ms. Earla Sylvester.

Supervisory Committee:

Mr. Keilon Campbell;
Mrs. Stacey Greene-Mc Neil;
Ms. Wenda Rocke; and
Ms. Judith Wright.

23.2 Report Highlights

- The life of the Nominations Committee was extended as a result of the prevailing situation in the country;
- One potential nominee to the Credit Committee was found to be non-compliant and one for the Supervisory Committee withdrew because of illness;
- All nominees were found to be fit and proper for their respective Committees;
- All members did not attend the orientation session;
- Some alternates were used on various in-house committees, but those who were not, still felt isolated from the Committees;
- The enactment of the new set of Bye-Laws was keenly anticipated;
- It was recommended that the Nominations Committee be appointed in a timely manner to facilitate early the identification of suitable candidates for Committees; and
- Thanked nominees for co-operation in conducted virtually interview

Dr. Dolly thanked all who contributed to the functioning of the Nominations Committee.

23.4 Acceptance

The Nominations Committee Report was accepted by the meeting on a motion moved by Mrs. Maria Peter-Joseph and seconded by Ms. Sophia Persad. [Votes: 187 (97%) in favour; 0 (0%) against; 6 (3%) abstained]

25.0 CREDENTIAL REPORT

The President revealed that at 12:45 p.m. there were two hundred and sixty-four (264) members and ten (10) guests participating in the meeting.

26.0 ELECTION OF OFFICERS

Mr. Collin Bartholomew, the Returning Officer, congratulated UWICU on the hosting of its first virtual meeting, the 54th Annual General Meeting.

26.1 Members and Guests Present at 54th AGM

Mr. Bartholomew declared registration closed and announced that at 12:45 p.m., there were two hundred and sixty-four (264) members and ten (10) guests in the meeting. He then pointed out the following:

- Introduction of nominees were listed in Brochure and will be introduced to the meeting via video presentation;
- Number of persons to be elected to Committees were:
- Board of Directors - A maximum of three (3) persons;
- Credit Committee - A maximum of five (5) persons; and
- Supervisory Committee - A maximum of three (3) persons.
- A link will be shared in the chat through which ballots are to be cast; and
- A symbolic destruction of ballots will follow the result of the election.

The Returning Officer invited the membership to view a video on the voting process, and after further explanations, the members voted.

27.0 ELECTION RESULTS

Board of Directors

| Name | Votes |
|----------------------|------------------|
| Ms. Deborah Isaac | 108 |
| Mr. Kennis Thomas | 102 |
| Mr. Joseph Drayton | 84 |
| Mr. Roger John | 72 1st Alternate |
| Ms. Sophia Persad | 63 2nd Alternate |
| Ms. Meagan Sylvester | 31 |

Supervisory Committee

| Name | Votes |
|----------------------------|----------------|
| Mr. Keilon Campbell | - 129 |
| Ms. Judith Wright | - 114 |
| Mrs. Stacey Greene-Mc Neil | - 105 |
| Ms. Wenda Roche | - 74 Alternate |

Credit Committee

| Name | Votes |
|-------------------------|--------------------|
| Mr. Dane Goodridge | - 121 |
| Mr. Reynold Johnson | - 117 |
| Mrs. Roxanne Ali-Hassan | - 109 |
| Mr. Jesille Fraser | - 100 |
| Ms. Akilah Telesford | - 95 |
| Ms. Earla Sylvester | - 62 1st Alternate |
| Ms. Julie Kublalsingh | - 59 2nd Alternate |

27.1 Mr. Bartholomew congratulated all officers and thanked UWICU for the opportunity to be a part of its historical virtual AGM.

28.0 DESTRUCTION OF BALLOTS

A motion for the destruction of ballots was moved by Mrs. Glenda St Louis-Ottley, seconded by Ms. Shelly Slater, and accepted by the meeting. [Votes: 158 93% in favour; 3 (2% against); 8 (5%) abstained]

In response to the question on why ballots were to be destroyed, Mr. Bartholomew explained that it mirrored what would have been done physically at a face-to-face meeting which validated the

process and allowed the results to stand. He also stated that it brought closure to that part of the meeting. In response to why the ballots were not kept for audit purposes, he stressed that it was a symbolic gesture as the ballots were stricken off the records. He continued by stating that the electronic ballots were destroyed by way of closing off the platform through which registered members were allowed to vote.

29.0 VOTE OF THANKS

The President thanked members for their participation in the meeting. He also thanked and commended the Management and Staff for their commitment and hard work and acknowledged all who contributed to the successful hosting of UWICU's first virtual AGM. He also expressed his appreciation for the attendance of Mr. Paul Treinen, Chief Operating Officer, WOCCU, and all of the other guests.

30.0 CONCLUSION

There being no further business, the President concluded the AGM at 1:42 p.m.



Ms. Debra Maloney
Secretary

REPORT OF THE BOARD OF DIRECTORS U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED FOR THE YEAR 2020/2021

INTRODUCTION

The Board of Directors is pleased to present its report on activities for the year 2020/2021. Following the Inaugural Meeting of the Board of Directors for the 2020/2021 term held on 28th July 2020, the Board was reconstituted as follows:

Mr. Marlon Caesar, President
Ms. Marlene Saunders-Sobers, Vice-President
Mrs. Kathy Ann Hogan, Secretary
Ms. Patricia Brown, Director
Ms. Natasha Grant, Director
Ms. Deborah Isaac, Director
Ms. Unika Omowale, Director
Mr. Joseph Drayton, Director
Mr. Kennis Thomas, Director

OVERVIEW

The U.W.I. Credit Union Co-operative Society Limited (UWICU) earned a net surplus of \$13.3 million for the year ended 31st December, 2020, which is a 26% decline compared to the 2019 result of \$18.1 million. While this is significant, the Board recognizes this as an achievement in the context of the global economic impact resulting from the COVID-19 pandemic. The global pandemic negatively affected our members' income and the external investment markets which ultimately required an adjustment to our Expected Credit Loss (ECL) as per IFRS 9. This was a major contributor to the decrease in profits as the ECL increased by 285% from (\$1.23) million in 2019 to \$2.28 million in 2020. A total net ECL movement of \$3.5 million which increased expenses. In addition, total Comprehensive Income fell by \$3.25 million in 2020 compared to 2019 when Wilson Street Property was revalued and gains were realised in financial assets in external markets accounted for this result.

Total assets as at December 2020 was \$321 million, a 4% increase when compared to 2019. Loans to members decreased by 6% from \$146 million in

2019 to \$137.7 million in 2020. COVID-19 played a role in further compressing the Loan portfolio as members adjusted their financial needs due to the economic uncertainty. Nevertheless, our revenue increased by 3%, from \$23 million in 2019 to \$23.7 million in 2020 of which Loan interest income represented 81% of total revenue. We continue to be prudent with our operating cost which if ECL expense is excluded, decreased by 14% from \$9.5 million in 2019 to \$8.2 million in 2020.

As a result of these financial achievements and with the need to balance our approach for 2021 and beyond during these uncertain economic times, the Board deliberated and is proposing to maintain a dividend of 3.5% be paid for 2020. We are also proposing to reward members who participated financially in the form of loans by paying a cash rebate of 5.5% on ordinary loans and 6.5% on unsecured/demand loans.

The Board was cognizant of the effects of the global pandemic and focused on engaging its membership by providing support not only financially but in other areas of development and wellness. Virtual workshops and events offered support in the areas of personal finances; budgeting; entrepreneurship; wellness and educational support. We will continue to work with our members and support communities through this challenging period.

We remain committed and dedicated to delivering improved financial and business performance while enhancing the quality of life of our members in line with the UWICU's Mission. With the last strategic plan ending in 2020 (2018-2020), a new plan has been approved. Our Strategic Plan 2021 – 2023 will focus on "Securing our Future" as we continue to build for the next generation.

PERFORMANCE TARGETS

The Board of Directors, UWICU, had set performance targets for 2020. The Table below shows the actual versus the targets that were set.

| Description | Targets 2020 | Actual 2020 |
|-------------|-----------------|----------------|
| Shares | 3% | 2.10% |
| Loans | 3% | -5.71% |
| Assets | 8% | 1.34% |
| Membership | 5% | 3.00% |
| Net Income | 7% | -10.00% |
| Delinquency | <5% | 9.72% |

SHARES

Members' Share Capital increased from \$214.2 million in 2019 to \$218.7 million 2020, a total increase of \$4.5 million or 2.10% for the financial year ended 31st December, 2020. This is an indication of the Membership's continued confidence in the Credit Union as a safe and sound institution for their savings.

LOANS

The loan portfolio decreased from \$146 million in 2019 to \$137.7 million in 2020, a total decrease of \$8.3 million or 6.02%. The Board had set a target of three percent (3%) increase in the portfolio, however, this proved to be very challenging. With the uncertainty in the world and local economic climate brought on by the onset of COVID-19, we observed members taking a cautious approach towards borrowing with some members even using shares to repay existing loans. Member's ability to service their loan payments were also impacted by the loss of household income. Under those circumstances, the Credit Union took the proactive approach to offer a moratorium to improve their cash flow.

Members are assured that the Board will continue to assess the economic environment as we continue to navigate the current challenges. We have placed emphasis on increasing loans which is one of our strategic priorities, with new initiatives and promotions being pursued alongside increased advertising and promotion of the Credit Union's products and services.

DELINQUENCY

As at 31st December, 2020, delinquency stood at 9.72% in contrast with 8.02% as at 31st December, 2019. This increase is largely due to members experiencing increasing financial problems due to the loss of household income resulting from COVID-19. The Credit Union continues to pursue three (3) delinquent mortgage loans which are actively receiving the attention of the Credit Union's attorneys. Over the past year, the Recoveries Officer aggressively pursued delinquent loans with \$1.2 million in loans repaid or rescheduled. The Board is focused on managing the delinquency portfolio in this difficult time as our members continue to be faced with financial challenges.

MEMBERSHIP

There was an increase of one hundred and sixty-three (163) new members for 2020 and as at 31st December, 2020 our membership stood at five thousand, four hundred and eighty (5480), an increase of (3%).

INSTITUTIONAL CAPITAL

The recommended local standard for Institutional Capital has been provisionally set at (8%) by the Central Bank of Trinidad and Tobago whilst the international standard is (10%). The Board having due regard to prudence and the best interest of its members continues to maintain an adequate institutional capital of 21.78 % in 2020, up from 20.98% in 2019

STRATEGIC PLAN

The Year 2020 marked the final year of our three (3) year Strategic Plan 2018-2020, which focused on the creation of generational wealth. In order to help create generational wealth we focused on the development of loans and saving products to assist with wealth creation. Our business loan package was revised along with target savings plans to assist with significant life goals such as home ownership. These products are being finalised and will be approved in our updated Credit Policy. We believe our 2018-2020 Strategic Plan set us upon the right path for long term stability.

The Board worked vigorously on a new Strategic Plan in the last term and have recently approved a new strategic plan for the period 2021-2023 as we aim to “Secure Our Future”:

2021 – Securing our Future through technology and innovation

2022 – Securing our Future by prevailing through strength and resilience

2023 – Securing our Future by partnering with our environment

We believe this plan will allow us to position the Credit Union for the future and build upon past accomplishments.

COVID-19 PANDEMIC RESPONSE

From the onset of the global pandemic, UWICU, like much of the world was required to adapt its operations to meet both business and safety needs. We were able to seamlessly transition our operations online by offering a range services for members to transact business.

Staff were able to work remotely and business hours were adjusted to ensure continued operations. A Call Centre was also established to provide support and identify members’ needs.

In recognizing the financial implication to members, the Board approved a moratorium on loan payments. Members in good financial standing were offered a 90-day deferral on their loan Principal and Interest payments. To date, 165 members have accessed this facility to the value of \$1.7 million.

To ensure a safe environment for members and staff, a number of COVID-19 safety protocols were introduced which included upgrades to staff workstations, increased sanitisation and the purchase of protective equipment. The UWICU also purchased new computers to support the transition to remote work. Other initiatives included safety training and counselling support. To date, UWICU spent a total of three hundred and eighty four thousand (\$384 thousand) on COVID-19 related expenses.

The Board remains vigilant in this ever changing and challenging situation and will continue to

work with our members and staff to provide the necessary support.

TRAINING AND DEVELOPMENT INITIATIVES

During the period, members of the Board and Statutory Committees as well as Management and Staff participated in several leadership and development and/or training programmes. They included:

- Tech AML 2020
- Understanding E-Tax for Business
- Public Relations and Research on-line
- CFF Thought Leadership Series
- Digital Marketing Training Workshop - Digital Marketing Strategy Design
- Employers Consultative Association – HR Training
- Effective Debt Collection Workshop
- Covid-19 Risk assessment – Managing Occupational Stress
- Florida International Bankers Association – Anti Money Laundering Certified Associate
- ROYTEC – Preparation of the Suspicious Activity Report
- International Compliance Association – Certificate in Anti-money laundering
- Caribbean Development Educators programme

BYE-LAWS

After many years of discussions on amending our Bye-Laws, a Special General Meeting was held in two (2) sessions in January 2020. With the Minutes of this Special General Meeting being confirmed at the 54th Annual General Meeting the Bye-Laws was submitted to the Office of the Commissioner for Co-operative Development, along with supporting documentation, for approval. At the time of reporting all proposed amendments with the exception of bye-law 40(h) and 40(i) regarding the proposed extension to the terms of both the Credit and Supervisory Committees from one year to three years are expected to be approved. The Commissioner for Co-operative Development cited that the proposed amendments to the terms were in contravention of the Cooperatives Societies Regulation 50-3. We expect the Bye-Laws to be approved for implementation before our 55th Annual General Meeting is held.

BOARD SUB-COMMITTEES

In keeping with our Mission “to provide superior financial and other services to our members,” the Board of Directors was able to accomplish the following through its various Sub-Committees:

Education Committee

The Education Committee is a standing committee and performs a critical role within the UWICU membership. During the period under review, the Committee under the Board’s oversight carried out the following activities:

Financial Budgeting: A Virtual Workshop

On July 1st, 2020 seventy (70) Credit Union members participated in an enlightening virtual workshop on Financial Budgeting conducted by Mr. Garth Thomas, Financial Adviser. The workshop focused on creating personal wealth in difficult or turbulent times. It also delved into aspects of budgeting and recognizing that there are opportunities even in difficult times.

Conversations with the People: National Budget 2020/21 Review

On October 11th, 2020, U.W.I Credit Union hosted online its 5th annual budget forum which centred on the Government of Trinidad & Tobago’s 2020/21 Fiscal budget presentation.

Dr. Marlene Attzs, Senior Lecturer at UWI, St. Augustine Campus’ Department of Economics, moderated the forum that attracted forty-five (45) participants who contributed to the informative and insightful discussion.

Panellists included Dr. Tessa Barry who currently works as a Part-time Instructor at the Department of Agriculture Economics and Extension, The University of the West Indies, St. Augustine Campus, and is Chair of the Knowledge Management Committee for Caribbean Agricultural Extension Providers’ Network (CAEPNet). Ms. Rhoda Bharath, an Educator, Author, and Digital Media Strategist. Mr. Dorwin Manzano, former UWICU President and Attorney-at-law by profession and current Corporate Secretary of the University of

Trinidad and Tobago. Ms. Ruqayyah Scott, an undergraduate student in the Faculty of Social Sciences and Chair of the UWI Economics Society of UWI St. Augustine.

Short Course Offerings

Due to the restrictions occasioned by COVID19 Pandemic, proposed face-to-face Short Course Offerings through the Education Committee were cancelled.

Bursaries, Grants and Awards:

The Committee could not host an official Awards Ceremony for 2020 due to the COVID19 Pandemic restrictions, however, the following annual Bursaries and Grants were processed and awarded accordingly.

Secondary Entrance Assessment Grants were awarded to twenty-three (23) U.W.I Credit Union youth members who successfully completed the Secondary Entrance Assessment (SEA) examination.

Continuing Education Grants were awarded to twenty-four (24) U.W.I Credit Union youth members who maintained a B+ or 65% average at their secondary schools.

A total of twenty-nine (29) Caribbean Secondary Education Certificate (CSEC) and Caribbean Advanced Proficiency Examinations (CAPE) grants were awarded to first and second-year candidates who successfully completed the examinations.

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

| | |
|----------------------|---------------------------------|
| Ms. Tanya Bernard | - The Jill Thompson Bursary |
| Ms. Lisa Ali | - The Vibert Medford Bursary |
| Ms. Janique Dennis | - The Brenda Fraser Bursary |
| Ms. Femi Christopher | - The Claude McEachrane Bursary |

The 2020 Jill Thompson Award for the Associate Degree in Cooperative Studies at Cipriani College of Labour and Co-operative Studies’ (CCLCS) was awarded to Rachel Briggs.

The 2020 Jerris Attzs Bursary was awarded to first-year tertiary-level University entrant, Andrelisa Medford, on the recommendation of the Financial Advising Services Unit of the Division of Student Services and Development of the University of the West Indies.

Art Competition and Exhibition

U.W.I. Credit Union hosted an Art Competition as one of the initiatives to commemorate International Credit Union month and a virtual exhibition for members, ages 5 and up, on the International Credit Union 2020 theme “Inspiring Hope for a Global Community”.

The twelve (12) submissions were judged by a 3-member panel comprising: Peter Sheppard, Artist & President of The Art Society of Trinidad and Tobago; Wendy Perriera-Aqui, Artist & Director of The Art Society of Trinidad and Tobago and Fitzroy Hoyte, Artist & Owner of ‘ThinkArtWork Studio’. The winning art pieces will be physically exhibited and displayed on the digital screen in U.W.I. Credit Union’s Lobby and will also be available online.

The front cover of U.W.I. Credit Union’s 2020 Annual Report features the artwork of Ms. Deborah Clement who placed first in group #5 and overall winning depiction of ‘One Window’. Ms. Deborah Clement was from the 36-year-old and over category.

Winners of the age 5- 10 category were Ms. Jayna Baptiste and Mr. Ihlan Sameer Ramsubhag (tied), the 11- 15-year-old category was Mr. Caleb Bishop, and the 20 – 35-year-old category Mrs. Shimeka George-McKain respectively.

U.W.I. Christmas Tales

Members joined in their numbers to be part of this entertaining experience. The four-part series of Traditional Christmas stories were delivered by both the Social & Cultural and Education Committees. The stories were written, illustrated and adapted with a local twist by our General Manager, Mrs. Heather Thurab-Schulz, and hosted by Ms. Nikki Crosby. The series ran from November 13th to 4th December 2020 and was narrated by U.W.I. Credit Union members, Mr.

Rawle Gibbons, Mrs. Brenda Fraser, Ms. Krystel Thomas, and Mr. Michailean Taylor. On the final show ninety (90) U.W.I. Credit Union members 12 years and under who were registered received \$100.00 into their target accounts as a special surprise.

Brand Ambassadors

The rebranding of Departmental Representatives as ‘Brand Ambassadors’ who serve as Liaisons between U.W.I Credit Union, the UWI community, other tertiary level institutions and external stakeholders have been approved by the Board. This initiative, which is a collaboration between the Education and Marketing Committees now moves on to recruitment and establishment of a training programme.

SEA Workshop 2020/2021

The 2021 workshop was held face to face with all COVID19 protocols in place and commenced on Saturday 27th March and continued through Saturday 24th April 2021. The program was developed to prepare the participants with the correct mind-set and approach to returning to the physical classroom as they too had to re-adjust with the new normal.

SEA Computer Literacy

This event would normally be a two-day Computer Literacy Workshop for SEA candidates was scheduled for August /September 2020. However, for 2020/2021 a digital package including how to navigate Windows 365 and the Microsoft suite was made available and uploaded to the Credit Unions website in February for use by all Members. For the Non-Members who participated the package will be emailed to them.

Health and Wellness Series

The U.W.I Credit Union launched Wellness Wednesdays, a series of four (4) virtual workshops, on January 27th, 2020. The initiative under the auspices of the Education Committee was hosted by Ms. Lisa Hernandez, a Certified Holistic Nutrition Health Coach, and Aesthetician & Foodie. The sessions dealt with the topics- Over Coming Stress and Toxicity; The Basics of Clean Eating and the Clean Healthy Plate; Movement, a Family Affair and Building Strong Immunity &

Healthy Treats.

This initiative is intended to educate members on how to improve their health, choose healthier foods, and take action toward living a more balanced life.

Special thanks to members of the Education Committee which comprised:

Ms. Natasha Grant - Chairperson
Ms. Marlene Saunders- Sobers - Secretary
Ms. Camille Renaud - Member
Ms. Nisha Hazelwood - Member
Mr. Aaron George - Member
Ms. Fayola Jones - Ex-Officio Member
Ms. Unika Omowale - Co-opted Member.
Ms. Krystel Thomas - Co-opted Member
Ms., Samantha Rodrigues - Co-opted Member

Social and Cultural Committee

The UWICU continues in its thrust to enhance the quality of life of its members while maintaining long term financial stability. Notwithstanding the effects of the COVID 19 pandemic, the UWICU Social and Cultural Committee was able to continue with its mandate of engaging the Membership. Unfortunately, a number of signature events had to be cancelled or redesigned in observance of the nation's COVID 19 preventative regulations. These include:

- Annual Joint All Fours Competition
- Annual Children's Christmas Party
- Annual Staff and Committee Christmas Party

These limitations however afforded us the ability to innovate. In response, the following events were conducted:

UWICU Gone Wild with Talent

Dubbed the largest online event in the Credit Union's history, this event featured musical, spoken word, dance and theatrical performances from a wide cross-section of the membership and hosted on the Credit Union's Zoom account. This event celebrated Credit Union month, where members honed their skills on a short video in a wide variety of artistic areas, competing for the grand prize of \$3,000.00. The competition ran for four (4) consecutive weeks climaxing in a

grand finale with over 250 persons in attendance. The Committee extends heartfelt congratulations to the overall winner, Mr. Jabari Lander, and a special commendation to the UWICU office staff that went above and beyond to make this event a success.

UWICU Retirees' Christmas Hamper

In an attempt to protect the most vulnerable amongst our membership with reduced ability to congregate, the Committee decided to celebrate the retirees not in the usual manner due to the COVID19, but with a Christmas hamper. Members of the Committee availed themselves over a three-day period to present the members with specially prepared hampers. The hampers were distributed at the New Administrative Building and provided the opportunity for retirees to gain a first-hand view of the recently opened facility. UWICU Christmas Story Series

This event was a replacement for the Annual Children's Christmas party which was disrupted due to national protocols occasioned by the COVID-19 pandemic. It was held in conjunction with the Education Committee and targeted member's 12 years and under. The series ran for four (4) consecutive weeks and was hosted by Nikki Crosby and included the following weekly:

- Storytelling by members
- Children interviews
- Showcase of children art
- Performances by children who performed at the talent show series.

There were giveaways for trivia questions answered by members for each of the series held. On the final night, all of the children who registered to participate received \$100.00 which was credited to their target account. All shows were greatly attended and was thoroughly enjoyed by all.

UWICU Annual Calypso and Ole Mas Competition Considered the legacy event of UWICU, on 5th February, 2021 we celebrated the 31st edition of the Annual Calypso and Ole Mas Competition with a virtual "Showcase of Performances". This presentation hosted by "Rome" featured marquee performances from members and guests in this

year truncated show. Our guest performances included "Farmer Nappy", former calypso monarch, Karene Asche, Olatunji and Myron B. The overall winner was Mr. Marlon Edmund as declared by our online voting participants. Special thanks to the Social and Cultural Committee which comprised:

| | |
|----------------------|--------------|
| Mr. Kennis Thomas | - Chairman |
| Mr. Joseph Drayton | - Secretary |
| Ms. Rachel D'Arceuil | - Member |
| Mr. Bert Martin | - Member |
| Ms. Megan Sylvester | - Member |
| Ms. Fayola Jones | - Ex-officio |

Marketing Committee

For the period under review, the Marketing Committee which was established in 2018 focussed on the continued expansion of the UWICUs online presence. The Committee recognised the importance and impact of social media and thereby mainly focused on expanding our social media presence to ensure the UWICU brand and image continue to grow. The social media presence of the Credit Union was officially launched in 2020. There is now an active presence of the organisation on Facebook, Instagram and LinkedIn. Plans are in train to establish a YouTube channel.

Other marketing initiatives included a branded Bus Stop on the Priority Bus Route in the vicinity of St. Augustine as well as the launch of the Call Centre as we also focused on personal marketing to engage with our membership.

The UWICU continued further collaborations with a number of local personalities and organisations in our environs as a mechanism to advertise our brand. We participated in online activities such as UWI Guildfest 2020, Auntie Nikki's 12 Days of Christmas with Nikki Crosby as well as the event Parang with Rome (Jerome "Rome" Precilla).

The Marketing and Education Committees partnered in the rebranding of the Departmental Representatives to the Brand Ambassadors of the UWICU. The Brand Ambassadors will be the linkage between the Credit Union and

the membership and perform a Marketing and Communication function. The adoption of this Brand Advocacy program at UWICU will effectively position the Credit Union to harness members from its bond, boost our brand and continue to build trust within the membership. This initiative is now ready to be launched.

Special thanks to the Marketing Committee which comprised:

| | |
|----------------------------|--------------|
| Ms. Unika Omowale | - Chairman |
| Mr. Joseph Drayton | - Secretary |
| Mrs. Dionne Spears-Frontin | - Member |
| Mr. Roger John | - Member |
| Ms. Natasha Grant | - Member |
| Ms. Fayola Jones | - Ex-officio |
| Ms. Samantha Rodrigues | - Ex-officio |

Buildings Committee

The Buildings Committee is pleased to report on the completion of the New Administrative Building located adjacently at 5 McCarthy Street St. Augustine. The building was officially opened on 18th November 2020 and now houses administrative operations which includes the Finance & Administration Department, the General Manager's Office and meeting rooms such as the Board Room. This facility also has the capability to host Education and Social & Cultural Committee events with spaces that includes an industrial kitchen, lounge area, roof top terrace and a pool area. In addition, these spaces will provide an additional source of income as they will be available for rental. The main office building is currently being upgraded with a larger members' lobby area for your comfort along with enclosed loans officers' booths to provide additional privacy when conducting business at the Credit Union. With respect to the Wilson Street property, the Credit Union continues to receive rental income from Elijah Centre for its short-term lease of the premises, which the Centre use to carry out outreach programmes for its membership.

Special thanks to the Buildings Committee which comprised:

| | |
|------------------------|------------------------|
| Mr. Kennis Thomas | - Chairman |
| Dr. Fr. Steve West | - Member |
| Ms. Samantha Rodrigues | - Secretary/Ex-officio |

Mrs. Heather Thurab-Schulz - General Manager/
ex-officio

Human Resource Committee

The Human Resource Committee over the period, closely monitored the Human Resource and staffing issues within the organization. During the period the Committee worked with management to ensure the necessary staffing requirements were in place to support the changes in business operations resulting from national protocols effected due to the COVID-19 pandemic. A Recoveries Officer was engaged on contract to assist with the delinquency portfolio, along with two temporary Member Service Representatives (MSR). In addition updates were made to the Employee’s Handbook to reflect the new working environment and a new staff recognition and reward system was developed and recently approved by the Board. Special thanks to the Human Resources Committee which comprised:

- Ms. Patricia Brown - Chairman
- Ms. Marlene Saunders-Sobers - Secretary
- Mr. Marlon Caesar - Member
- Dr. Fr Steve West - Member
- Ms. Earla Sylvester - Member
- Mrs. Heather Thurab-Schulz -General Manager/
ex-officio)

Governance Risk and Compliance Committee

The Governance Risk and Compliance Committee has oversight of all governance matters within the UWICU. The Committee provides guidance in relation to risk management, and monitors compliance with internal and external requirements relating to the UWICU’s business operations. The Terms of Reference were revised to place more oversight and provide strategic direction on technology initiatives, recognizing the importance of technology and its impact on our business environment.

During the period the Committee developed a Donation Policy, a Credit Card Policy, and a framework for tracking Compliance with external regulations and requirements. The Committee also worked on developing a Disaster Recovery and Business Continuity Plan. This governance document is a work in progress.

The Committee carried out its oversight of the internal Compliance activity in support of the Financial Intelligence Unit (FIU) requirements, which are targeted towards anti-money laundering and combatting the financing of terrorism (AML/CFT).

The Committee also worked to implement the recommendations made by the previous Supervisory Committee with respect to the Compliance process, the Source of Funds process, and the activities carried out for member due diligence. Additionally, the recommendations made by the External Auditors in their independent review of the Compliance process was reviewed with the appropriate action taken to rectify compliance gaps.

Special thanks to the Governance Risk and Compliance Committee which comprised:

- Ms. Deborah Isaac - Chairman
- Mr. Marlon Caesar - Secretary
- Ms. Patricia Brown - Member
- Mrs. Kathy-Ann Hogan - Member
- Mr. Dorwin Manzano - Member
- Mrs. Heather Thurab-Schulz - General Manager
(ex-officio)
- Mrs. Luticia Solomon -Accounting Officer (ex-officio)

Finance and Investment Committee

The Finance and Investment Committee monitors all financials and investments and policy related matters for, and on behalf of, the Board, and where and when necessary, makes appropriate recommendations for consideration of the Board of Directors. In 2020/21, the Committee focused on minimizing the impact of the existing economic conditions while managing the risk exposure to the Credit Union. In light of this the Credit Policy was reviewed with updates to existing loan products along with the introduction of proposed new products.

Special thanks to the Finance and Investment Committee which comprised:

- Mr. Marlon Caesar - Chairman
- Mrs. Kathy Ann Hogan - Secretary
- Mr. Kennis Thomas - Member
- Mr. Jesille Fraser - Member

Ms. Debra Maloney - Member
 Mrs. Heather Thurab-Schulz - General Manager /ex-officio
 Mrs. Cathrina Sookram-Becessar - Finance Manager /ex-officio

BOARD MEETINGS

During the period August 2020 to March 2021, the Board held nine (9) meetings. Attendance at these meetings was as follows:

| | POSSIBLE | PRESENT | EXCUSED |
|-----------------------------|----------|---------|---------|
| Mr. Marlon Caesar | 9 | 9 | 0 |
| Ms. Marlene Saunders-Sobers | 9 | 9 | 0 |
| Mrs. Kathy Ann Hogan | 9 | 9 | 0 |
| Ms. Patricia Brown | 9 | 9 | 0 |
| Mr. Kennis Thomas | 9 | 9 | 0 |
| Ms. Natasha Grant | 9 | 9 | 0 |
| Ms. Unika Omowale | 9 | 9 | 0 |
| Mr. Joseph Drayton | 9 | 9 | 0 |
| Ms. Deborah Isaac | 9 | 9 | 0 |

OUTGOING OFFICERS

The outgoing Officers are Ms. Patricia Brown, Ms. Marlene Saunders-Sobers, and Ms. Natasha Grant. The Board expresses its sincere thanks to these Officers for their outstanding performance and invaluable service during their term of office. Ms. Patricia Brown and Ms. Marlene Saunders-Sobers would not be offering themselves for reelection at this Annual General Meeting having both served over a period of six (6) and twenty (20) years respectively. Ms. Natasha Grant will be offering herself for re-election.

DECEASED MEMEBRS

During the period, Management received notification of the passing of nineteen (19) members. To this end, the Board hereby extends sincere condolences to the families of the nineteen (19) deceased members.

ACKNOWLEDGEMENTS

The Board acknowledges the kind assistance, sincere encouragement, and ready cooperation given by:

- The UWI Administration;
- The Commissioner for Co-operative Development and 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 (TTCUDIF);
- The Division of Facilities Management, The UWI;
- The Faculty of Science and Technology, The UWI;
- The Faculty of Food & Agriculture, The UWI;
- The Faculty of Medical Sciences, The UWI;
- The Institute of Critical Thinking, The UWI;
- The UWI Security Services;
- The Alma Jordan Library, The UWI;
- The Hugh Wooding Law School;
- The Management and Staff of the U.W.I. Credit Union Co-operative Society Limited;
- Departmental Representatives;
- All Members of the U.W.I. Credit Union.

CONCLUSION

The Board of Directors wishes to express its deepest gratitude and thanks to all Members of the Statutory Committees, Management, Staff, and the membership for your dedication, commitment, and fulfilment of the Cooperative Principles and Philosophy and for your understanding and cooperation as we continue to navigate this Coronavirus (COVID-19) Pandemic period. May God Bless us all.



Kathy Ann Hogan (Mrs.)
 Secretary Board of Directors,
 U.W.I. Credit Union 6th April, 2021

REPORT OF THE CREDIT COMMITTEE FOR THE YEAR 2020

The Credit Committee thanks the members for their trust and confidence over the past year, and reports on its performance for the period under review.

As the world experienced the effects of the Coronavirus Pandemic (COVID-19), Trinidad and Tobago was not exempt from its negative impacts, resulting in 2020 being one of the most challenging years for the U.W.I Credit Union Co-operative Society Limited (UWICU). The Credit Committee together with the Credit Department had to adapt to the new normal, shifting from the usual face-to-face operations to being primarily virtual. This transition was quite demanding, however, the Committee remained dedicated and adjusted to effectively fulfill its duties to members.

The ripple effects of COVID-19 led to many Members' unable to finance their loans when their sources of income were reduced through one or more of the following: job losses, reduction in salaries/wages, increased household expenses, and increased educational expenses including purchase of computer devices for themselves and/or their children, inter alia. The UWICU remained steadfast in its support of its members taking the proactive approach to offer moratoriums. Members in good financial standing were offered a 90-day deferral on their loan Principal and Interest payments.

In spite of these unprecedented challenges, the Credit Committee in collaboration with the Credit Department, worked diligently to assist members. However, it must be noted that the Committee could not approve applications when members could not make timely payments or when members defaulted on previous loan arrangements. In addition to COVID-19 fallouts, the UWICU had to face competitive interest rates on the market, further reducing UWICU's capacity to support loans to members who were

not in good standing. To aid with the mitigation of any potential financial risk to the organisation, especially in these economic uncertainties, measures such as debt consolidation, share withdrawals, and liquidation of shares to loans were applied, together with reducing members' loan repayment installments, thereby resulting in more disposable incomes. When necessary, the Committee sought the necessary Board approvals for cases that were outside of the normal lending criteria. Additionally, financial counselling were recommended in circumstances where it was deemed necessary, adding value to the livelihood of members.

The Credit Committee would like to thank all the members who would have avoided the allure by our competitors and who continued to make UWICU their financial institution of first choice. The year 2020 proved to be hard for many Members, but UWICU has been a place of financial refuge, available to assist its membership with their financial burdens. Subsequently, the Committee encourages members to continue practising prudent borrowing and timely repayment, while increasing savings and investments with UWICU in 2021.

Following the Annual General Meeting, the elected members voted and appointed a Chairperson and Secretary. Thus, the composition of the incoming

Committee were as follows:

| | |
|-------------------------|---------------|
| Mr. Dane Goodridge | - Chairperson |
| Ms. Akilah Telesford | - Secretary |
| Mr. Reynold Johnson | - Member |
| Mrs. Roxanne Ali-Hassan | - Member |
| Mr. Jesille Fraser | - Member |

1.0 LOANS

The following table demonstrates the distribution of loans in various categories:

Table 1: Approved Loans

| LOAN CATEGORY | Number | APPROVED Value \$ | Percentage |
|--------------------|-------------|----------------------|-------------|
| BUSINESS | 8 | 333,000.00 | 1% |
| CEREMONIAL | 317 | 6,171,896.00 | 20% |
| DEBT | 33 | 1,582,705.46 | 5% |
| DEBT CONSOLIDATION | 28 | 2,121,390.96 | 7% |
| DOMESTIC | 443 | 5,073,487.00 | 16% |
| EDUCATION | 84 | 1,092,773.77 | 4% |
| HOUSING | 49 | 2,666,800.00 | 9% |
| INSURANCE | 7 | 55,106.00 | 0% |
| INVESTMENT | 2 | 1,380,000.00 | 4% |
| LEGAL FEES | 6 | 57,500.00 | 0% |
| MEDICAL | 47 | 563,600.00 | 2% |
| MORTGAGE | 2 | 850,000.00 | 3% |
| PURCHASED LAND | 0 | 0.00 | 0% |
| TRAVEL | 6 | 146,600.00 | 0% |
| UTILITY/DEBT | 6 | 41,400.00 | 0% |
| VACATION | 7 | 84,400.00 | 0% |
| VEHICLE | 146 | 6,730,943.55 | 21% |
| XMAS DREAMS | 135 | 1,488,400.00 | 5% |
| XMAS LIFE SWEET | 35 | 785,300.00 | 3% |
| FUNERAL EXPENSES | 2 | 11,700.00 | 0% |
| TOTALS | 1363 | 31,237,002.74 | 100% |

The total number of loan applications processed for the period ending December 31st, 2020, was one thousand, five hundred and fifty-three (1,553). This was a decrease of eight hundred and seventeen (817) from 2019 which recorded applications of 2370.

Based on the data illustrated above, it can be seen that a total of one thousand, three hundred and sixty three (1,363) applications were approved, which were valued at thirty-one million, two hundred and thirty-seven thousand two dollars, and seventy-four cents (\$31,237,002.74). When compared to 2019 as seen in the Table 2, the value of 2020's approved loans decreased by six million, seven hundred and thirty eight thousand, nine hundred and ninety-seven dollars, and thirty cents (\$6,738,997.30).

In addition to the loan applications approved for this period under review, the following should be noted:

- One hundred and twenty-two (122) applications were not approved;
- Three (3) applications were pending;
- Fifty-four (54) applications were cancelled; and
- Eleven (11) applications were unprocessed.

Furthermore, one hundred and sixty-one (161) deferral requests were made during the period valued one million, six hundred and eight-seven thousand, and three hundred and ninety-five dollars (TT\$1,687,395.00).

Table 2: Comparison of Loans

| LOAN CATEGORY | Applications Approved | | | | | |
|--------------------|-----------------------|----------------------|-------------|----------------------|-------------|----------------------|
| | 2018 | Value \$ 2018 | 2019 | Value \$ 2019 | 2020 | Value \$ 2020 |
| BUSINESS | 20 | 395,300.00 | 14 | 396,000.00 | 8 | 333,000.00 |
| VACATION | 28 | 388,500.00 | 78 | 1,310,310.00 | 7 | 84,400.00 |
| DEBT | 64 | 1,338,644.61 | 61 | 1,539,019.76 | 33 | 1,582,705.46 |
| LEGAL FEES | 21 | 291,700.00 | 19 | 231,600.00 | 6 | 57,500.00 |
| DOMESTIC | 694 | 3,802,545.50 | 589 | 4,232,692.00 | 443 | 5,073,487.00 |
| EDUCATION | 186 | 1,896,778.10 | 159 | 1,664,256.57 | 84 | 1,092,773.77 |
| HOUSING | 126 | 5,370,773.39 | 80 | 4,378,200.00 | 49 | 2,666,800.00 |
| INSURANCE | 10 | 32,762.48 | 8 | 70,514.83 | 7 | 55,106.00 |
| CEREMONIAL | 333 | 2,692,814.00 | 266 | 4,654,200.00 | 317 | 6,171,896.00 |
| MEDICAL | 120 | 972,543.50 | 114 | 1,691,718.53 | 47 | 563,600.00 |
| MORTGAGE | 4 | 4,641,000.00 | 3 | 395,000.00 | 2 | 850,000.00 |
| PURCHASED LAND | 1 | 150,000.00 | 2 | 155,000.00 | 0 | 0.00 |
| TRAVEL | 100 | 1,242,272.79 | 80 | 1,472,300.00 | 6 | 146,600.00 |
| UTILITY/DEBT | 19 | 74,583.28 | 15 | 42,082.99 | 6 | 41,400.00 |
| DEBT CONSOLIDATION | 16 | 865,140.38 | 61 | 3637,121.10 | 28 | 2,121,390.96 |
| ROAD SHOW | 201 | 4,704,500.00 | 79 | 2,124,100.00 | 0 | 0.00 |
| VEHICLE | 250 | 5,126,492.43 | 217 | 5,602,530.26 | 146 | 6,730,943.55 |
| INVESTMENT | 5 | 640,000.00 | 6 | 307,000.00 | 2 | 1,380,000.00 |
| XMAS DREAMS | 34 | 448,500.00 | 199 | 2,119,761.00 | 135 | 1,488,400.00 |
| XMAS LIFE SWEET | 147 | 2,862,000.00 | 93 | 1,940,093.00 | 35 | 785,300.00 |
| FUNERAL EXPENSES | 10 | 106,000.00 | 3 | 12,500.00 | 2 | 11,700.00 |
| TOTALS | 2389 | 38,042,850.46 | 2146 | 37,976,000.04 | 1363 | 31,237,002.74 |

2.0 TRENDS

The largest loan category approved for the period January to December 2020 were vehicles (21%). Based on monetary value in the table above, a trend was seen where the Vehicle category was the highest for all three periods. This was followed by the Ceremonial category (20%), Domestic (16%), Housing (9%), Debt Consolidation (7%) etc. as shown in Table one (1) above.

Although Vehicle loans soared as the category with the highest monetary value, for all three years, the Domestic category had the highest number of loan applications approved. This indicated that the Domestic category was a common and popular loan request by members. Additionally, Vacation and Travel loans which were usually over seventy (70) decreased to under

(10) for this period. These two categories as well as others would have been negatively impacted due to the COVID-19 restrictions.

3.0 DELINQUENCY ANALYSIS

The gross delinquency stands at 9.72% as at December 31st, 2020.

| YEAR | RATIO |
|------|-------|
| 2019 | 8.02% |
| 2020 | 9.72% |

3.1 Loan Restructuring

The Recoveries Officer submitted a total of thirty-seven (37) proposals which were approved by the Credit Committee and amounted to a combined

principal balance of two million, five hundred and forty-seven thousand, seven hundred and ninety-two dollars, and thirty-nine cents (\$2,547,792.39).

3.2 Bad Debts

A total of thirty-six (36) proposals were submitted to and approved by the Credit Committee for transfer to Bad Debt with a combined net principal balance of five million, four hundred and sixty thousand, six hundred and sixty-four dollars, and sixty-one cents (\$5,460,664.61). This resulted in the liquidation of members' shares in the sum of one million, six hundred and sixty-one thousand, three hundred and seventy-three dollars, and forty-one cents (\$1,661,373.41) and interest payments in the sum of one million and sixty-four thousand, three hundred and forty dollars, and ninety-six cents (\$1,064,340.96).

Additionally, numerous notice of arrears letters were issued to members informing them of debts and urging them to fulfill their financial commitments to UWICU. Arrears Notices Issued for the year January to December 31st, 2020, were: First Notice (53), Second Notice (50), and Third Notice (40).

4.0 RECOMMENDATIONS

- Members are encouraged to seek the advice of the qualified loan officers at UWICU before visiting other institutions to satisfy their financial needs;
- Members are encouraged to request financial counselling at their own convenience through UWICU once they believe that it can help them make better financial decisions; and
- Budgeting and money management virtual workshops should be continued to be provided for all members to help with financial planning.

5.0 ACKNOWLEDGEMENTS

The Committee wishes to firstly thank Almighty God for carrying us through a challenging year. All the Officers, General Manager, and our diligent Staff are sincerely acknowledged for their dedication and commitment to the Organisation. We thank all our members for allowing us the opportunity to serve, expressing our heartfelt gratitude.



Ms. Akilah Telesford
Secretary
On behalf of Credit Committee

REPORT OF THE SUPERVISORY COMMITTEE FOR THE PERIOD JULY-DECEMBER 2020

1.0 INTRODUCTION

The Supervisory Committee of the U.W.I. Credit Union Co-operative Society Limited (UWICU) reports to the membership, its work conducted for the period July-December, 2020.

Soon after the July 2020 elections at the 54th Annual General Meeting (AGM), the members of the Committee convened to establish the executive formation of the committee. The following was agreed:

| | |
|---------------------------|-----------------|
| Ms. Judith Wright | - Chair |
| Mr. Keilon Campbell | - Secretary |
| Ms. Stacey Greene-Mc Neil | - Member |
| Ms. Wenda Rocke | - 1st Alternate |

It should be noted from the onset that the COVID-19 Pandemic brought with it some challenges including new norms to which the Committee had to very quickly adjust. The Committee agreed to meet face-to-face weekly, but also used the technology available to meet regularly, such as Zoom and WhatsApp. The Table below presents the attendance record for meetings of the Committee for the period under review:

| Member | Possible | Actual | Excused | Absent |
|----------------------------|----------|--------|---------|--------|
| Ms. Judith Wright | 20 | 20 | 0 | 0 |
| Mr. Keilon Campbell | 20 | 18 | 2 | 0 |
| Mrs. Stacey Greene-Mc Neil | 20 | 20 | 0 | 0 |

2.0 OPERATIONS

The members of this Committee were all newly elected members at the last AGM and therefore the first order of business was to seek an audience with the outgoing Committee for a handover exercise. This was completed successfully.

The learning curve for this Committee was steep since there was no documented guidelines or manual to use as a form of reference. However,

with the support and guidance from UWICU's Management Team and the past Supervisory Committee, assistance was obtained when necessary. The Committee therefore decided in order to rectify this situation, one of the objectives should be the development of a Supervisory Committee Operational Manual which could be used as the tool to assist new Committee members in understanding their role and function.

Documentation of outstanding work of the previous Committee was not fully examined at the time of reporting. The newly elected Committee, therefore, for the continued growth and development of UWICU, should commit to following up on the outstanding areas of this document.

3.0 ACTIVITIES FOR THE PERIOD

The Committee developed a work plan and identified some areas for review. The findings are presented under the following headings:

1. Cash Verification;
2. Bank Reconciliation and Journals;
3. Loans Review;
4. Training;
5. Compliance Reports; and
6. Promotions

4.0 CASH VERIFICATION

This exercise was usually unannounced and irregular. Observation of the process found it to be procedurally strong and easy to verify.

5.0 BANK RECONCILIATION AND JOURNALS

This was a recurring exercise and very few issues were identified. However, those that were identified were brought to the attention of the General Manager. They were generally adequately addressed.

6.0 LOANS REVIEW

Loan provision is the core business of UWICU and the loan review exercise was, and continues to be, a recurring one. The Committee's review of loan applications focussed on UWICU's adherence to established policies and guidelines. Based on a criterion developed by the Committee, a sampling method was used in the selection of loan applications by members, officers, and staff. All reviews were conducted in a similar fashion and issues identified which were not in adherence to some of the policy guidelines were brought to the attention of the Credit Committee or Credit Department for corrective action.

Due to the COVID-19 Pandemic, face-to-face communication was significantly curtailed which resulted in the Committee adopting e-mails as the main method of communication with the Office. Queries were generally made in writing via e-mails and responses were treated in a similar fashion. However, this was not always as effective as expected, but it was the hope that the most appropriate communication mix would bring about the desired results which would greatly assist the work of the Committee.

7.0 TRAINING

During the term under review, the Committee together with other officers were exposed to an Anti-Money Laundering Training Programme. One of the key take-aways from that programme, was that Officers were all individually and collectively responsible for the astute management of UWICU as governed under the legislative framework of Co-operative Societies in Trinidad and Tobago.

8.0 COMPLIANCE REPORTS

The Committee looked at reports of the Compliance Officer with a view of ensuring compliance to the appropriate regulations for Co-operative Societies. The Committee found that the reports were submitted regularly and on time. The Committee was generally satisfied with the reporting of the Compliance Officer. Nevertheless, the Co-operatives Society Regulations dictates

updating of a Compliance Programme when changes in service delivery methods are made. The Committee was particularly interested in discovering whether any adjustments were made to its service delivery methods as a direct result of the COVID-19 Pandemic. The investigation revealed that no adjustments were required. However, apparent new changes that were seen during the period under review, included a timely roll-out of a larger strategic objective of UWICU for which consideration of compliance would be given the necessary attention.

9.0 PROMOTIONS

The Committee was invited to observe the raffle draw of two promotions:

1. International Credit Union Day (ICU Day) Trivia—The Committee witnessed the telephone trivia on October 15th 2020, held in observance of ICU Day. The process was a new one for UWICU, which managed well, leading to the eventual 1st, 2nd, and 3rd prize winners from the first three callers with the correct responses, plus the selection of a consolation prize winner.
2. Christmas Loan Sale Promotion—There were three (3) monthly draws for this promotion which ran from October 19th 2020, to December 11th, 2020. The Committee's role was to ensure that the selection process of the monthly winner could withstand scrutiny. Based on its observation, the Committee confirmed that the process of selecting the winners was a fair and transparent exercise.

10.0 CONCLUSION

The Supervisory Committee takes this opportunity to thank the Board, the General Manager, and Staff of UWICU for working with it, providing support in achieving the Committee's goals as outlined in the work plan for the period under review.

As elected members of the Supervisory Committee, the members expressed their appreciation to the general membership for the opportunity to serve. The assurance was given

that the members would continue to work towards the realization of the vision of UWICU to be “the institution of first choice for superior financial and other services” for its members.



Judith Wright
Chair
Supervisory Committee

REPORT OF THE NOMINATION COMMITTEE OF THE UWI CREDIT UNION CO-OPERATIVE SOCIETY LIMITED FOR THE YEAR 2020/2021

Dear Members,

By letter dated January 26th 2021, the Board of the UWI Credit Union in accordance with By-Law (35a) appointed the following persons to serve on the nomination committee for 2021:

Dr. David Dolly (Chairperson)
Mr. Marlon Caesar (Member)
Ms. Marlene Saunders -Sobers(Member)
Ms. Brenda Fraser (Member)
Father Steve West (Member)

The expiration date of the appointment was the date of the Annual General Meeting which at the time was not specifically decided upon.

A total of six (6) Credit Union Members were interviewed for the Board of Directors namely: Ms. Natasha Grant, Mr. Roger John, Mr. Dorwin Manzano, Ms. Sophia Persad, Dr. Megan Sylvester, and Ms. Nadia Thomas-Alladin. Dr. Sylvester and Mr. Manzano were interviewed online. The others were interviewed in person.

There were eight (8) Credit Union members who were interviewed for the Credit Committee namely: Ms. Roxanne Ali Hassan, Ms. Tanya Bernard, Mr. Jervon M. Franklin, Mr. Jesille Fraser, Mr. Dane Goodridge, Mr. Reynold Johnson, Ms. Georgette Rawlins and Ms. Akilah Telesford. One other member could not be accepted for an interview as the person was found to have a bad debt with the Credit Union. Ms. Ali-Hassan and Mr. Fraser were interviewed on line. The others were interviewed in person.

There were six (6) Credit Union members who were interviewed for the Supervisory Committee namely: Mr. Keilon Campbell, Ms. Stacey Green Mc Neil, Mr. Kevin Pascal, Ms. Olivia Ramkisson and Ms. Judith Wright. Mr. Pascall, a resident in Tobago was interviewed online. Ms. McNeil

was also interviewed on line. The others were interviewed in person.

All potential candidates possessed a high level of certification and acumen in their respective professional fields, some achieving Masters degrees. There was one candidate who possessed a PhD. Many had management related training and experience. At the interviews the candidates displayed much confidence and passion to serve the Credit Union. Indeed the nominating committee can recommend all nominees as fit and proper for their respective committees.

Most members attended the orientation session and all benefitted from its discourse. Some alternates were used during the 2019-2020 term in various other in-house committees of the organization.

The Nomination Committee still looks forward to an enactment of the new set of bye laws which presently await approval from the Commissioner of Cooperative's office.

An outstanding concern has to be considered by the AGM. That of extending the life of the nomination committee to facilitate its role in encouraging members to serve on the respective committees

The Nomination Committee wishes to thank the Credit Union for the confidence placed in us to conduct these interviews. We also appreciate the cooperation provided by the Board and Management and the Nominees themselves while we completed these interviews. This was especially important as we had to conduct some of these interviews in a virtual mode.



David Dolly
CHAIRPERSON,
On behalf of the Nomination Committee.

THE U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LTD.

STATISTICAL DATA

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

STATISTICAL DATA

2020 ± 2019 (Comparative)

| | |
|---------------------------------|---------|
| Total Income | +3.10% |
| Total Expenditure | +26.47% |
| Interest from Loans | +6.61% |
| Investment Income | -13.86% |
| Membership Growth | +2.94% |
| Share Withdrawals and Transfers | -5.05% |

Net Income and Loan Interest

| Year | Net Income | Loan Interest | Total Income |
|------|------------|---------------|--------------|
| 2016 | 15,557,136 | 18,616,503 | 21,508,339 |
| 2017 | 15,620,795 | 19,660,169 | 23,349,654 |
| 2018 | 12,758,573 | 18,951,300 | 22,490,285 |
| 2019 | 14,701,475 | 18,100,990 | 23,004,501 |
| 2020 | 13,218,084 | 19,296,753 | 23,718,735 |

Growth of Shares and Loans

| Year | Shares \$ | % | Loans \$ | % |
|------|-------------|-------|-------------|--------|
| 2016 | 192,857,488 | 4.92% | 139,962,879 | 10.08% |
| 2017 | 201,754,258 | 4.61% | 144,551,375 | 3.28% |
| 2018 | 208,034,630 | 3.11% | 144,135,473 | -0.29% |
| 2019 | 214,231,180 | 2.98% | 146,040,402 | 1.32% |
| 2020 | 218,736,410 | 2.10% | 137,695,771 | -5.71% |

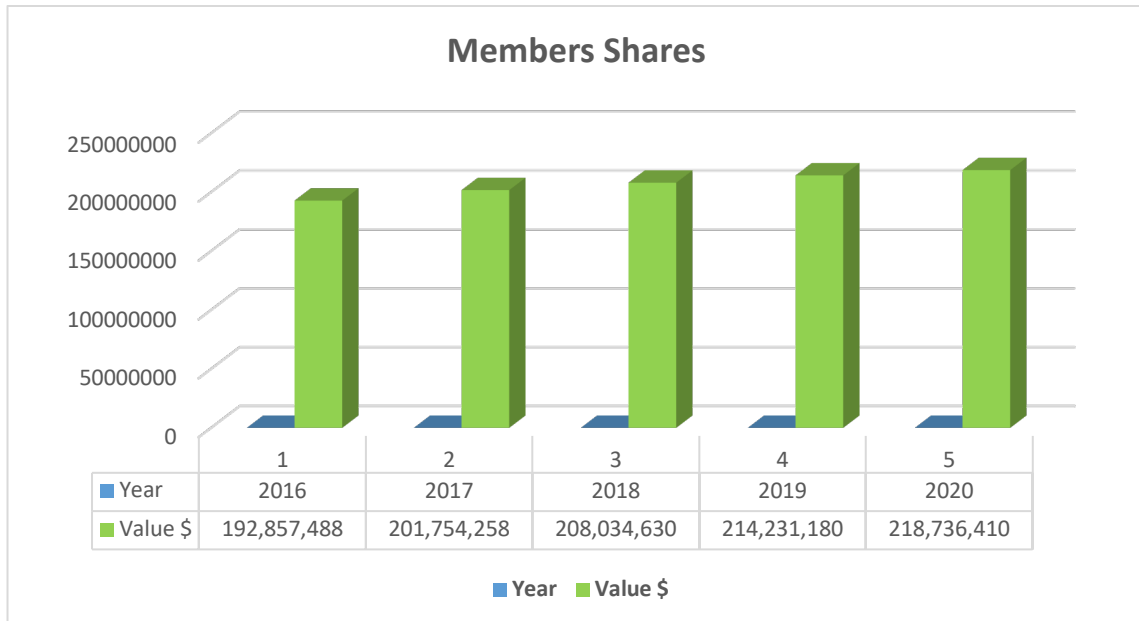
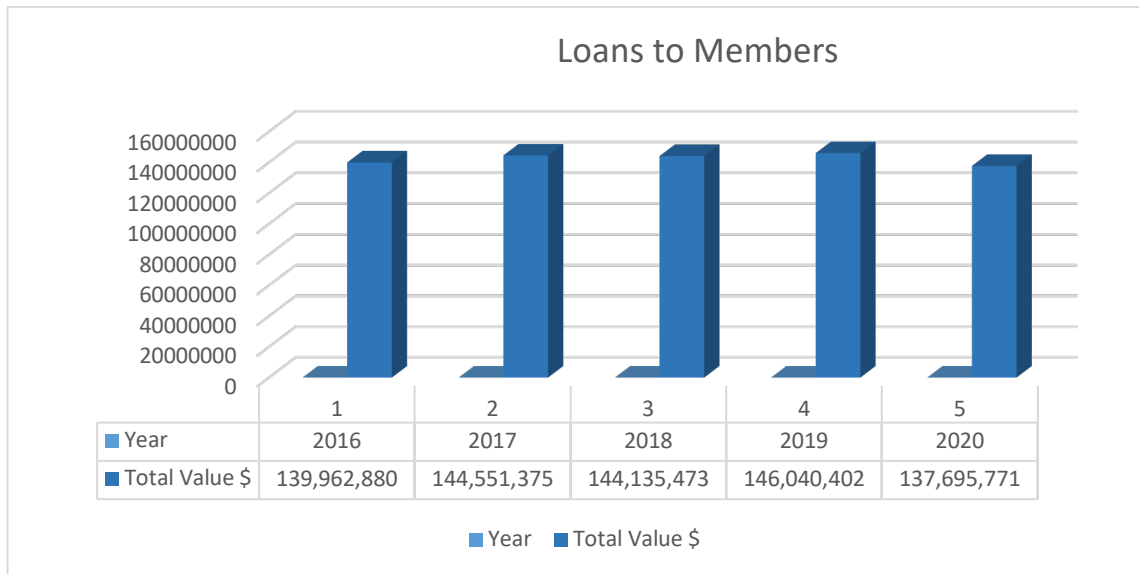
MEMBERSHIP DATA

(2017-2020)

| | 2020 | 2019 | 2018 | 2017 |
|----------------------------------|----------|----------|----------|----------|
| Members | 5,480 | 5,349 | 5,215 | 5,098 |
| Average Share Balance per Member | \$39,915 | \$40,051 | \$39,892 | \$39,575 |
| Average Loan Balance per Member | \$25,127 | \$27,302 | \$27,639 | \$27,754 |

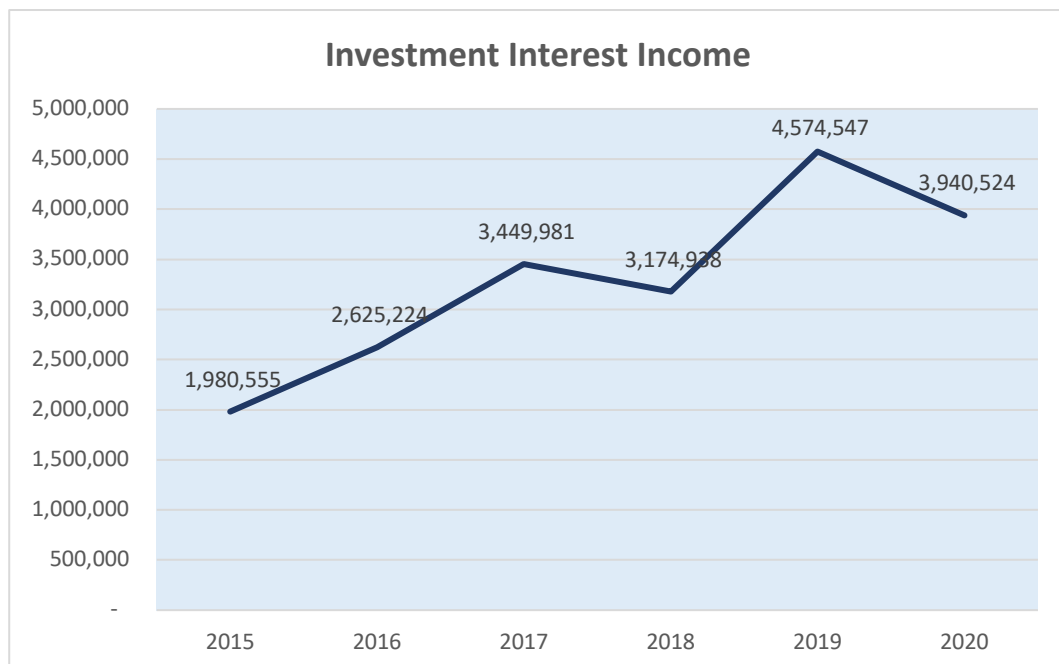
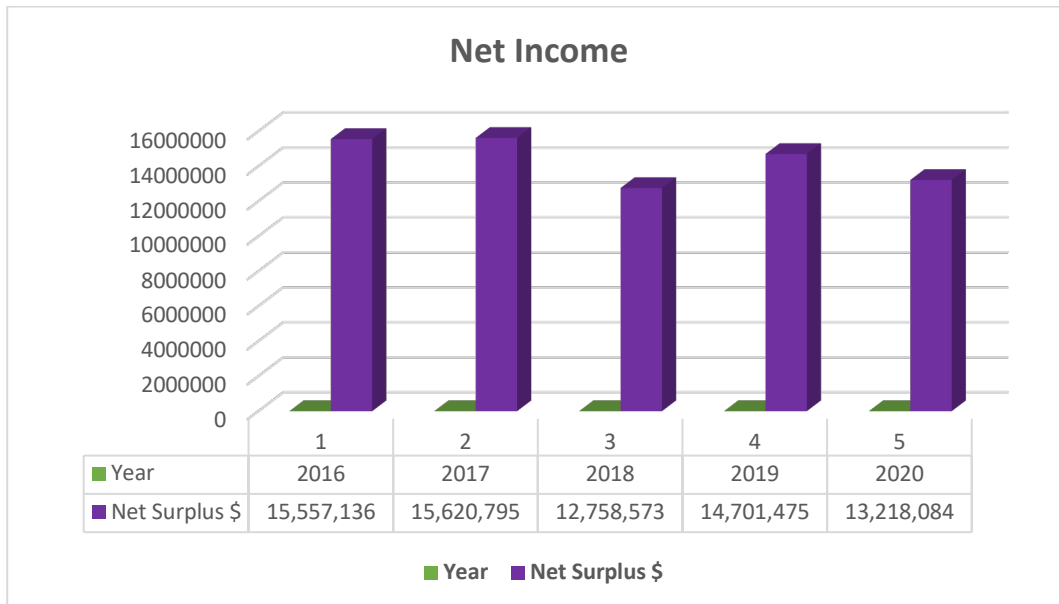
U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATISTICAL DATA



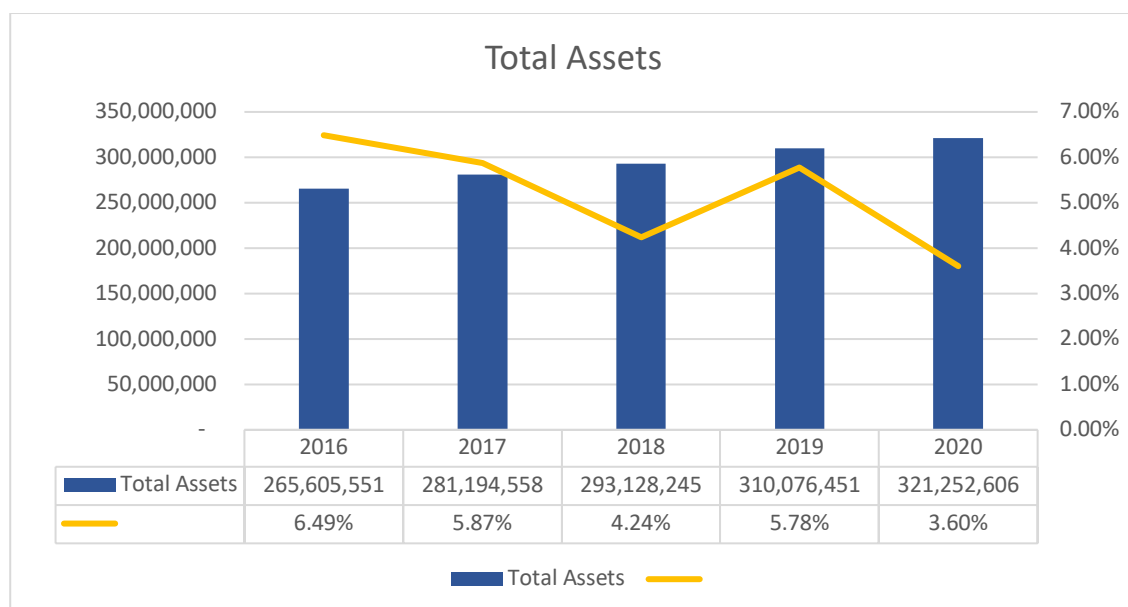
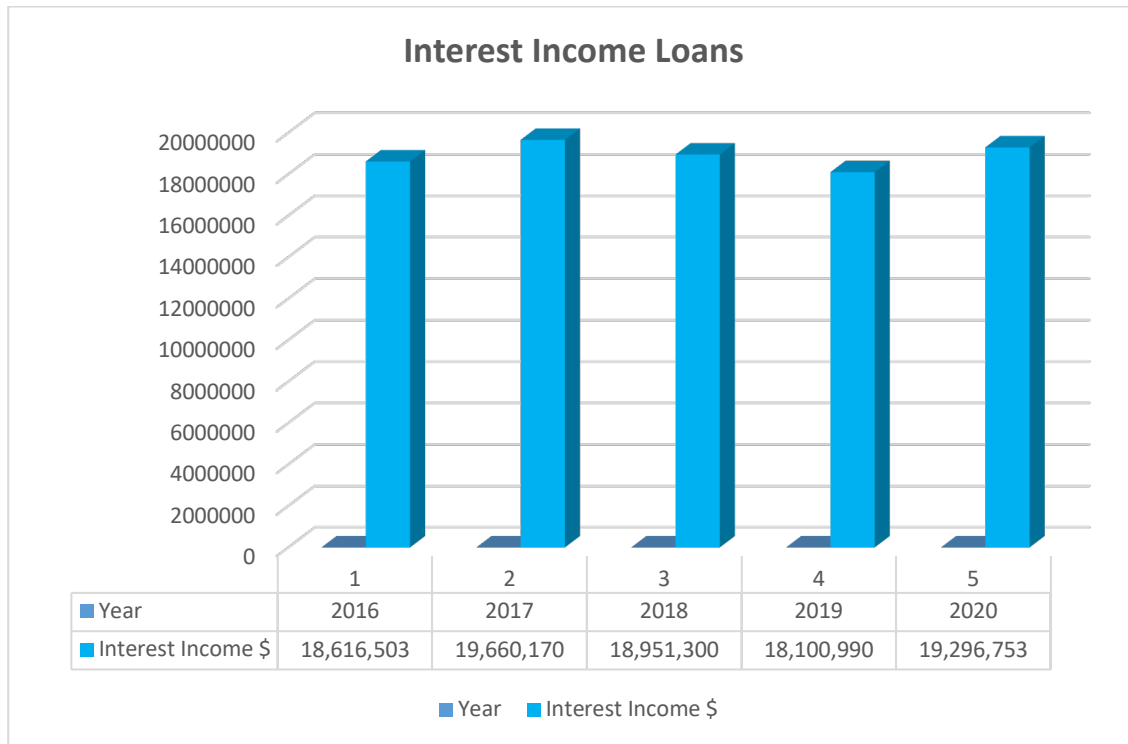
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STATISTICAL DATA



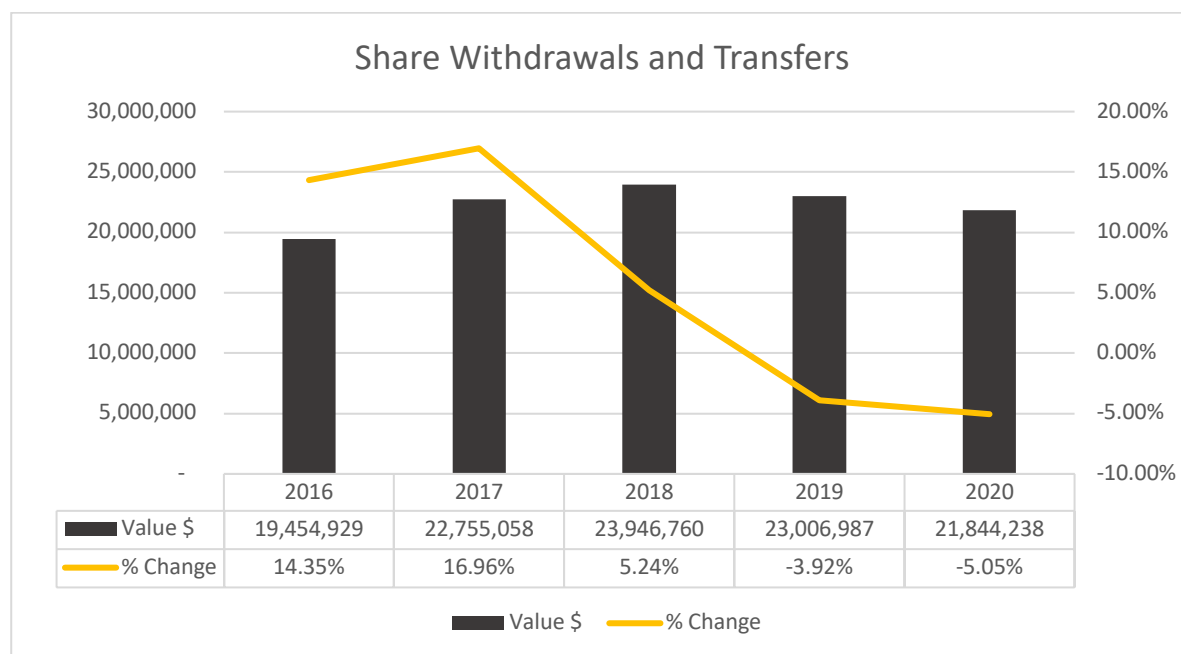
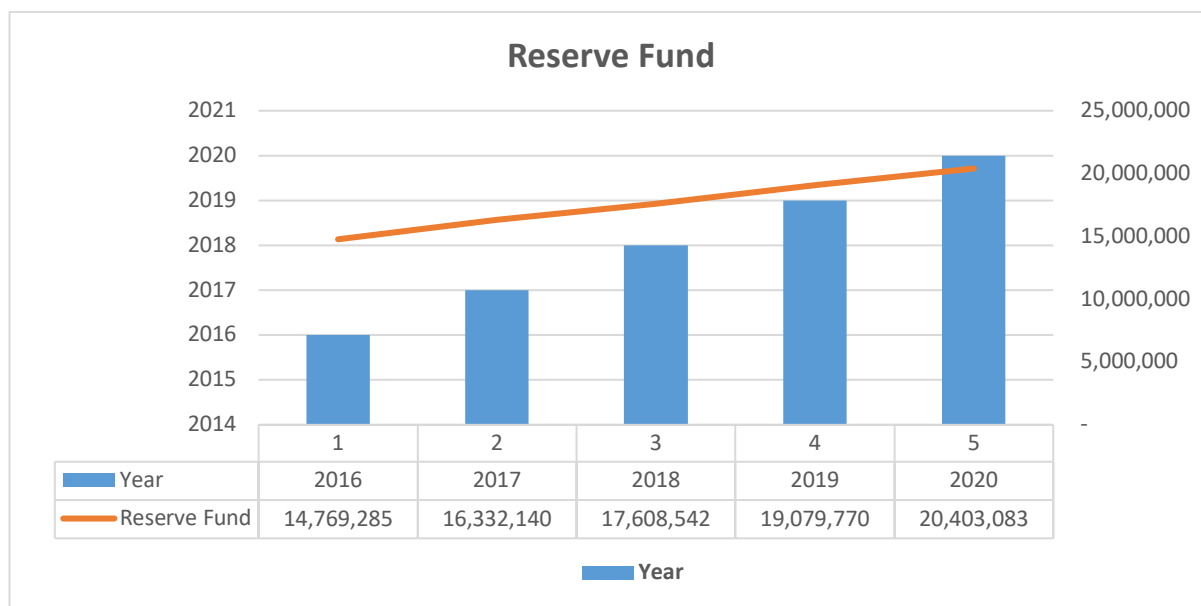
U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATISTICAL DATA



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

STATISTICAL DATA



U.W.I. CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2020

**U.W.I. Credit Union Co-operative Society Limited
Financial Statements
31 December 2020**

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Statement of Changes in Members Equity

Statement of Cash Flows

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

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

Tel: 1-868-645-8526, 1-868-645-8780, 1-868-645-0619 Website: www.uwicu.tt Email: info@uwicu.tt

U.W.I. Credit Union Co-operative Society Limited

Statement of Managements' Responsibilities

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 2020, the statements of comprehensive income, the statement of changes in institutional capital and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the credit union keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the credit union's assets, detection/prevention of fraud, and the achievement of credit union operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Co-operative Societies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

Signed
Date: 1 April 2021

Signed
Date: 1 April 2021

Independent Auditors' Report

To the Members,

Report on the Audit of the Financial Statements of U.W.I. Credit Union Co-operative Society Limited

Opinion

We have audited the financial statements of **U.W.I. Credit Union Co-operative Society Limited**, which comprise the statement of financial position as at 31 December 2020 the statement of comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of U.W.I. Credit Union Co-operative Society Limited as at 31 December 2020 and financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS 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 have no realistic alternative but to do so.

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

Independent Auditors' Report (Continued)

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.
- 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.

Independent Auditors' Report (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

**San Juan
6 April 2021**


Chartered Accountants

U.W.I. Credit Union Co-operative Society Limited
Statement of Financial Position
As at 31 December 2020

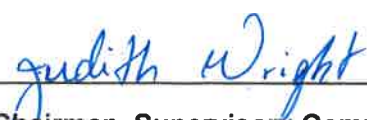
| | <u>Note</u> | <u>2020</u> <u>TT\$</u> | <u>2019</u> <u>TT\$</u> |
|--|-------------|----------------------------|----------------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Investment | 6 | 80,625,808 | 74,368,139 |
| Investment Properties | 7 | 3,450,629 | 3,491,370 |
| Loans to Members | 8 | 137,695,771 | 146,040,402 |
| Property, Plant and Equipment | 9 | 14,496,675 | 9,234,356 |
| Total Non-Current Assets | | <u>236,268,883</u> | <u>233,134,267</u> |
| Current Assets | | | |
| Accounts Receivables and Prepayments | 10 | 4,229,086 | 1,393,595 |
| Cash in Hand and at Bank | 11 | 80,754,637 | 75,548,589 |
| Total Current Assets | | <u>84,983,723</u> | <u>76,942,184</u> |
| Total Assets | | <u>321,252,606</u> | <u>310,076,451</u> |
| Liabilities and Members Equity | | | |
| Liabilities | | | |
| Accounts Payable and Accruals | 12 | 1,065,538 | 681,153 |
| Members' Deposits | 13 | 19,074,624 | 18,000,804 |
| Members' Shares | 14 | 218,736,410 | 214,231,180 |
| Provision for Honoraria | | 297,676 | 338,768 |
| Provision for Severance | | 1,524,193 | 1,505,370 |
| Total Liabilities | | <u>240,698,441</u> | <u>234,757,275</u> |
| Members' Equity | | | |
| Reserve Fund | 16 | 20,403,083 | 19,079,770 |
| Investment Remeasurement Reserve | 17 | 4,140,289 | 3,976,849 |
| Investment Property Revaluation Reserve | 18 | 1,344,945 | 1,344,945 |
| Education Fund | 19 | 575,001 | 575,001 |
| Common Good Fund | 20 | 118,263 | 118,263 |
| Building Fund | 21 | 4,400,059 | 4,250,059 |
| Retained Earnings | | 49,572,525 | 45,974,289 |
| Total Equity | | <u>80,554,165</u> | <u>75,319,176</u> |
| Total Liabilities and Members' Equity | | <u>321,252,606</u> | <u>310,076,451</u> |

The notes on pages 11 to 45 form an integral part of these financial statements.

On 1 April 2021, the Board of Directors of U.W.I. Credit Union Co-operative Society Limited authorized these financial statements for issue.



 Director



 Chairman, Supervisory Committee

U.W.I. Credit Union Co-operative Society Limited
Statement of Comprehensive Income
Year Ended 31 December 2020

| | Note | 2020 TT\$ | 2019 TT\$ |
|---|-------------|--------------------------|--------------------------|
| Income | | | |
| Loan Interest Income | 27 | 19,296,753 | 18,100,990 |
| Investment Income | 28 | 3,940,524 | 4,574,547 |
| Gain on Foreign Exchange | | 1,564 | 46,458 |
| Rental Income | | 80,000 | 500 |
| Miscellaneous Income | | <u>399,894</u> | <u>282,006</u> |
| Total Income | | <u>23,718,735</u> | <u>23,004,501</u> |
| Expenditure | | | |
| Bank Charges | | 29,209 | 35,736 |
| Board and Committee Expenses | 29 | 464,096 | 534,269 |
| CUNA Insurance Premium | | 661,661 | 697,150 |
| Education Expenses | | 101,889 | 77,850 |
| Expected Credit Losses | | 2,278,118 | (1,229,997) |
| Interest on Members' Deposits | | 76,685 | 70,159 |
| Office Security and Maintenance | 30 | 618,765 | 609,235 |
| Other Administrative Expenses | 31 | 1,230,198 | 1,902,551 |
| Professional Fees | | 577,637 | 664,139 |
| Salaries and Staff Benefits | 32 | 3,746,861 | 4,141,370 |
| Special Events | 33 | <u>715,532</u> | <u>800,564</u> |
| | | <u>10,500,651</u> | <u>8,303,026</u> |
| Net Surplus for the Year | | <u>13,218,084</u> | <u>14,701,475</u> |
| Other Comprehensive Income: | | | |
| <u>Items That May Be reclassified subsequently to profit and loss:</u> | | | |
| Net fair value gain/(loss) or Financial Assets Classified as FVTOCI | | 163,440 | 2,064,833 |
| <u>Items that may not be reclassified subsequently to profit and loss:</u> | | | |
| Surplus on Revaluation of Investment Property | | - | 1,344,945 |
| Total Comprehensive Income of the Year | | <u>13,381,524</u> | <u>18,111,253</u> |
| The notes on pages 11 to 45 form an integral part of these financial statements. | | | |

U.W.I. Credit Union Co-operative Society Limited
Statement of Changes in Members' Equity
Year Ended 31 December 2020

| | Reserve Fund | Investment Remeasur- ment Reserve | Investment Property Revaluation Reserve | Education Fund | Common Good Fund | Building Fund | Undivided Earnings | Total |
|------------------------------------|-------------------|--|--|-------------------|------------------------|------------------|-----------------------|-------------------|
| | <u>TT\$</u> | <u>TT\$</u> | <u>TT\$</u> | <u>TT\$</u> | <u>TT\$</u> | <u>TT\$</u> | <u>TT\$</u> | <u>TT\$</u> |
| Balance at 1 Jan2020 | 19,079,770 | 3,976,849 | 1,344,945 | 575,001 | 118,263 | 4,250,059 | 45,974,289 | 75,319,176 |
| Total Comprehensive Income | - | 163,440 | - | - | - | - | 13,218,084 | 13,381,524 |
| Less: Appropriations follows: | | | | | | | | |
| Transfer to Reserve Fund 10% | 1,321,808 | - | - | - | - | - | (1,321,808) | - |
| Transfer to Education Fund | - | - | - | 101,889 | - | - | (101,889) | - |
| Transfer to Common Good Fund | - | - | - | - | 5,250 | - | (5,250) | - |
| Transfer to Building Fund | - | - | - | - | - | 150,000 | (150,000) | - |
| | <u>20,401,578</u> | <u>4,140,289</u> | <u>1,344,945</u> | <u>676,890</u> | <u>123,513</u> | <u>4,400,059</u> | <u>57,613,426</u> | <u>88,700,700</u> |
| Add/(less) adjustments as follows: | | | | | | | | |
| Donations | - | - | - | - | (5,250) | - | 5,250 | - |
| Education Expense | - | - | - | (101,889) | - | - | 101,889 | - |
| Dividends Paid | - | - | - | - | - | - | (8,146,535) | (8,146,535) |
| Entrance Fees | 1,505 | - | - | - | - | - | (1,505) | - |
| Balance as at 31 Dec 2020 | <u>20,403,083</u> | <u>4,140,289</u> | <u>1,344,945</u> | <u>575,001</u> | <u>118,263</u> | <u>4,400,059</u> | <u>49,572,525</u> | <u>80,554,165</u> |

The notes on pages 11 to 45 form an integral part of these financial statements.

U.W.I. Credit Union Co-operative Society Limited
Statement of Changes in Members' Equity
Year Ended 31 December 2020

| | Reserve Fund TT\$ | Investment Remeasurement Reserve TT\$ | Investment Property Revaluation Reserve TT\$ | Education Fund TT\$ | Common Good Fund TT\$ | Building Fund TT\$ | Undivided Earnings TT\$ | Total TT\$ |
|------------------------------------|-------------------------|--|--|---------------------------|--------------------------------|--------------------------|-------------------------------|-------------------|
| Balance at 1 Jan 2019 | 17,608,542 | 1,912,016 | - | 575,001 | 118,263 | 4,100,059 | 40,722,537 | 65,036,418 |
| Total Comprehensive Income | - | 2,064,833 | 1,344,945 | - | - | - | 14,701,475 | 18,111,253 |
| Less: Appropriations follows: | | | | | | | | - |
| 10% to Reserve Fund | 1,470,148 | - | - | - | - | - | (1,470,148) | - |
| Education Fund | - | - | - | 77,850 | - | - | (77,850) | - |
| Common Good Fund | - | - | - | - | 20,000 | - | (20,000) | - |
| Building Fund | - | - | - | - | - | 150,000 | (150,000) | - |
| | 19,078,690 | 3,976,849 | 1,344,945 | 652,851 | 138,263 | 4,250,059 | 53,706,014 | 83,147,671 |
| Add/(less) adjustments as follows: | | | | | | | | |
| Donations | - | - | - | - | (20,000) | - | 20,000 | - |
| Education Expense | - | - | - | (77,850) | - | - | 77,850 | - |
| Dividends Paid | - | - | - | - | - | - | (7,828,495) | (7,828,495) |
| Entrance Fees | 1,080 | - | - | - | - | - | (1,080) | - |
| Balance as at 31 Dec 2019 | 19,079,770 | 3,976,849 | 1,344,945 | 575,001 | 118,263 | 4,250,059 | 45,974,289 | 75,319,176 |

The notes on pages 11 to 45 form an integral part of these financial statements.

U.W.I. C Co-operative Society Limited
Statement of Cash Flows
Year Ended 31 December 2020

| | 2020 | 2019 |
|--|---------------------------|----------------------------|
| | <u>TT\$</u> | <u>TT\$</u> |
| Cash Flows from Operating Activities: | | |
| Net Surplus for the Year | 13,218,084 | 14,701,475 |
| Adjustments for: | | |
| Severance Benefits Adjustment | 18,822 | 229,474 |
| Depreciation on Property Plant and Equipment | 472,443 | 505,412 |
| Depreciation on Investment Property | 40,741 | 43,841 |
| Honoraria Expense | 297,676 | 332,031 |
| Expected Credit Losses - Loans | 1,252,681 | (1,229,997) |
| Expected Credit Losses - Investments | 1,025,437 | - |
| Loss on Disposal of Fixed Asset | <u>328</u> | <u>14,112</u> |
| | 16,326,212 | 14,596,348 |
| Working Capital Changes: | | |
| Net Change in Accounts Receivable and Prepayments | (2,835,491) | 971,902 |
| Net Change in Accounts Payable and Accruals | 384,385 | (70,100) |
| Honorarium Paid | <u>(338,767)</u> | <u>(276,330)</u> |
| Net Cash Generated by Operating Activities | <u>13,536,339</u> | <u>15,221,820</u> |
| Cash Flows from Investing Activities | | |
| Purchase of Non-Current Assets | (5,737,910) | (5,132,334) |
| Proceeds from the Sale of Non-Current Assets | 2,820 | - |
| Net change in Investments | (7,119,666) | (4,486,613) |
| Net Change in Loans to Members | <u>7,091,950</u> | <u>(674,932)</u> |
| Net Cash Flows used in Investing Activities | <u>(5,762,806)</u> | <u>(10,293,879)</u> |
| Cash Flows from Financing Activities | | |
| Net Change in Members' Shares | 4,505,230 | 6,196,550 |
| Net Change in Members' Savings Deposits | 1,073,820 | 253,823 |
| Dividends Paid on Members' Shares | <u>(8,146,535)</u> | <u>(7,828,495)</u> |
| Net Cash Flows Used in Financing Activities | <u>(2,567,485)</u> | <u>(1,378,122)</u> |
| Net Change in Cash and Cash Equivalents | <u>5,206,048</u> | <u>3,549,819</u> |
| Cash and Cash Equivalents | | |
| Cash and Cash Equivalents at 1 January | 75,548,589 | 71,998,770 |
| Net Change in Cash and Cash Equivalents | <u>5,206,048</u> | <u>3,549,819</u> |
| Cash and Cash Equivalents at 31 December | <u>80,754,637</u> | <u>75,548,589</u> |
| Represented by: | | |
| Cash in Hand and at Bank | <u>80,754,637</u> | <u>75,548,589</u> |

The notes on pages 11 to 45 form an integral part of these financial statements.

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

1. General Information

The Society is incorporated under the Co-operative Societies Act of the Republic of Trinidad and Tobago on 4th 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 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. Adoption of new and revised International Financial Reporting Standards

2.1 New standards and amendments effective in the period on or after 1 January 2020

The following standards and amendments have become effective for the annual periods commencing on or after 1 January 2020.

2.2 New standards and amendments issued but not yet effective for years ending December 31, 2020

Amendments to IFRS 16 'Leases' provide a practical expedient that permits lessees to account for the rent concessions, that occur as a direct consequence of the COVID - 19 pandemic and meets specified conditions, as if they were not lease modifications. Although, the amendment is applicable for annual periods commencing on or after 1 June 2020.

- ❖ *Amendments to IFRS 16 - Covid-19-Related Rent Concessions*
- ❖ *IFRS 17 - Insurance Contracts*
- ❖ *Amendments to IAS 1 - Classification of Liabilities as Current or Non-current*
- ❖ *Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use*
- ❖ *Amendments to IFRS 3 - Reference to the Conceptual Framework*
- ❖ *Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract*
- ❖ *Annual Improvements to IFRS Standards 2018–2020*
- ❖ *Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture*

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

2. Adoption of new and revised International Financial Reporting Standards (Continued)

2.2 New standards and amendments issued but not yet effective for years ending 31 December 2020 (continued)

❖ *Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 & IAS 39 - Interest Rate Benchmark Reform – Phase 2*

IFRS 17 'Insurance contracts' establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. IFRS 17 is effective for annual periods commencing on or after 1 January 2023.

Amendments to IAS 1 'Presentation of financial statements' clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The meaning of settlement of a liability is also clarified. The amendments are applicable for annual periods commencing on or after 1 January 2023.

Amendments to IAS 16 'Property, plant and equipment' require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related costs in profit or loss, instead of deducting the amounts received from the cost of the asset. The amendments are applicable for annual periods commencing on or after 1 January 2022.

Amendments to IFRS 3 'Business combinations' update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments are applicable for annual periods commencing on or after 1 January 2022.

Amendments to IAS 37 'Provisions, contingent liabilities and contingent assets' specify the costs that an entity includes when assessing whether a contract will be loss-making. The amendments are applicable for annual periods commencing on or after 1 January 2022.

Annual Improvements to IFRS Standards 2018–2020 amend:

- IFRS 1 to simplify the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
- IFRS 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

2. Adoption of new and revised International Financial Reporting Standards (Continued)

2.2 New standards and amendments issued but not yet effective for years ending 31 December 2020 (continued)

- IFRS 16 illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements.
- IAS 41 to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in other accounting standards.

The amendments are applicable for annual periods commencing on or after 1 January 2022.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in associates' clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. Otherwise, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments have been deferred until IASB has finalised its research project on the equity method.

Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 & IAS 39 - Interest Rate Benchmark Reform – Phase 2. As a result of these amendments, among other matters, an entity:

- will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and
- will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The amendments are applicable for annual periods commencing on or after 1 January 2021.

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

3. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the credit union financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Co-operative Societies Act Chap. 81:03. These financial statements 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 financial statements and the reported amount 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.

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 2020

3. Significant Accounting Policies (Continued)

d. Fixed Assets (continued)

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 Assets

All recognized financial assets that are within the scope of International Financial Reporting Standards (IFRS) 9 are required to be subsequently measured at amortised cost or fair value on the basis of:

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

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

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

Initial measurement

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

The credit union measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The credit union uses a fair value hierarchy that categories valuation techniques into three levels:

- i) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.

3. Significant Accounting Policies (Continued)

f. Financial Assets (continued)

- ii) Level 2 inputs are inputs other quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quotes prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.
- iii) Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 If their valuation incorporates significant inputs that are not based on observable market data.

Subsequent measurement

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

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

Reclassification

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

Impairment

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

- i) Twelve-month Expected credit loss (ECL) – These are losses that result from default events that are possible within twelve months after the reporting date. Such financial assets are at 'Stage 1'.
- ii) Lifetime ECL – These are losses that result from all possible default events over the life of the financial instrument. Such financial assets are at 'Stage 2' or Stage 3'.

3. Significant Accounting Policies (Continued)

f. Financial Assets (continued)

Impairment (continued)

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the twelve-month ECL.

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

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

Significant increase in credit risk – Stage 2

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

Credit-Impaired financial assets – Stage 3

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

- i) Significant financial difficulty of the borrower or issuer;
- ii) A breach of contract such as a default or past due event;
- iii) Granted to the borrower of a concession that the lender would not otherwise consider;
- iv) The disappearance of an active market for a security because of financial difficulties; or
- v) The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

The credit union assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date. There is a rebuttable presumption that financial assets that are in default for more than ninety (90) days are credit impaired. The credit union also considers a financial asset to be credit impaired if the borrower is unlikely to pay its credit obligation. To determine this, the credit union takes into account both qualitative indicators such as unemployment, bankruptcy, divorce or death and quantitative indicators, such as overdue status.

3. Significant Accounting Policies (Continued)

f. Financial Assets (continued)

Credit-Impaired financial assets – Stage 3 (continued)

The credit union used its historical experience and forward-looking information that is available without undue cost or effort. If there has been a significant increase in credit risk the credit union will cost or effort. If there has been a significant increase in credit risk the credit union will measure the loss allowance based on lifetime rather than twelve-month ECL.

Modification and Derecognition of Financial Assets

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

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

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

Write-off

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

Financial liabilities

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

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

3. Significant Accounting Policies (Continued)

f. Financial Assets (continued)

Critical accounting judgements and key sources of estimation uncertainty

Business model assessment:

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

- i) How the performance of the assets is evaluated and measured; and
- ii) The risks that affect the performance of the assets and how these risks are managed.

Significant increase of credit risk:

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

Establishing groups of assets with similar credit risk characteristics:

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

Valuation models and assumptions used:

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

Probability of default (PD):

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

3. Significant Accounting Policies (Continued)

f. Financial Assets (continued)

Key sources of estimation uncertainty

Loss Given Default (LGD):

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

Fair value measurement and valuation process:

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

Exposure at Default (EAD):

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

Credit risk

Credit risk is the risk that a member will default on his contractual obligations resulting in financial loss to the credit union. Credit risk mainly arises from loans, and because it represents the credit union's main income generating activity, credit risk is the principal risk for the credit union.

Credit risk management

The credit union's credit committee is responsible for managing the credit union's credit risk by:

- i) Ensuring that the credit union has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the credit union's policies and procedures, international Financial Reporting Standards and relevant supervisory guidance;
- ii) Identifying, assessing and measuring credit risk across the credit union, from an individual financial instrument to the portfolio level;

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

3. Significant Accounting Policies (Continued)

f. Financial Assets (continued)

Credit risk management (continued)

- iii) Creating credit policies to protect the credit union against the identified risks, including the obtaining collateral from borrowers, performing robust ongoing credit assessment of borrowers, and continually monitor exposures;
- iv) As far as possible, limiting concentrations of exposure by type of loan, industry, credit rating, geographic location, etc;
- v) Establishing a robust control mechanism for loan approval;
- vi) Categorizing exposures according to the degree of risk of default;
- vii) Developing and maintaining processes for measuring ECL; and
- viii) Providing guidance to promote best practice in the management of risk.

Significant increase in credit risk

The credit union presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than thirty (30) days past due, unless the credit union has reasonable and supportable information that demonstrates otherwise. The credit union has monitoring procedures to ensure that significant increase in credit risk is identified before default occurs.

Measurement of ECL

The key inputs used for measuring ECL are:

- i) Credit risk grade;
- ii) Collateral type;
- iii) Date of initial recognition;
- iv) Remaining term to maturity;
- v) Industry
- vi) Geographic location of the borrower;
- vii) Income bracket of the borrower; and
- viii) The value of collateral relative to the financial asset

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

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

3. Significant Accounting Policies (Continued)

f. Financial Assets (continued)

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

| Loans | Stage 1 12 Month ECL TT\$ | Stage 2 Lifetime ECL TT\$ | Stage 3 Lifetime ECL TT\$ | Total TT\$ |
|-----------------------------|--|--|--|-----------------------|
| Low risk | 115,648,335 | - | - | 115,648,335 |
| Medium risk | - | 2,957,174 | - | 2,957,174 |
| Substandard | - | - | 4,850,325 | 4,850,325 |
| Doubtful | - | - | 7,217,331 | 7,217,331 |
| Impaired | - | - | 12,685,851 | 12,685,851 |
| Total Gross Carrying Amount | 115,648,335 | 2,957,174 | 24,753,507 | 143,359,016 |
| Loss allowance (ECL) | <u>(38,533)</u> | <u>(55,082)</u> | <u>(5,569,630)</u> | <u>(5,663,245)</u> |
| | <u>115,609,802</u> | <u>2,902,092</u> | <u>19,183,877</u> | <u>137,695,771</u> |

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

| Loans | Stage 1 TT\$ | Stage 2 TT\$ | Stage 3 TT\$ | Total TT\$ | Total Restated TT\$ |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-----------------------|------------------------------------|
| Loss allowance as at 1 Jan 2020 | 28,703 | 345,865 | 4,035,996 | 4,410,564 | 4,410,564 |
| Transfer to stage 1 | 9,830 | - | - | 9,830 | 9,830 |
| Transfer to stage 2 | - | - | - | - | - |
| Transfer to stage 3 | - | (290,783) | 290,783 | - | - |
| Increase due to change in Credit Risk | - | - | 1,242,851 | 1,242,851 | 1,242,851 |
| | <u>38,533</u> | <u>55,082</u> | <u>5,569,630</u> | <u>5,663,245</u> | <u>5,663,245</u> |

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

3. Summary of Significant Accounting Policies (Continued)

f. Financial Assets (continued)

Collateral held as security

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

| | |
|------------------|-----------------------------------|
| General loans | Shares in the credit union |
| Mortgage lending | Deed of Mortgage on property |
| Vehicle loans | Mortgage Deed of Sale on vehicles |

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

Assets obtained by taking possession of collateral

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

| | |
|--|---|
| Property | - |
| Shares | - |
| Others | - |
| Total assets obtained by taking possession of collateral | - |

Forward-looking information incorporated in the ECL models

The calculation of expected credit losses incorporates forward-looking information.

Regarding the loan portfolio, the Society has performed a ten-year historical analysis on the following key economic variables impacting credit risk and expected credit losses:

- GDP (current 2000 prices)
- Unemployment
- Inflation
- Interest rates
 - Lending: Non-bank Financial Institutions
 - Deposit
 - Mortgage Market Reference Rate (MMRR)

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

3. Significant Accounting Policies (Continued)

f. Financial Assets (continued)

Forward-looking information incorporated in the ECL models (continued)

Additionally, we obtained two-year forecasts for GDP, unemployment and inflation.

This data was analysed (via regression calculations) to make the relevant correlations and linkages with the historical loan portfolio data (e.g. trends in portfolio growth, delinquency, loss allowances and write-offs). Based on the strength of the correlations we determined that GDP movements was the best macro-economic variable to be used in the PD calculations. Consequently, the delinquency and bad debt trends were analysed in relation to the GDP growth trends in order to produce the PD scores. Separate default probabilities were calculated for each loan category/sub-category in Stage 1 depending on the level of increased risk that was observed via trend and/or ratio analyses.

The result of these analyses produced the following decision table regarding to the determination of the PD relative to GDP forecasts:

| Expected GDP Growth Rate @ Constant Prices | Stage 1 Other | Stage 1 (Member DSR> 40%) | Stage 1 (Member Salary<\$7000) | Stage 1 (Member Age 35 to 60 yrs) | Stage 2 (PDLs 30 to 90 Days) | Stage 3 (PDLs 91 to 180 days) | Stage 3 (Over 180 days & Bad Debts) |
|--|------------------|------------------------------------|--------------------------------------|---|---|--|---|
| -4% - 6% | 2.00% | 2.13% | 2.10% | 2.11% | 33.3% | 67% | 100% |
| -2% - 0% | 1.20% | 1.280% | 1.259% | 1.264% | 33.3% | 67% | 100% |
| 0% - 2% | 0.72% | 0.768% | 0.755% | 0.758% | 33.3% | 67% | 100% |
| 2% - 4% | 0.43% | 0.459% | 0.451% | 0.453% | 33.3% | 67% | 100% |
| 4% - 6% | 0.26% | 0.277% | 0.273% | 0.274% | 33.3% | 67% | 100% |
| >+6% | 0.16% | 0.171% | 0.168% | 0.168% | 33.3% | 67% | 100% |

Numerous credible sources have predicted T&Ts GDP to grow by approximately 1% in 2020; consequently, the PDs relating to this forecast was used in the expected credit losses calculations.

g. Revenue recognition

Investment Income

Income from investment is accounted for on the accruals basis except for dividends, which are accounted for on a cash basis, consistent with International Accounting Standard 10 Events after the Reporting Period.

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

3. Significant Accounting Policies (Continued)

g. Revenue recognition (continued)

Rental Income

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

h. 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.

i. Comparative figures

When 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.

j. 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.

k. Investment property

Properties held for long-term rental yields are 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.

4. Financial Risk Management

Financial risk factors

The Credit Union's activities are primary 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.

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

4. Financial Risk Management (Continued)

Financial risk factors (continued)

Financial instruments

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

| | 2020 | |
|------------------------------|---------------------------|-----------------------|
| | Carrying Value | Fair Value |
| | <u>TT\$</u> | <u>TT\$</u> |
| Financial Assets | | |
| Cash in Hand and at Bank | 80,754,637 | 80,754,637 |
| Investments | 80,625,808 | 80,625,808 |
| Loans to Members | 137,695,771 | 137,695,771 |
| Financial Liabilities | | |
| Members' Deposits | 19,074,624 | 19,074,624 |

| | 2019 | |
|------------------------------|---------------------------|-----------------------|
| | Carrying Value | Fair Value |
| | <u>TT\$</u> | <u>TT\$</u> |
| Financial Assets | | |
| Cash in Hand and at Bank | 75,548,589 | 75,548,589 |
| Investments | 74,368,139 | 74,368,139 |
| Loans to Members | 146,040,402 | 146,040,402 |
| Financial Liabilities | | |
| Members' Deposits | 18,000,804 | 18,000,804 |

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.

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

4. Financial Risk Management (Continued)

Financial risk factors (continued)

a) Interest rate risk (continued)

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.

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.

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

4. Financial Risk Management (Continued)

Financial risk factors (continued)

a) Interest rate risk (continued)

2020

| | Effective Rates <u>TT\$</u> | Effective Rates Restated <u>TT\$</u> | Up to 1 Year <u>TT\$</u> | 1 to 5 Years <u>TT\$</u> | Over 5 Years <u>TT\$</u> | Non- Interest Bearing <u>TT\$</u> | Total <u>TT\$</u> |
|--------------------------|-----------------------------------|---|--------------------------------|--------------------------------|--------------------------------|--|----------------------|
| Financial Assets | | | | | | | |
| Cash in Hand and at Bank | 0.01% | 0.01% | 80,714,637 | - | - | 40,000 | 80,754,637 |
| Investments | 1.33% | 3% | 62,768,602 | 10,514,192 | 7,343,014 | - | 80,625,808 |
| Loans to Members | 13.6% | 13.76% | <u>4,067,034</u> | <u>50,916,344</u> | <u>82,712,393</u> | <u>-</u> | <u>137,695,771</u> |
| | | | <u>147,550,273</u> | <u>61,430,536</u> | <u>90,055,407</u> | <u>40,000</u> | <u>299,076,216</u> |

Financial Liabilities

| | | | | | | | |
|-------------------|-------|-------|-------------------|----------|----------|----------|-------------------|
| Members' Deposits | 2.10% | 1.40% | <u>19,074,624</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,074,624</u> |
|-------------------|-------|-------|-------------------|----------|----------|----------|-------------------|

2019

Financial Assets

| | | | | | | | |
|--------------------------|--------|--|--------------------|-------------------|-------------------|---------------|--------------------|
| Cash in Hand and at Bank | 0.01% | | 75,508,589 | - | - | 40,000 | 75,548,589 |
| Investments | 1.33% | | 74,368,139 | - | - | - | 74,368,139 |
| Loans to Members | 13.76% | | <u>3,870,437</u> | <u>50,025,588</u> | <u>92,144,377</u> | <u>-</u> | <u>146,040,402</u> |
| | | | <u>153,747,165</u> | <u>50,025,588</u> | <u>92,144,377</u> | <u>40,000</u> | <u>295,957,130</u> |

Financial Liabilities

| | | | | | | | |
|-------------------|-------|--|-------------------|----------|----------|----------|-------------------|
| Members' Deposits | 2.10% | | <u>18,000,804</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,000,804</u> |
|-------------------|-------|--|-------------------|----------|----------|----------|-------------------|

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; as well as create the foundation for a sound credit portfolio.

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

4. Financial Risk Management (Continued)

Financial risk factors (continued)

b) Credit risk (continued)

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 rises 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.

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.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

4. Financial Risk Management (Continued)

Financial risk factors (continued)

c) Liquidity risk (continued)

ii) Liquidity gap (continued)

| | 2020 | | | | |
|------------------------------|---------------------------|--------------------------|--------------------------|--------------------------------------|---------------------------|
| | Up to 1 Year | 1 to 5 Years | Over 5 Years | Non- Interest Bearing | Total |
| | <u>TT\$</u> | <u>TT\$</u> | <u>TT\$</u> | <u>TT\$</u> | <u>TT\$</u> |
| Financial Assets | | | | | |
| Cash in Hand and at Bank | 80,714,637 | - | - | 40,000 | 80,754,637 |
| Investments | 62,768,602 | 10,514,192 | 7,343,014 | - | 80,625,808 |
| Loans to Members | <u>4,067,034</u> | <u>50,916,344</u> | <u>82,712,393</u> | <u>-</u> | <u>137,695,771</u> |
| | <u>147,550,273</u> | <u>61,430,536</u> | <u>90,055,407</u> | <u>40,000</u> | <u>299,076,216</u> |
| Financial Liabilities | | | | | |
| Members' Deposits | <u>19,074,624</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,074,624</u> |
| | | | | | |
| | 2019 | | | | |
| Financial Assets | | | | | |
| Cash in Hand and at Bank | 75,508,589 | - | - | 40,000 | 75,548,589 |
| Investments | 74,368,139 | - | - | - | 74,368,139 |
| Loans to Members | <u>3,870,437</u> | <u>50,025,588</u> | <u>92,144,377</u> | <u>-</u> | <u>146,040,402</u> |
| | <u>153,747,165</u> | <u>50,025,588</u> | <u>92,144,377</u> | <u>40,000</u> | <u>295,957,130</u> |
| Financial Liabilities | | | | | |
| Members' Deposits | <u>18,000,804</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,000,804</u> |

d) Currency risk

Current 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.

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

4. Financial Risk Management (Continued)

Operational risk (continued)

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.

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.

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.

5. Critical Accounting Estimates and Judgements

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the Credit Union's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. The Credit Unions makes estimates and assumptions concerning the future and 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.

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

5. Critical Accounting Estimates and Judgements (Continued)

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

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

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

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

- iv) Significant increase of credit risk:

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

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

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

- vi) Valuation models and assumptions used:

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgement) 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:

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

5. Critical Accounting Estimates and Judgements (Continued)

i. Impairment of assets

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

ii. Probability of default (PD)

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

iii. Loss Given Default (LGD):

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

iv. Fair value measurement and valuation process

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

v. Exposure at Default (EAD)

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

vi. Plant and equipment

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

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
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6. Investments:

| | 2020 | 2019 |
|---|--------------------------|--------------------------|
| | <u>TT\$</u> | <u>TT\$</u> |
| Fair Value Through Other Comprehensive Income: | | |
| Guardian Income Fund | 1,546,544 | 491,788 |
| Central Finance Facility Investment | 25,000 | 25,000 |
| Firstline Securities | 16,376,484 | 16,376,484 |
| Trinidad and Tobago National Gas APO | 1,411,085 | 1,988,800 |
| Roytrin Mutual Funds | 12,336,786 | 10,550,897 |
| Trinidad and Tobago Unit Trust Corporation | 4,687,561 | 4,682,192 |
| First Citizens Bank Limited | 2,752,586 | 2,846,621 |
| KCL Giant Screen Entertainment | 6,157,798 | 6,157,798 |
| KCL Capital Market Brokers Limited | <u>5,000,000</u> | <u>5,000,000</u> |
| | 50,293,844 | 48,119,580 |
| Amortised Cost: | | |
| Bourse Securities Limited – National Investment Fund | 1,133,781 | 1,122,000 |
| KCL Capital Market Brokers | 9,122,301 | 9,358,655 |
| Bourse Securities Limited | 12,074,654 | 12,074,654 |
| JMMB Investments | 591,428 | 580,686 |
| Sheppard Securities Limited | 8,575,000 | 4,575,000 |
| GAM Investment Bond | - | 1,565,341 |
| HDC Bond Limited | <u>2,888,014</u> | <u>-</u> |
| | 34,385,178 | 29,276,336 |
| | 84,679,022 | 77,395,916 |
| Less: Allowance for Expected Credit Loss | <u>(4,053,214)</u> | <u>(3,027,777)</u> |
| Total Investments | <u>80,625,808</u> | <u>74,368,139</u> |
| <u>Allowance for Expected Credit Loss</u> | | |
| Balance brought forward | 3,027,777 | 3,027,777 |
| Additional allowance for Expected Credit Loss | <u>1,025,437</u> | <u>-</u> |
| | <u>4,053,214</u> | <u>3,027,777</u> |

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

7. Investment Property:

| Cost | Land TT\$ | Building TT\$ | Total TT\$ |
|---------------------------------------|-------------------------|--------------------------|-------------------------|
| Balance as at 1 January 2020 | 2,475,000 | 1,025,000 | 3,500,000 |
| Additions | - | - | - |
| Revaluation Gain/(Loss) | - | - | - |
| Balance as at 31 December 2020 | <u>2,475,000</u> | <u>1,025,000</u> | <u>3,500,000</u> |
| Accumulated Depreciation | | | |
| Balance as at 1 January 2020 | - | 8,630 | 8,630 |
| Charge for the Year | - | 40,741 | 40,741 |
| Balance as at 31 December 2020 | <u>-</u> | <u>49,371</u> | <u>49,371</u> |
| Net Book Value | | | |
| Balance as at 31 December 2019 | <u>2,475,000</u> | <u>1,016,370</u> | <u>3,491,370</u> |
| Balance as at 31 December 2020 | <u>2,475,000</u> | <u>975,629</u> | <u>3,450,629</u> |
| Cost | | | |
| Balance as at 1 January 2019 | 1,310,000 | 1,588,208 | 2,898,208 |
| Additions | - | - | - |
| Revaluation Gain/(Loss) | <u>1,165,000</u> | <u>(563,208)</u> | <u>601,792</u> |
| Balance as at 31 December 2019 | <u>2,475,000</u> | <u>1,025,000</u> | <u>3,500,000</u> |
| Accumulated Depreciation | | | |
| Balance as at 1 January 2019 | - | 707,932 | 707,932 |
| Charge for the Year | - | 43,851 | 43,851 |
| Revaluation | - | <u>(743,153)</u> | <u>(743,153)</u> |
| Balance as at 31 December 2019 | <u>-</u> | <u>8,630</u> | <u>8,630</u> |
| Net Book Value | | | |
| Balance as at 31 December 2018 | <u>1,310,000</u> | <u>880,276</u> | <u>2,190,276</u> |
| Balance as at 31 December 2019 | <u>2,475,000</u> | <u>1,016,370</u> | <u>3,491,370</u> |

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

8. Loans to Members:

| | 2020 | 2019 |
|--|---------------------------|---------------------------|
| | <u>TT\$</u> | <u>TT\$</u> |
| Members' Ordinary Loans | 123,582,032 | 126,969,372 |
| Members' Short-Term Loans | 21,855 | 46,477 |
| Members' Mortgage Loans | <u>19,755,129</u> | <u>23,435,117</u> |
| | 143,359,016 | 150,450,966 |
| Less: Allowance for Expected Credit Losses | <u>(5,663,245)</u> | <u>(4,410,564)</u> |
| | <u>137,695,771</u> | <u>146,040,402</u> |
| <u>Allowance for Expected Credit Losses</u> | | |
| Balance Brought Forward | 4,410,564 | 5,640,561 |
| Additional Allowance for Expected Credit Losses | 1,252,681 | - |
| Decrease in Allowance for Expected Credit Losses | <u>-</u> | <u>(1,229,997)</u> |
| Balance Carried Forward | <u>5,663,245</u> | <u>4,410,564</u> |

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

9. Property, Plant and Equipment

| Cost | Land and Building TT\$ | Office Furniture TT\$ | Office Equipment TT\$ | Fixtures and Fittings TT\$ | Office Machinery TT\$ | Air Condition Unit TT\$ | Work in Progress TT\$ | Total TT\$ |
|---------------------------------|-----------------------------------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|------------------------------------|----------------------------------|-----------------------|
| Balance as at 1 Jan 2020 | 9,232,727 | 682,097 | 351,596 | 934,425 | 532,131 | 299,631 | 202,956 | 12,235,563 |
| Additions | - | 4,017 | 67,815 | 57,172 | 128,018 | - | 5,480,888 | 5,737,910 |
| Transfers | - | - | 9,883 | 19,937 | 8,200 | - | (38,020) | - |
| Disposals | - | - | - | - | (5,083) | - | - | (5,083) |
| Balance as at 1 Dec 2020 | 9,232,727 | 686,114 | 429,294 | 1,011,534 | 663,266 | 299,631 | 5,645,824 | 17,968,390 |
| Accumulated Depreciation | | | | | | | | |
| Balance as at 1 Jan 2020 | 1,351,998 | 419,659 | 222,122 | 399,117 | 449,866 | 158,445 | - | 3,001,207 |
| Charge for the Year | 145,300 | 35,095 | 64,717 | 87,156 | 83,405 | 56,770 | - | 472,443 |
| Disposals | - | - | - | - | (1,935) | - | - | (1,935) |
| Balance as at 1 Dec 2020 | 1,497,298 | 454,754 | 286,839 | 486,273 | 531,336 | 215,215 | - | 3,471,715 |
| Net Book Value | | | | | | | | |
| Balance as at 31 Dec 2019 | 7,880,729 | 262,438 | 129,474 | 535,308 | 82,265 | 141,186 | 202,956 | 9,234,356 |
| Balance as at 31 Dec 2020 | 7,735,429 | 231,360 | 142,455 | 525,261 | 131,930 | 84,416 | 5,645,824 | 14,496,675 |

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

9. Property, Plant and Equipment (Continued)

| Cost | Land and Building TT\$ | Office Furniture TT\$ | Office Equipment TT\$ | Fixtures and Fittings TT\$ | Office Machinery TT\$ | Air Condition Unit TT\$ | WIP TT\$ | Total TT\$ |
|---------------------------------|-----------------------------------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|------------------------------------|-----------------------|--------------------------|
| Balance as at 1 Jan 2019 | 4,293,232 | 632,397 | 423,424 | 930,625 | 532,142 | 289,899 | 212,179 | 7,313,898 |
| Additions | 4,696,226 | 24,489 | 37,022 | 3,800 | 37,402 | 27,337 | 306,058 | 5,132,334 |
| Transfers | 243,269 | 55,075 | 6,473 | - | 10,464 | - | (315,281) | - |
| Disposals | - | (29,864) | (115,323) | - | (47,877) | (17,605) | - | (210,669) |
| Balance as at 1 Dec 2019 | <u>9,232,727</u> | <u>682,097</u> | <u>351,596</u> | <u>934,425</u> | <u>532,131</u> | <u>299,631</u> | <u>202,956</u> | <u>12,235,563</u> |
| Accumulated Depreciation | | | | | | | | |
| Balance as at 1 Jan 2019 | 1,181,336 | 394,492 | 273,480 | 314,728 | 408,384 | 119,942 | - | 2,692,362 |
| Charge for the Year | 170,662 | 44,632 | 61,977 | 84,389 | 87,644 | 56,108 | - | 505,412 |
| | - | (19,465) | (113,335) | - | (46,162) | (17,605) | - | (196,567) |
| Balance as at 1 Dec 2019 | <u>1,351,998</u> | <u>419,659</u> | <u>222,122</u> | <u>399,117</u> | <u>449,866</u> | <u>158,445</u> | <u>-</u> | <u>3,001,207</u> |
| Net Book Value | | | | | | | | |
| Balance as at 31 Dec 2018 | <u>7,880,729</u> | <u>262,438</u> | <u>129,474</u> | <u>535,308</u> | <u>82,265</u> | <u>141,186</u> | <u>202,956</u> | <u>9,234,356</u> |
| Balance as at 31 Dec 2019 | <u>3,111,896</u> | <u>237,905</u> | <u>149,944</u> | <u>615,897</u> | <u>123,758</u> | <u>169,957</u> | <u>212,179</u> | <u>4,621,536</u> |

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

| | 2020 | 2019 |
|---|--------------------------|--------------------------|
| | <u>TT\$</u> | <u>TT\$</u> |
| 10. Accounts Receivable and Prepayments: | | |
| VAT Receivable | 157,556 | 165,581 |
| CUNA Claims Receivable | 110,802 | 95,603 |
| Investment Income Receivable and Sundry Debtors | 3,893,372 | 1,049,834 |
| Staff Loan Receivable | <u>67,356</u> | <u>82,577</u> |
| | <u>4,229,086</u> | <u>1,393,595</u> |
| 11. Cash in Hand and at Bank | | |
| Republic Bank Limited | 47,413,578 | 43,505,573 |
| Republic Bank Limited – US\$ Account | 1,176,746 | 45,020 |
| Trinidad and Tobago Unit Trust Corporation | 19,856,771 | 19,566,475 |
| Bourse Securities Limited | 3,022,208 | 3,317,273 |
| Guardian Asset Management | 9,245,334 | 9,100,080 |
| Cash in Hand | 40,000 | 40,000 |
| Credit Cards | <u>-</u> | <u>(25,832)</u> |
| | <u>80,754,637</u> | <u>75,548,589</u> |
| 12. Accounts Payable and Accruals | | |
| Interest Members' Fixed Deposits | 32,735 | 35,603 |
| Accruals | 596,298 | 286,226 |
| Stale-Dated Cheques | 168,961 | 211,183 |
| Vacation Leave Payable | 225,499 | 145,096 |
| UTC Member Transactions | 3,045 | 3,045 |
| VAT Payable | 26,151 | - |
| Credit Card | <u>12,849</u> | <u>-</u> |
| | <u>1,065,538</u> | <u>681,153</u> |
| 13. Members Deposits | | |
| Members' Fixed Deposits | 3,560,267 | 3,598,649 |
| Members' Target Deposits | 8,767,298 | 8,046,401 |
| Members' Special Deposits | 6,745,734 | 6,354,429 |
| First Step Youth Credit Union Deposits | <u>1,325</u> | <u>1,325</u> |
| | <u>19,074,624</u> | <u>18,000,804</u> |

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

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.

15. Proposed Dividends

For the year ended 31 December 2020 the Board of Directors has proposed a dividend of \$7,427,928 or 3.5% (\$7,224,656 or 3.5% in 2019) and an interest rebate on Ordinary Loans of \$788,249 or 5.5% (\$808,103 or 5.5% in 2019) and on Unsecured and Demand Loans of \$113,781 or 6.5% (\$113,781 or 6.5% in 2019). 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 and IFRS 9, the Board of Directors has created an investment re-measurement reserve which includes unrealised gains/losses on available-for-sale investments.

18. Investment Property Revaluation Reserve

The Society carried out a revaluation of its property located at #16 Wilson Street, St. Augustine. The property valuation was conducted by C.B Lawrence and Association Limited on 15 October 2019. This resulted in a revaluation gain of \$1,344,945.

19. 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.

20. Common Good Fund

This reserve includes appropriations transferred from Undivided Surpluses as considered necessary by the Board of Directors.

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

21. Building Fund

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

22. Employees

The number of employees in the Credit Union at 31 December 2020 amounted to 18 (2019 – 16).

23. 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 the related parties in the normal course of business.

| | 2020 | 2019 |
|--|--------------------|--------------------|
| | <u>TT\$</u> | <u>TT\$</u> |
| Related Party Transactions: | | |
| Assets, Liabilities and Members' Equity | | |
| Loans and Other Receivables | | |
| Directors, committee members, key management and their close relations | <u>3,468,781</u> | <u>2,990,841</u> |
| Deposits and Other Liabilities | | |
| Directors, committee members, key management and their close relations | <u>119,873</u> | <u>158,155</u> |
| Shares | | |
| Directors, committee members, key management and their close relations | <u>1,385,865</u> | <u>1,356,774</u> |
| Income | | |
| Directors and key management personal | <u>17,357</u> | <u>15,838</u> |
| Interest and Other Expenses | | |
| Directors and key management personnel | <u>176,899</u> | <u>170,356</u> |
| Key management compensation | <u>756,976</u> | <u>714,860</u> |

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

24. Fair Values

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable 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' Loan

Loans are net of general allowances for losses as follow:

| <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.

25. 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 undivided earnings.

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

26. Capital Commitment

The Society manages its capital commitments to ensure that it will be able to continue as a going concern while maximising the return to its members, whilst providing value to its members by offering loan and saving facilities. The Society's overall strategy remains unchanged from previous years.

The capital structure of the Society consists of equity attributable to members, which comprises of issued members shares, reserves and retained earnings.

| | 2020 | 2019 |
|--|--------------------------|--------------------------|
| | <u>TT\$</u> | <u>TT\$</u> |
| 27. Loan Interest Income | | |
| Interest on Ordinary Loans | 17,640,427 | 16,588,332 |
| Interest on Mortgage | <u>1,656,326</u> | <u>1,512,658</u> |
| | <u>19,296,753</u> | <u>18,100,990</u> |
| 28. Investment Income | | |
| Interest on Savings Account | 40,514 | 40,849 |
| Interest on Fixed Deposits | 3,639,137 | 4,394,470 |
| Interest on Mutual Funds | <u>260,873</u> | <u>139,228</u> |
| | <u>3,940,524</u> | <u>4,574,547</u> |
| 29. Board and Committee Expenses | | |
| Meeting | 166,420 | 202,238 |
| Honoraria | <u>297,676</u> | <u>332,031</u> |
| | <u>464,096</u> | <u>534,269</u> |
| 30. Office Security and Maintenance | | |
| Office Expenses | 403,122 | 383,109 |
| Building Maintenance | 137,755 | 104,485 |
| Security | 14,708 | 40,742 |
| Insurances | <u>63,180</u> | <u>80,899</u> |
| | <u>618,765</u> | <u>609,235</u> |

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

| | 2020 | 2019 |
|--|-------------------------|-------------------------|
| | <u>TT\$</u> | <u>TT\$</u> |
| 31. Other Administrative Expenses | | |
| Advertising and Promotion | 158,430 | 146,905 |
| Annual General Meeting | 105,382 | 195,550 |
| Bad Debt Write-off | - | 373,601 |
| Depreciation | 513,184 | 549,253 |
| Donations | 38,992 | 51,940 |
| Green Fund Levy | 72,469 | 326,462 |
| League Dues | - | (5,000) |
| Loss on Disposal of Fixed Assets | 328 | 14,112 |
| Loss on Foreign Exchange | 5,054 | - |
| Miscellaneous | 12,813 | 53,204 |
| Printing, Postage and Stationery | 46,116 | 47,282 |
| Stabilization Fund | 27,680 | 32,853 |
| Travelling and Subsistence | 4,450 | 6,675 |
| Utilities | <u>245,300</u> | <u>109,714</u> |
| | <u>1,230,198</u> | <u>1,902,551</u> |
| 32. Salaries and Staff Benefits | | |
| Ex gratia Payments | - | 71,670 |
| Group Life and Health | 80,502 | 57,275 |
| National Insurance Contributions | 203,865 | 176,624 |
| Salaries | 3,041,223 | 2,934,506 |
| Staff Bonus and Benefits | 9,130 | 1,798 |
| Pension Payments | 304,862 | 433,188 |
| Training and Development | 88,457 | 236,835 |
| Severance Benefits Expense | <u>18,822</u> | <u>229,474</u> |
| | <u>3,746,861</u> | <u>4,141,370</u> |
| 33. Special Events | | |
| Bursaries and Awards | 88,413 | 84,750 |
| Conventions and Seminars | 102,653 | 254,870 |
| Credit Union Week | 115,401 | 84,602 |
| Social and Cultural Activities | <u>409,065</u> | <u>376,342</u> |
| | <u>715,532</u> | <u>800,564</u> |

U.W.I. Credit Union Co-operative Society Limited
Notes to the Financial Statements
31 December 2020

34. Impact of COVID -19 on the Credit Union

On 11 March 2020, the World Health Organisation (WHO), following the alarming levels of spread and severity, levels of inaction, characterized COVID-19 as a pandemic, on 12 March 2020, Trinidad and Tobago registered its first reported case. Shortly thereafter, the Government of Trinidad and Tobago instituted several measures to combat the spread of the virus including a temporary lockdown of all non-essential services and the imposition of social distancing guidelines. The Credit Union has mitigated the risks arising from these events by providing waivers and moratoriums to its members, which resulted in extended repayment time for loans granted.

RESOLUTIONS

Be it resolved that an allocation of \$1,321,808 representing 10% of the Net Surplus for the Year Ended 31st December, 2020 be credited to the Reserve Fund

Be it resolved that an allocation of \$101,889 of the Net Surplus for the Year Ended 31st December, 2020 be credited to the Education Fund

Be it resolved that an allocation of \$5,250 of the Net Surplus for the Year Ended 31st December, 2020 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, 2020 be credited to the Building Fund

Be it resolved that a Dividend of 3.5% 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) 5.5% in respect of Ordinary Loans; and
- (2) 6.5% in respect of Unsecure/Demand Loans

Be it resolved that an allocation of 2.5 % of the Net Surplus for the Year Ended 31st December, 2020 be approved and paid as Honorarium for 2020.

Be it resolved that the firm of Moore Business Solutions Trinidad and Tobago Ltd. be retained as Auditors for the Financial Year Ending 31st December, 2021

Be it resolved that the approved maximum liability be increased from \$18 million to \$21 million.

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 Thursday May 6, 2021.

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 Monday May 3, 2021.

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.



Heather Thurab-Schulz (Mrs.)
General Manager
Date

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

Please allocate my 2020 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
- Online statements
- Internal account transfers (Online)
- External transfers to third parties (Online)
- Online loan applications
- Online deposits

Notes