

Annual Report 2018



... progressing through TRANSFORMATION

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AGENDA 2019

- 1. Assessment of Quorum and Call to Order.
- 2. National Anthem of the Republic of Trinidad & Tobago.
- 3. Invocation Prayer of St. Francis of Assisi.
- 4. Welcome Remarks and Safety Briefing.
- 5. Reading of Notice convening the 42nd Annual General Meeting.
- 6. Reading of Standing Orders.
- 7. Reading and Confirmation of the Minutes of the 42nd Annual General Meeting.
- 8. Matters Arising out of Minutes.
- 9. Reports:
 - I. Board of Directors
 - II. Credit Committee
 - III. Supervisory Committee
 - IV. Education Committee
- 10. Motion to Accept Reports.
- 11. Presentation of Auditors' Report and Financial Statements.
- 12. Presentation of GEACU's Budget 2019.
- 13. Resolutions:
 - I. Appointment of Auditor for the Financial Period January 01, 2019 to December 31, 2019
 - II. Approval of Dividend
 - III. Approval of Honoraria
 - IV. Approval of Write-off Bad Debts
- 14. Amendment to Bye-Law #4.1 Admission/Application Fee.
- 15. Correspondence.
- 16. Nomination Committee Report.
- 17. Election of Officers for the new term:
 - I. Supervisory Committee
 - II. Board of Directors
 - III. Credit Committee
- 18. Any other Business.
- 19. Drawing of Door Prizes.
- 20. Vote of Thanks.
- 21. Adjournment.

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On Behalf of the Board of Directors

Jacqueline Roberts (Ms)

SECRETARY



CREDIT UNION PRAYER

PRAYER OF St. Francis of Assisi

Lord, make me an instrument of Thy peace:

Where there is hatred, let me sow love;

Where there is injury, pardon;

Where there is doubt, faith;

Where there is despair, hope;

Where there is darkness, light; 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.

AMEN



VISION: To be recognized as the Premier Credit Union of the Energy sector and the Communities in which we operate



Guaymay Energy Alliance Credit Union



STANDING ORDERS

- 1. (a) A member shall stand and state his/her name when addressing the Chair.
 - (b) Speeches shall be clear and relevant to the subject before the meeting.
- 2. A member shall address the meeting when called upon by the Chairman to do so, after which, he shall immediately take his seat.
- 3. No member shall address the meeting except through the Chairman.
- 4. A member may not speak twice on the same subject, except:
 - (a) The mover of a motion who has a right to reply.
 - (b) He/She rises to object to, or explain (with permission of the Chairman).
- 5. No speeches shall be made after the "question" has been put and carried or voted against.
- 6. The mover of a "procedural motion" shall have no right to reply.
- 7. A member rising on a point of order shall state the point clearly and concisely. (A point of order must have relevance to the Standing Order)
- 8. (a) A member shall not call another member to order but may draw the attention of the Chair to a breach of order.
 - (b) On no account can a member call the Chair to order.
- 9. Only one amendment shall be before the meeting at one and the same time.
- 10. When a motion is withdrawn, any amendment to it fails.
- 11. The Chairman shall have the right to a casting vote.
- 12. If there is an equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
- 13. Provision shall be made for protection by the Chairman from vilification (personal abuse).
- 14. No member shall impute improper motives against another.
- 15. Cellular Phones and Pagers should be switched off or silenced during the course of the meeting.



NOTICE 43RD ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of Guaymay Energy Alliance Credit Union Co-operative Society Limited will be held on Saturday, March 23, 2019 at bpTT's Offices, Queen's Park West, Port of Spain at 9.30 am.

AGENDA

- 1. Reading and Confirmation of Minutes of the 42nd Annual General Meeting
- 2. Matters arising from the Minutes of the 42nd Annual General Meeting
- 3. To Receive the reports of the:
 - i. Board of Directors
 - ii. Supervisory Committee
 - iii. Credit Committee
 - iv. Education Committee
 - v. Nominations Committee
 - vi. Auditor's Report and Audited Financial Statements
- 4. To approve the Budget Proposal for the year ending December 31, 2019
- 5. Resolutions
- 6. Amendment to Bye-Law #4.1 Admission
- 7. To elect officers for the next term
- 8. To conduct General Business

On Behalf of the Board of Directors

MINUTES OF 42ND ANNUAL GENERAL MEETING

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Held on Saturday, March 17, 2018 at the Mayaro Resource Centre, Beaumont Road, Mayaro

1.0 CALL TO ORDER

The 42nd Annual General Meeting of Guaymay Energy Alliance Credit Union Cooperative Society Limited was called to order at 9.30 a.m. by the President, Mr. Noel Jones, with one hundred and five (105) members present.

2.0 INVOCATION

The National Anthem was played by Mr. Brent Phillip, after which the Credit Union Prayer was recited.

3.0 1st CREDENTIAL REPORT

A Credential Report taken at 9.30 a.m. revealed that there were one hundred and five (105) members present; therefore, the meeting was duly constituted in accordance with the Bye-Laws of the Credit Union.

4.0 NOTICE OF MEETING

The Secretary, Ms. Jacqueline Roberts, read the Notice convening the 42nd Annual General Meeting of Guaymay Energy Alliance Credit Union Co-operative Society Limited.

5.0 PRESIDENT'S ADDRESS

The President, Mr. Noel Jones, on behalf of the Board of Directors, specifically welcomed the officers of the Co-operative Division, Ministry of Labour and Small Enterprise Development; specifically invited guests; representatives of I. A. Ali & Associates and Mr. Wayne Cordner of CUNA Insurance Society Limited.

Mr. Jones noted that 2017 was a great year for Guaymay Energy Alliance Credit Union Co-operative Society Limited. He listed the following achievements of the Credit Union:

- Completed construction and moved into the Credit Union's Headquarters at #3 Peter Hill Road, Mayaro on September 26, 2017.
- Remained focused on institutional strengthening; ensuring compliance with all laws and regulations, while maintaining good business practices.
- Strengthened the governance structure which served to improve the quality of the Credit Union's meetings and business operations.
- Ongoing technological improvements ensured that there was a reduction in the drudgery the staff faced in doing their work and subsequently, improved quality of service to members.
- Despite a relatively dormant financial climate, Guaymay Energy Alliance Credit Union continued to do well in all areas.



5.0 PRESIDENT'S ADDRESS Con't

The President reminded members that on-going education and capacity-building continue to be a critical pillar in the democratic structure of credit unions.

He gave the assurance that members who were interested in serving on the Board or statutory committees can be prepared for their roles with training by the following:

- Education Committee
- Ministry of Labour and Small Enterprise Development
- Cadre of experienced volunteers in various disciplines

In closing, the President thanked the Staff and volunteers for their commitment and contribution in preparation for the 42nd Annual General Meeting and looked forward to members' continued support in 2018 and beyond.

6.0 ACKNOWLEDGEMENT OF GUESTS

The Chairman acknowledged the presence of the following specially invited guests:

- Ms. Deborah Ann Scott of the Cooperative Division, Ministry of Labour and Small Enterprise Development
- Ms. Sabrina Badree of the Cooperative Division, Ministry of Labour and Small Enterprise Development
- Ms. Elizabeth Spence of the Cooperative Division, Ministry of Labour and Small Enterprise Development
- Mrs. Risha Ali of I.A. Ali & Associates
- Mr. Colingsworth Howard of Micro Soft Designs (MSD)
- Dr. Anthony Elias, President, Trinidad and Tobago Credit Union Deposit Insurance Fund (TTCUDIF)
- Mr. Wayne Cordner of CUNA Caribbean Insurance Society Limited
- Mr. Fabien Joseph of Antilles Credit Union/South West Regional Chapter/ Co-operative Credit Union League of Trinidad and Tobago
- Ms. Esme Raphael of Central Finance Facility
- Principal and JCEP Students of Mayaro Secondary School

7.0 STANDING ORDERS

The Vice President, Mr. Jude Moore, drew members' attention to the Standing Orders, as stated on page 5 of the Annual Report/Brochure.

The Standing Orders were unanimously adopted by the meeting on a motion moved by Ms. Maura Paul and seconded by Mr. Ashton Wharwood.

8.0 MINUTES OF 41st ANNUAL GENERAL MEETING – MARCH 19, 2017

The Secretary, Ms. Jacqueline Roberts, gave highlights of the Minutes of the 41st Annual General Meeting.

Corrections and/or Omissions

There were no corrections and/or omissions in the Minutes of the 41st Annual General Meeting.

Confirmation

The Minutes of the 41st Annual General Meeting were confirmed on a motion moved by Ms. Donna Peters and seconded by Ms. Hillis Richards.

Business Arising from the Minutes of 41st AGM

There were no matters arising out of the Minutes of the 41st Annual General Meeting of Guaymay Energy Alliance Credit Union Cooperative Society Limited.

9.0 BOARD OF DIRECTORS REPORT

Mr. Noel Jones, President, presented the Board of Directors' Report as stated on pages 21 to 27 of the Annual Report/Brochure.

He highlighted Guaymay Energy Alliance Credit Union's performance, during the period under review, in key areas:

- 11% increase in Members' Shares from \$147.9 million as of January, 01, 2017 to \$164.4 million as at December 31, 2017
- 9% increase in Assets from \$166.1 million as of January 1, 2017 to \$186.4 million as of December 31, 2017
- 6% increase in membership from 6,594 as of January 1, 2017 to 7,003 as of December 31, 2017
- 12% increase in Undivided Earnings from \$6.4 million as of January 1, 2017 to \$7.18 million as of December 31, 2017

Such strong performance was as a result of teamwork by the Guaymay Energy Alliance Credit Union's family, culminating in the successful execution of Guaymay Energy Alliance Credit Union's Business Plan.

Some highlights of the report were:

- Strategic Plan review.
- Compliance with the Financial Intelligence Unit (FIU) and Anti-money Laundering Acts as well as the Credit Union's Compliance Programme.
- Training and Development Programmes geared towards improving competencies in the respective functional areas for the Board, elected Officers and Staff.
- Completion of the Credit Union's Headquarters slightly above budget, due to variations.
- Reduction in delinquency ratio from 5.7% to 4.3%.
- Canary Apartments (eight-apartment building) fully occupied.



9.0 BOARD OF DIRECTORS' REPORT Con't

- Loan Sales for Mortgage/Land Purchases, New Vehicle Sale Purchases, Loans within Shares and End-of-Year Loan Sale.
- Acquisition of 66,405 shares in National Gas Limited (NGL).
- Purchase of \$2.0 Million in Trinidad and Tobago Government Bonds, yielding 4.1%.
- Replacement of the Credit Union's server with two (2) robust state-of-the art servers. There
 is faster internet processing speeds using TSTT Metro Fibre Conduit and backed up with
 Flow Broadband Connection.
- Guaymay Energy Alliance continues to be a member of the Trinidad and Tobago Credit Union Deposit Insurance Fund (TTCUDIF) as well as the Central Finance Facility (CFF).
- As at December 31, 2017, AECUS and Ashley repaid over \$1,537,091 to Guaymay Energy Alliance Credit Union, with \$893,949.00 going to reduce the principal and \$643,142 in interest payments. The company has a loan balance of \$445,388.00.
- Achievement of Co-operative Credit Union League's Award for Best Performance in the large credit unions' category.

On behalf of the Board of Directors, the President extended heartfelt thanks to the Manager and his Staff, and Directors and Officers who all played significant roles in making 2017 a successful year, as well as the Management and Staff of bpTT for their support.

Discussion

There were no matters arising out of the Board of Directors Report.

Acceptance

The report was accepted on a motion moved by Mr. Glen Holder and seconded by Ms. Hillis Richards.

10.0 CREDIT COMMITTEE REPORT

The Chairman, Mr. Mark Mitchell, presented the Committee's report as stated on pages 28 to 30 of the Annual Report/Brochure.

Six hundred and forty-three (643) loans valued \$44,441,496.74 were approved during the period under review.

Discussion

In response to Mr. Anthony Sylvester's query about two elements of motor vehicles, Mr. Mitchell clarified that one referred to motor vehicle repairs and the other referred to the purchase of new motor vehicles.

In response to Mr. Thomas' comment about members being referred to the banks for loans, the President indicated that he would have to get more information on that; certainly it was not a directive from the Board of Directors. He noted that the Credit Union tries to meet members' needs unless it is a loan out of its category and the Society really cannot deal with it. He thanked Mr. Thomas for the feedback and indicated that was not supposed to happen.

10.0 BOARD OF DIRECTORS' REPORT Con't

In answer to Ms. Cheryl Singh's query, Mr. Jones informed the meeting that when a member applies for a loan, the Credit Union has to ensure that the member has the ability to repay the loan so that it does not become delinquent. There are also Financial Intelligence Unit (FIU) regulations and concerns about money laundering, with which all credit unions have to comply.

He recalled that complaints were received with respect to members' difficulty to access loans within shares and recently arrangements were put in place to prequalify members for loans within their shares to make the process easier.

Mr. Reynold Phillip suggested that information with regard to loans should be displayed at the office so that members would be aware and would not be surprised when they go to their credit union to transact business. The Chairman thanked Mr. Phillip for his suggestion and informed the meeting that, in addition to the information being displayed at the office, it will be placed on the Credit Union's website.

In response to Ms. Adana Peruse comment on loans for funeral, the Chairman informed the meeting that members should ensure that they are enrolled in the Family Indemnity Plan (FIP) offered by CUNA Caribbean Insurance Society Limited, which caters for deceased members' funeral costs. The Credit Union has documents on the FIP which can be shared with members so that they would be au courant with how the FIP works. The figure under "Loans" is funds members borrowed in addition to the FIP, as not every member would have enrolled in the FIP.

Mr. Vernon Gabriel suggested that the Credit Union should take the opportunity to update members' data when they apply for a loan. The Chairman thanked Mr. Gabriel for his suggestion, which will surely be taken on board.

Acceptance

The report was accepted by the meeting on a motion moved by Mr. Glen Holder and seconded by Ms. Hillis Richards.

11.0 SUPERVISORY COMMITTEE REPORT

On behalf of Ms. Dianne Baptiste, Chairperson of the Committee, who was out of the country, the Secretary, Ms. Althia La Pierre-Mitchell, presented the Committee's report.

She called on the meeting recognize the members of the Supervisory Committee.

The Committee reported as follows:

- Impromptu cash counts, as well as the one conducted at the end of the financial year, were found to be in line with the controls in place to safeguard the assets of the Credit Union.
- Regular meetings were held with the Manager to clarify day-to-day issues of the operations of the Credit Union.
- The Manager had made great strides in ensuring that internal controls were in place; however, there were still some gaps that needed to be closed. For example, while policies were in place, relevant procedures must be developed to support those policies.
- Accounts of Directors, Officers and Staff were reviewed and found to be in compliance with the Bye Laws and Policies.



11.0 SUPERVISORY COMMITTEE REPORT Con't

- Monthly meetings were held with the Accountant to review and discuss the Financial Reports prior to sign off by the Supervisory Committee and presentation at the Board meetings.
- Bank reconciliations were reviewed monthly and recommendations on stale-dated cheques were brought to the attention of the Board.
- The Payment File was reviewed but nothing of concern came to the Committee's attention.
- The Committee commended the Building Committee for achieving its mandate of overseeing the completion the Credit Union's building within the period under review.
- The Committee conducted audits of contracts awarded and expenses related to the building and reported that the documentation examined appear to be accurately presented.
- The Investment Portfolio was examined and found to be in keeping with the Investment Policy
 of the Credit Union.
- A review of Tobago investment was not possible as the Committee was unable to meet with the AECUS and Ashley Board to review this investment.
- An HSSE Audit was conducted during construction phase of the building and all issues identified were taken to the Board for its attention and action.
- Individual meetings were held with the Staff, and the Committee concurs that they were all
 aware of their roles and responsibilities and were performing in accordance with the Credit
 Union's policies.
- Staff performance and salary treatment were reviewed and appeared to be administered in accordance with policy.
- Consideration should be given to development of a risk management policy for the Credit Union.
- The Supervisory Committee recognized the excellent work done by the Board, Committees
 and Staff. It urged the Board to continue its focus on providing quality and efficient service to
 members. It was confident that the newly elected Committee will continue to do so in the best
 interest of members.

Discussion

Mr. Lyndon James indicated that he had an issue with regard to the Credit Union remitting FIP premiums to CUNA Caribbean Insurance Society Limited. A matter took place about three years ago where his premiums were not remitted to CUNA Insurance Society Limited and, to date, he has not received his FIP claim payment. He called on the Supervisory Committee, in future, to review those types of remittances as part of the audit that they undertake.

Mr. Edison Charles lamented the use of faded ink on the Credit Union's receipts presently as opposed to the ink used in the past.

Ms. Laverne Edwards sought clarification on the "Payment Files".

In response to questions/suggestions/comments from members, the meeting was apprised as follows:

- An appointment has to be made if a member wishes to have a conversation with the Manager.
- Measures were being taken to ensure timeliness of remittance of FIP premiums to CUNA

11.0 SUPERVISORY COMMITTEE REPORT Con't

Caribbean Insurance Society Limited.

- Mr. Glen Holder and Mrs. Diane Dottin-Harris represent Guaymay Energy Alliance Credit
 Union on the Board of AECUS and Ashley Ltd. The Supervisory Committee requested to
 meet with the Board of AECUS and Ashley Ltd. in December, 2017. Apparently the time
 was too short for the meeting to take place, so the incoming Supervisory Committee can
 follow up on that request.
- Mrs. Diane Dottin-Harris carries out internal audits of the books of AECUS and Ashley Ltd. while Mr. Glen Holder checks the apartments and equipment, thereby ensuring that the investment is doing well.
- AECUS and Ashley Ltd. is a joint investment venture between Guaymay Energy Alliance Credit Union and Mr. Ashley Sobers (50% each). Each has two representatives on the Board of AECUS and Ashley Ltd.
- Payment files are used to record monies outstanding to persons who did work or provided a service to the Credit Union; for example, supply of IT services, groceries and so forth.
- In response to Mr. Dalton Douglas' query about recommendations the Committee gave to the Board, Mrs. La Pierre-Mitchell indicated that the Committee recommended that the Office Clerk try to contact members whose accounts were dormant, to find out if they were alive and would like to reactivate their accounts. If supporting documents for loans were not in the files, the Committee would draw that to the attention of the Board and recommend that the documentation be placed in the members' files.
- The process used for accepting the Supervisory Committee's recommendations is that the Executive Committee peruses the Supervisory Committee's Report for the previous month and lists the actions for implementation.

Acceptance

The report was accepted by the meeting on a motion moved by Mr. Glen Holder and seconded by Ms. Hillis Richards.

12.0 EDUCATION COMMITTEE REPORT

Miss Natasha Rodney, Chairman of the Committee, presented the report of the Education Committee.

She outlined some of the activities of the Committee during the period under review:

- Board and Committee Training an induction programme for the Board of Directors, Supervisory, Credit and Education Committees facilitated by the Co-operative Division, Ministry of Labour and Small Enterprise Development was held two weeks after the 2017 Annual General Meeting.
- In keeping with legal obligation and regulations, under the guidance of the Compliance Officer, Financial Intelligence Unit (FIU) training was provided to the Board of Directors, Committees and Employees.
- **Members' Education** Orientation Sessions for Board, Committees and Staff were conducted in Mayaro and Port of Spain.
- Youth Empowerment mentored/train youths for further involvement in the Credit Union.



12.0 EDUCATION COMMITTEE REPORT Con't

- Publicity/Marketing The Credit Union continues to publish its Newsletter which highlights upcoming activities; Credit Union updates and articles which educate the membership. In future, Newsletters will be published quarterly. Going forward, Miss Rodney implored members to attend the training hosted by the Education Committee.
- The Committee expressed heartfelt thanks to the Board of Directors for its constant guidance and wisdom, and to the Manager and staff for their unfailing support.

Discussion

There were no matters arising out of the Report.

Acceptance

The report was accepted by the meeting on a motion moved by Mr. Glen Holder and seconded by Ms. Hillis Richards.

13.0 AMENDMENT OF AGENDA

On a motion moved by Ms. Jacqueline Roberts, seconded by Ms. Maura Paul and accepted by the meeting, the Agenda was amended to have the Nominations Report presented just prior to the Election of Officers for the new term.

14.0 AUDITOR'S REPORT AND FINANCIAL STATEMENTS

Mrs. Rishma Ali, representative of I. A. Ali and Associates, presented the Auditor's Report.

Acceptance

The report was accepted by the meeting on a motion moved by Mr. Andy Thomas and seconded by Mr. Noel Nimble.

Financial Statements

Mr. Ryan Moren, Manager, and Mr. Anderson Nelson, Accountant, presented the Financial Statements.

Some highlights during the period under review:

- 162% Increase in property, plant and equipment from \$3,492,964 to \$9,177,887.
- 9% Increase in Members' Loans from \$111,662,962 to \$121,449,235
- Increase in Total Assets from \$166,155,685 to \$186,434,309.
- 11% Increase in Members' Shares from \$147,876,024 to \$164,357,702
- Increase in Members' Deposits from \$786,177 to \$1,756,982
- Increase in total Members' Equity and Reserves from \$16,824,589 to \$19,476,452.
- 7% Increase in Interest on Loans from \$9,850,916 to \$10,531,991.
- 8% Increase in Interest on Investments from \$882,876 to \$955,761
- 6% Increase in Total Income from \$10,886,078 to \$11,600,309
- 4% decrease in Expenditure from \$3,535,121 to \$3,395,807.
- Increase in Net Surplus of Income over Expenditure from \$7,350,957 to \$8,204,502.

Discussion

Members made the following comments/observations/suggestions:

- The increases in revenue and other areas of operations of the Credit Union seen thus far are as a result of prudent management.
- There should be full insurance of the new Headquarters building.
- Travelling costs will decrease because of board meetings via the use of technology.
- Some members thought that the Credit Union's property, based on the location, will appreciate rather than depreciate.
- There is one Security Officer stationed at Guaymay Energy Alliance Credit Union Headquarters.

In response to questions posed/suggestions/comments/observations made, members were apprised as follows:

- Rent represents the nine months the Credit Union occupied the previous office before relocating to its own Headquarters.
- The previous year, a budget was set and approved by the Annual General Meeting.
- Specific targets were set in the various areas: increase in membership; increase in loans to members; increase in members' shares and so forth.
- Interest is paid on Share Accounts but not on Deposit Accounts.
- The building was covered under the contractor's insurance but provision for insurance of same is catered for in the 2018 budget.
- Foreign exchange rates fluctuate. The Credit Union has one investment in US currency and there were some reductions in the rates of that particular investment, so there has been negative growth.
- Based on accounting standards, one must depreciate an asset as soon as it is put to use.
- Disposal of some old computers from the Credit Union's office also increased the amount of depreciation during the period under review.

Acceptance

The Financial Statements were approved by the meeting on a motion moved by Mr. Keon Paul and seconded by Mr. Lennox Phillip.

14.0 BUDGET 2018

The Manager, Mr. Ryan Moren, presented the budget for 2018.

The following projections for 2018 were highlighted:

- Total Income of \$12,173,678.00
- Expenses of \$3,890,322.19; Capital Expenditure of \$915,000



14.0 BUDGET 2018 Con't

Discussion

Members made suggestions/comments/observations and posed questions as follows:

- The electrical wiring of the Headquarters should be reviewed because those regular electricity blackouts at the Credit Union's Office can be attributed to voltage shortage.
- There is an audited figure for the provision of bad debts for 2017 but none for 2018.
- The figure for Repairs and Maintenance is \$108,000; members should note that as a plus to their Credit union.
- What can members expect for the \$60,000 to create a platform for Internet, Mobile and ATM banking?
- What is responsible for the increase in legal and professional fees?
- Is there a timeframe for the introduction of Internet banking?
- Will there be an increase in security personnel?
- Will there be other personnel increases to capitalize on the 2018 budget?
- Look into the Mayaro/Guayaguare catchment area to engage a marketing resource because there were young bright scholars in that area.

In response to questions posed, members were apprised as follows:

- The figure for 2017 represents part of 2018.
- The Staff was working feverishly with the auditors to perfect IFRS 9 which makes provision for all loans even before they become delinquent.
- There were certain things to be done before upgrading the IT software so that there can be quick access to online banking. There was need for a bigger band width so that communication to the Credit Union is improved. Some things have already been done and it is anticipated that further upgrading will be done during the third and fourth quarters.
- The cost for computer upgrade is treated as a capital expenditure. A team from bpTT assisted Guaymay Energy Alliance Credit Union with the procurement process.
- The Credit Union's Attorneys were being engaged more regularly to assist with tightening up of the Credit Union's legal paperwork and that service incurs a cost.
- The first phase of the IT Upgrade Project will accommodate the introduction of Internet banking.
- The Credit Union is preparing the process for Internet banking.
- The forms for members to update their data can be placed on the Credit Union's website.
- Text-blasts will also be sent to members asking them to update their data.
- All internal security systems were upgraded in order to move into the new building.
- There is remote monitoring of the Credit Union Headquarters on a 24-hour basis.
- Security will be discussed, and if there is a need to increase security on site at the Headquarters, it will be done.

14.0 BUDGET 2018 Con't

Some consultancy will be needed for rebranding Guaymay Energy Alliance Credit Union.

Acceptance

The Budget for 2018 was approved by the meeting on a motion moved by Ms. Jennifer S. Farrell and seconded by Ms. Esther Noel.

15.0 RESOLUTIONS

15.1 Appointment of Auditor

On behalf of the Board of Directors, Mr. Noel Jones presented the following resolution:

Whereas the Commissioner for Co-operative Development has drawn up a list of approved Auditors for the accounts of Co-operative Societies in accordance with Section 51 of the Co-operative Societies Act and Regulations thereof;

And whereas Bye-Law 18 (h) of the Guaymay Energy Alliance Credit Union requires the Annual General Meeting to appoint an Auditor for the ensuing term from the list of Auditors approved by the Commissioner;

Be it resolved that I. A. Ali and Associates be retained as our external Auditors for the financial year ended December 31, 2017.

The resolution was seconded by Mr. Keon Paul and unanimously approved by the meeting.

15.2 Dividends

On behalf of the Board of Directors, Mr. Noel Jones presented the following resolution:

Whereas the Credit Union has realized a net surplus for the financial year ended December 31, 2017;

And whereas Bye-Law 27 of the Society makes provision for the distribution of the surplus in accordance with the Regulations of the Co-operative Societies Act;

Be it resolved that a dividend of 4.5% payable in cash be paid to members in good standing for the financial year January 1, 2017 to December 31, 2017.

And be it further resolved that for any Account in Arrears, the said Sum be Credited to outstanding Loan and Interest.

The resolution was seconded by Mr. Glen Holder and unanimously approved by the meeting.

15.3 Honoraria

On behalf of the Board of Directors, Mr. Noel Jones presented the following resolution:

Whereas during 2017 the Society's affairs have been effectively managed by the Board of Directors, statutory and other appointed Committees;

And whereas the Society has realized a net surplus on its operation during the financial year;

Be it resolved that Honoraria of \$90,000.00 be paid to Board and Committee Members for the financial year ended December 31, 2017.

The resolution was seconded by Ms. Nicole Libert and unanimously approved by the meeting.



15.4 RESOLUTION TO WRITE-OFF BAD DEBTS

On behalf of the Board of Directors, Mr. Noel Jones presented the following resolution:

WHEREAS Regulation 32 of the Co-operatives Societies Act, Chapter 81:03 requires the Approval of the General Meeting to Write-off Bad Debts from the books of the Society;

AND WHEREAS every effort is made to recover Bad Debts/Delinquent Loans in pursuance of the Recoveries Procedure of the Society;

AND WHEREAS efforts to recover Sixty-Nine (69) Loans in the Sum of \$1,063,656.17 have proven futile;

AND WHEREAS the Board continues to pursue the Recovery of Bad Debts/Delinquent Loans even after they have been written-off;

BE IT RESOLVED that Sixty-Nine (69) Loans in the Sum of \$1,063,656.17 be written-off during the 2017 Financial Year.

The resolution was seconded by Mr. Jude Moore and unanimously accepted by the meeting..

16.0 CREDENTIALS REPORT

At 12.25 p.m., two hundred and three (203) members were registered but some of them had departed the meeting.

17.0 AMENDMENT OF BYE-LAWS

On behalf of the Board of Directors, Mr. Noel Jones tabled the following amendment to Bye Law No. 2 - Name and Address.

Whereas Bye Law No. 2 NAME AND ADDRESS of the Guaymay Energy Alliance Credit Union Co-operative Society Limited states:

"The Society shall be called The Guaymay Energy Alliance Credit Union Co-operative Society Limited. The registered address shall be at Galeota Point, c/o bpTT LLC, Galeota Point, Guayaguayare, or at such other place as may from time to time be decided by the Board. The mailing address shall be: PO Box 714 Port of Spain. In the event of any change of the registered address, notice of such change shall be sent to the Commissioner within thirty (30) days."

BEIT RESOLVED, that this Annual General Meeting agrees to the Amendment of Bye Law No. 2 to read as follows:

"The Society shall be called The Guaymay Energy Alliance Credit Union Co-operative Society Limited. The registered address shall be at Galeota Point, c/o bpTT LLC, Galeota Point, Guayaguayare, or at such other place as may from time to time be decided by the Board. The mailing address shall be: #3 Peter Hill Road, Mayaro. In the event of any change of the Registered Address, Notice of such change shall be sent to the Commissioner within thirty (30) days."

On the guidance of Co-operative Officer, Deborah Ann Scott, Mr. Noel Jones proposed the following resolution:

BE IT RESOLVED, that this Annual General Meeting agrees to the Amendment of Bye Law No. 2 to read as follows:

"The Society shall be called The Guaymay Energy Alliance Credit Union Co-operative Society Limited. The registered address shall be: #3 Peter Hill Road, Mayaro. The mailing address shall be: #3 Peter Hill Road, Mayaro. In the event of any change of the Registered Address, Notice of such change shall be sent to the Commissioner within thirty (30) days."

The resolution was seconded by Mr. Premcharan Sookram. On a vote of one hundred and fifty-six members voting in the affirmative, none against and no abstention, the resolution was unanimously approved by the meeting.

18.0 CORRESPONDENCE

The meeting noted correspondence from Ms. Dianne Baptiste and Mr. Hugh Fraser with respect to their willingness to serve on the Credit Committee.

19.0 NOMINATION COMMITTEE REPORT

Mr. Ashton Wharwood, member of the Nomination Committee, presented the report. Members were nominated for election to serve on the Board, Supervisory and Credit Committee as follows:

Board of Directors

Mr. Kwasi Alleyne

Ms. Dianne Baptiste

Ms. Luenda Burke

Mrs. Avenille Ottley-Williams

Mrs. Maura Paul

Ms. Cyntra Singh

Supervisory committee

Ms. Parbatee Bridgmohan Singh

Ms. Kim Perez

It was noted that neither Ms. Kim Perez nor Mrs. Kizzy Perez-Forde (the member who recommended her) was present at the meeting.

By majority vote, the meeting agreed that Ms. Kim Perez should be deleted from the list of nominees for the Supervisory Committee.

Credit Committee

Ms. Dianne Baptiste

Ms. Althia La Pierre Mitchell

Ms. Esther Noel

Mr. Keon Paul

Ms. Kim Perez

Ms. Dianne Baptiste and Mr. Hugh Fraser indicated, in writing, that they were willing to serve on the Credit Committee.

It was noted that neither Ms. Kim Perez nor Mrs. Kizzy Perez-Forde (the member who recommended her) was present at the meeting.

By majority vote, the meeting agreed that Ms. Kim Perez be deleted from the list of nominees for the Credit Committee.

Mr. Wharwood implored young members to offer themselves to serve their credit union because the older members were ready to pass the baton to them.



19.0 NOMINATION COMMITTEE REPORT Con't

Acceptance

The report was unanimously accepted by the meeting on a motion moved by Mr. Glen Holder and seconded by Ms. Hillis Richards.

20.0 ELECTION OF OFFICERS

The Returning Officer, Ms. Deborah Ann Scott, invited nominations from the floor and persons were nominated to serve on the Board, Supervisory and Credit Committee as follows:

Board of Directors

Mr Lerry Brereton

Ms. Hillis Richards

Mr. Seon Casimir

Supervisory Committee

Mr. Haroon Mohammed

Mr. Anthony Sylvester

Mr. Telephorus (Telly) Alexis

Mr. John Wildman

Ms. Nicole Perry

Mr. Premcharan Sookram

Credit Committee

Mr. Krishendath Singh

Mr. Hugh Fraser

Ms. Margaret Ann Lee Fook

20.1 Elections Results

Forty-one (41) ballots were spoilt and members were re-issued new ones.

The results of the elections were as follows:

Board of Directors

No.	NOMINEES	No. of VOTES	TERM
1	Mr. Kwasi Alleyne	125	3 years
2	Mr. Lerry Brereton	125	3 years
3	Mrs. Maura Paul	102	3 years
4	Ms. Cyntra Singh	97	3 years
5	Ms. Luenda Burke	79	1st Alt
6	Mr. Seon Casimir	72	2st Alt
7	Mrs. Avenille Ottley-Williams	67	
8	Ms. Hillis Richards	32	

Supervisory Committee

No.	NOMINEES	No. of VOTES	TERM
1	Ms. Parbatee Bridgmohan Sing	h 160	1 year
2	Mr. Anthony Sylvester	142	1 year
3	Ms. Nicole Perry	135	1 year
4	Mr. Haroon Mohammed	130	1 year
5	Mr. Telephorus (Telly) Alexis	110	1 year
6	Mr. John Wildman	86	1st Alt.
7	Mr. Premcharan Sookram	77	2nd Alt.

Credit Committee

No.	NOMINEES	No. of VOTES	TERM
1	Ms. Althia La Pierre Mitchell	165	1 year
2	Mr. Keon Paul	129	1 year
3	Ms. Esther Noel	127	1 year
4	Ms. Dianne Baptiste	106	1 year
5	Mr. Krishendath Singh	105	1 year
6	Mr. Hugh Fraser	102	1st Alt.
7	Ms. Margaret Ann Lee Fook	96	2nd Alt.

20.2 Destruction of Ballots/Deletion of Electronic Data

A motion for destruction of the ballots and deletion of the electronic data was moved by Ms. Maura Paul, seconded by Mr. Keon Paul and unanimously accepted by the meeting.

21.0 OTHER BUSINESS

Members made the following suggestions/comments:

- When the Credit Union's Car Park is extended, parking spaces should be made available to persons when activities are held in the community.
- Going forward, members' approval should be sought for the collection of ballots. Each member should deposit his ballot in the ballot boxes.
- The Credit Union should make arrangements, even if temporary, to ensure that members Family Indemnity Plan (FIP) claims are paid in a timely manner.

In response to questions/suggestions/observations by members, the Chairman thanked members for their suggestions.

22.0 DOOR PRIZES

Mrs. Jennifer S. Farrell, Ms. Nicole Libert and Mr. Vernon Paul assisted with drawing the door prizes at the meeting.



22.0 DOOR PRIZES Con't

The following members won door prizes of \$500 share vouchers donated by Guaymay Energy Alliance Credit Union:

61 - Ms. Anita Brown

136 - Ms. Julia La Paix

173 - Mr. Selwyn Baker

94 - Mr. Samuel Bacchus

On behalf of Microsoft Designs (MSD), Mr. Collingsworth Howard presented Mr. Curtis Jones with a door prize.

On behalf of CUNA Caribbean Insurance Society Limited, Ms. Cyntra Singh presented Mr. Premcharan Sookram with a door prize.

23.0 VOTE OF THANKS

Ms. Cyntra Singh, Assistant Secretary, thanked the Cooperative Officers of the Ministry of Labour and Small Enterprise Development for conducting the elections, bpTT for the facility, the auditor, the caterers, the Manager and staff of the Credit Union for the tremendous work done over the years, students of Mayaro Secondary School, the Note-takers as well as members for their attendance and participation in having a successful 42nd Annual General Meeting.

24.0 CONCLUSION

There being no further business to discuss, the meeting concluded at 1.55 p.m.

Jacqueline Roberts (Ms.)

Secretary

STAFF



BACK ROW - left to right Jeadine Jack Anderson Nelson Patrice Vidale-Superville Roxanne Leotaud Tracie De Bourg Malicke Mc Knight Brenda Joy Pierre Khadesha Alexander Ryan Moren (Manager)

FRONT ROW - left to right Keishel Beckles Jenna Nedd Bernadine Gangadeen Ria Bhagwandas Tricia Persad Tricia King-Balkissoon

BOARD OF DIRECTORS



Noel Jones President



Jude Moore - Vice President



Jacqueline Roberts Secretary



Cyntra Singh Assistant Secretary



Glen Holder Director



Ashton Wharwood Director



Natasha Rodney Director



Nancy Hunte Director



Kwasi Alleyne Director



Maura Paul Director



Dianne Dottin-Harris Director



Lerry Brereton

Director



REPORT OF BOARD OF DIRECTORS

FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

INTRODUCTION

The Board of Directors of the Guaymay Energy Alliance Credit Union is pleased to present to our general membership, its report for the year ending December 31, 2018.

During the year Trinidad and Tobago faced tremendous Social and Economic challenges which were triggered by a combination of natural and human forces. There was a major earthquake, severe flooding in several areas, closure of the Pointe-a-Pierre Refinery and retrenchment and layoffs in several industries. These incidents affected the lives of many people in the country, some of whom are our members.

Throughout the year, the BOD of GEACU continued to implement our strategies through our pillars of Customer Focus, People Development and Financial Efficiency, with the ultimate aim of providing our members with access to affordable, reliable and sustainable financial services. Towards this end, we continued to upgrade our facilities online infrastructure with the expectation that this will impact the lives of our members through improvement of our products and services.

Following the Forty-second (42nd) Annual General Meeting held on March 17, 2018 and the subsequent Election of the New Executive, the Table below outlines the Board of Directors, their positions and their attendance at Board meetings during 2018.

Name	Position	Present	Excused/ Absent
Mr. Noel Jones	President	10	1
Mr. Jude Moore	Vice President	9	2
Ms. Jacqueline Roberts	Secretary	9	2
Ms. Cyntra Singh	Asst. Secretary	10	1
Mr. Glen Holder	Director	11	0
Mr. Ashton Wharwood	Director	9	2
Ms. Natasha Rodney	Director	11	0
Ms. Nancy Hunte	Director	8	3
Mr. Kwasi Alleyne	Director	9	2
Mrs. Maura Paul	Director	8	3
Ms. Diane Dottin-Harris	Director	8	3
Mr. Lerry Brereton **	Director	5	4
Mr Gary Joseph *	Director	2	0

^{*} January to February.

The outgoing Directors from this term are Mr. Noel Jones, Mr. Jude Moore, Ms. Diane Dottin-Harris, and Mr. Ashton Wharwood. Mr. Jude Moore and Mr. Ashton Wharwood are not eligible for re-election, as they are statute-barred having served three consecutive terms. All other outgoing members are eligible for re-election.

^{* *} March to December



Mr. Glen Holder submitted his resignation from the Board of Directors effective March 23, 2019. An additional person will be elected to serve Mr. Holder's remaining term (one year) on the Board.

The Board appoint subcommittees to support its operations in several functional areas. Subcommittees assigned by the Board were as follows:

	Executive	Policy	HR	Finance and Investment	AECUS	Education	Building	Nomination committee	Delinquency	
Mr. Noel Jones	1	1	1	1						4
Mr. Jude Moore	1		1	1						3
Ms. Jacqueline Roberts	1	1	1							3
Ms. Cyntra Singh	1		1					1		3
Mr. Glen Holder				1	1					2
Ms. Nancy Hunte		1						1		2
Mr. Ashton Wharwood							1			1
Ms. Natasha Rodney						1		1		1
Mrs. Maura Paul		1				1				2
Ms. Diane Dottin-Harris	8			1	1				1	3
Mr. Kwasi Alleyne							1			1
Mr. Lerry Brereton						1	1			2
Mr. Gary Joseph								1		1
Mr. Vernon Gabriel							1			1

ECONOMIC SUMMARY

The global economy continued to strengthen in the first half 2018, but lost momentum during the third Quarter amidst growing risks relating to a possible trade war, principally between the United States (US) and China. Economic activity in the Caribbean was subdued throughout the year.

The Trinidad and Tobago Central Bank reported that "Overall, the domestic economy improved moderately in the first half of 2018 mainly due to the resurgence of growth in the energy sector. This continued at a slower rate into the third quarter. Further, anticipated improvement in domestic energy output may have positive spill-over effects on the non-energy sector."

On the Labour front, Petrotrin was shut down at the end of November, 2018 as well as hundreds of employees retrenched by TSTT during the fourth quarter of 2018. This will no doubt impact the economy in 2019.

The local Financial Market continued to be characterized by high liquidity, a very competitive Loan Market and both low Interest Rates and limited opportunities for secure Investments. Amidst a very competitive environment in the Financial Sector and despite the challenging economic climate, GEACU performed remarkably well in 2018.

OVERVIEW OF 2018 FINANCIAL PERFORMANCE

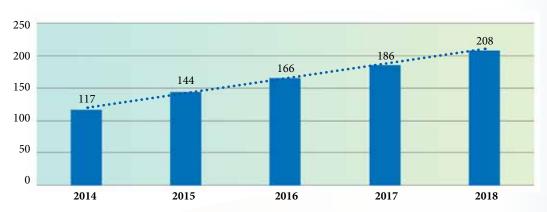
Members Shares increased from \$164.4 million as of January 1, 2018 to \$185.9 million as at December 31, 2018 - an increase of 13%.

200 185.9 180 164.4 160 147.9 140 127.4 127.1 121.4 111.7 120 104.2 92.3 100 78.4 80 60 40 20 0 2014 2015 2016 2017 2018 Total Shares 185.9 104.2 127.4 147.9 164.4 Total Loans 78.4 92.3 111.7 127.1 121.4 Total Shares Linear (Total Shares) ····· Linear (Total Loans) **Total Loans**

Growth in Shares and Loans

Assets grew from \$186.4 million as of January 1, 2018 to \$208.5 million as of December 31, 2018 - an increase of 11.8%, with the main contributor being Loans and investments which grew by 4.7% (\$5.7 million) and 29.6% (\$15.5 million) respectively.

Assets in \$ Millions



Net Income (Surplus) has grown from \$7.18 million as of January 1, 2018 to \$7.2 million as at December 31, 2018 - an increase of 0.25%.



This strong performance was as a result of Performance Management of the business in all areas, which resulted in the successful execution of our Business Plan.

In 2018 revenues were marginally higher when compared to 2017 (\$11.73mm vs \$11.60mm), while expenditure increased slightly (\$3.7mm vs \$3.4mm) as we invested heavily in our IT infrastructure to improve the service delivery platform for our members. The resulting surplus of \$8mm is a demonstration

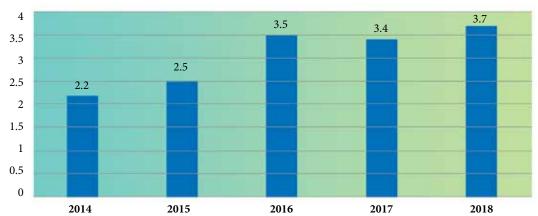
Dividend Paid



Income (\$Million)

——Dividend %

Expenses in TT\$ Millions



of our strong overall performance and continuous disciplined focus across all the key business areas. This outcome was only possible through teamwork and being proactive in our dynamic Financial environment.

We are recommending for your approval a dividend of 4% for the 2018 Financial Year. The recommended Dividend payment maintains a consistent track record of paying a Dividend to Members for every year of GEACU's history.

GEACU REBRANDING

During the year we embarked on a rebranding exercise for the Credit Union. This journey started a few years ago during the Strategic Planning process. At that time, we were reviewing our Mission and Vision statements and were also looking at how we use our logo at the Credit Union. We were trying to find out about its origin, its meaning, and how it was conceptualized. We could not get any viable answers. At GEACU, we used a logo on our apparel, and other promotional items for many years, yet on our letterheads and other documents, we used the universal Credit Union logo with the globe family and hands. We also did not have any "visual identity guidelines" on how and where the logo should be used. This led us on to embark on a rebranding exercise.

We engaged the services of a consultant who worked with us throughout this exercise. The Logo and signage were completed during the last quarter of 2018, and the signs installed on New Year's Day. We revealed the new signs and logo on January 8, 2019.

The logo design is intended to set GEACU apart from the crowded landscape of Credit Unions, while establishing an innovative approach in design that is clean, corporate and global. It is also humanistic and people centered.

Through a shared vision of success, our credit union is positioned to create a more vibrant future for our members, one that is built on the strengths of our co-operative system. We are passionate about our role and the responsibilities associated with it. We can only earn respect by being a genuine and trustworthy cooperative. We will continue to build and grow our reputation within the system, so we are seen as the trusted organization our members turn to first when seeking financial services.

REGULATORY DEVELOPMENT

Effective January 1, 2018 all financial institutions in Trinidad and Tobago were mandated to implement the International Accounting Standards – International Financial Reporting Standard (IFRS)9. This sets the international accounting standard applicable to impaired financial assets, including loans made by cooperative financial institutions such as credit unions, cooperative banks, savings and loan cooperatives, etc. to their members.

IFRS9 is an "expected loss" methodology and replaced the "incurred loss" IAS 39 Financial Instruments: Recognition and Measurement standard. Expected credit loss methodologies seek to estimate lifetime credit losses that are likely to occur, whereas incurred loss methodologies focus on what credit losses have occurred already. Expected credit loss methodologies create larger loan loss reserves because they include estimates of future losses that have not yet been incurred as an economic matter.

We were mindful that this change would have an effect on the financial statements of all financial intuitions, including ourselves. As a result of the above changes, GEACU equipped itself by training Directors and Staff members to manage this change. We started the process in the last quarter of 2017 and continued into 2018. We attended training programmes run by the Credit Union League, facilitated by the Vice-President of the WOCCU who trained Credit Union personnel to manage this change. We also attended sessions run by other umbrella bodies and other Credit Unions. We further created an assessment Matrix that evaluated the risk of each loan before it was sent to the Credit Committee for approval. We feel confident that we were adequately prepared and designated the necessary human resources to this matter to ensure that our loan delinquency portfolio was properly sorted in order to assess the accurate status of our bad debt provisioning. Despite our efforts full implementation will be completed during 2019.



COMPLIANCE

During the year we continued our work with meeting the requirements for the Financial Intelligence Unit (FIU) and Anti Money Laundering (AML) Acts and indeed our own Compliance Programme. We held regular Education and Training Sessions with Staff and Elected Officers to ensure that everyone is familiar with these Laws, and to prepare us to safeguard against Money Laundering and Financing of Terrorism.

As part of the 2018 Compliance Training Plan, Staff continued to be trained by the Compliance Officer as part of our normal operations. We engaged an External Facilitator to assist us with further Specialized Training to give us a deeper understanding of Money Laundering and its implications, and to remain Compliant with Regulation 6 of Financial Obligation Regulations (FORs). Additionally, our Compliance Officer also attended training facilitated by the Credit Union League which also meets FORs requirements for Compliance Officers and Alternates to be trained annually.

EDUCATION AND TRAINING

Human Resource Development is an integral part of our management activities. During the year Board Members, Committee Members and Staff attended several Training and Development Programmes geared towards improving competencies in our respective functional areas. These Programmes were hosted by the UWI School of Continuing Education, Trinidad and Tobago Deposit Insurance Fund (TTCUDIF), Corporate Credit Union League of Trinidad and Tobago (CCULTT), Micro Software Designs (MSD) and the Co-operative Development Division.

DELINQUENCY

Delinquency continued to receive special attention throughout the year as we hastened our efforts towards its reduction. The Delinquency Committee and Staff continued their work started in 2017 towards the reduction of delinquency.

FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment committee remained unchanged from 2017 to 2018. The committee consisted of Mr. Glen Holder (Chairman), Mr. Noel Jones, Mr. Jude Moore, Ms. Diane Dottin-Harris and Mr. Ryan Moren. The 2018 mandate was as follows:

- Promote loan sales to keep GEACU competitive in the loans market when compared to other Financial Institutions (Banks and other Credit Unions).
- Optimise our existing Investments and seek out safe, but attractive yielding new Investments.
- Keep our Company Business (AECUS and Ashley Limited) in Tobago viable.

a. Loan Sales

Five (5) Loan sales were run in 2018, accounting for about 63% of our entire loan portfolio in 2018, and were essential for generating income and in sustaining the business for the future. Details of the Loan Sales are captured in the Credit Committee report.

b. New investments

Two new significant investments were made in 2018. These were NIF Bond purchases as follows:

- \$1.794 million NIF Bond at 4.5% for 5 yrs (applied for \$4.0 M)
- \$3.976 million NIF Bond at 5.7% for 12 yrs (applied for 4.0 M)

We anticipate both investments will generate significant income for GEACU in 2019 and beyond.

AECUS AND ASHLEY LIMITED

GEACU's interest in AECUS and Ashley remained at 50% ownership. Our two representatives on the company's board for 2018 were Mr. Glen Holder and Ms. Diane Dottin-Harris. During the year, our partner, Mr. Ashley Sobers, opted to sell his half share in the company. The Board of Directors of GEACU decided that it will also sell its share in the company, consequently the property will be put up for sale in 2019. GEACU is expected to benefit significantly from the sale of this investment. In the interim, the eight (8) apartments will be rented out, as the long-term contract with the Port Authority of Trinidad and Tobago came to an end in 2018.

In summary, GEACU's Investments continue to perform well, generating over \$1,100,000.00 in income for 2018, with a bigger impact expected in 2019. See the 2019 Budget and 2018 audited Financial results for more details.

INFORMATION TECHNOLOGY NETWORK

Following the move to our new building at the end of September, 2017, the facilities afforded us the opportunity to make several software and hardware improvements to our IT network. These changes were done taking into consideration future developments such as improved members' accessibility of services and improved internal efficiencies.

On December 15, 2018 Guaymay commenced the implementation of its online service on a phased basis. Members will have access to their accounts via the internet to view their balances and download statements. The platform for online transactions will be established over the longer-term, like other leading Financial Intuitions. As we progress and test this service, we will be implementing improved functionalities in accordance with the system's capability to make this a more rewarding experience for our members.

BUILDING COMMITTEE

The long-awaited headquarters for the credit union was finally completed and occupied for business in the last week of September, 2017. The completion certificate for the building was issued to the Credit Union in June 2018. Although the building was ready for occupation and to accommodate our operations, there were a few items that were not completed during the construction phase. Such items included first floor air-conditioning, installation of a standby generator and an overflow car park.

The Board appointed Mr. Vernon Gabriel, Mr. Ashton Wharwood, Mr. Lerry Brereton, Mr. Ryan Moren and Mr. Kwasi Alleyne to serve on the Building Committee to complete these projects.

The air-conditioning of the first floor was completed in October, 2018 and the space can now be comfortably occupied.

Frequent power outages to the Mayaro area leaves the credit union vulnerable by halting activity and service to our members, until such time that the power is restored, so the need for the standby generator was crucial for business continuity. The standby generator will be commissioned during the first quarter of 2019, and will serve to provide the necessary backup needed to ensure the credit union remains in operations during power outages.

Currently the credit union parking facilities can comfortably accommodate roughly ten (10) vehicles. Given the overall property space, there is the opportunity to provide additional parking spaces on the Eastern side of the building. The committee is currently viewing the best option for additional parking spaces east of the building.



POLICY AND PROCEDURE

During the year we continued to introduce new policies while reviewing existing ones to keep them current and in some cases relevant. In this regard, we introduced IT policies and did a thorough review of the Loan Policy. As it becomes more sophisticated with our IT network, it is necessary to issues strict guidelines for its use and management. New policies were written, approved by the Board and shared with Staff and Committee members for their use and guidelines.

During the fourth quarter, a team consisting of Ms. Diane Baptiste, Chairperson of the Credit Committee, the Board's Policy Committee and members of the Credit Committee reviewed the Loan Policy. Our sincere thanks to Ms. Baptiste for her sterling contribution to this initiative.

CO-OPERATIVE CREDIT UNION LEAGUE OF TRINIDAD AND TOBAGO (CCULTT) ACTIVITIES

GEACU continues to be a member of the Co-operative Credit Union League of Trinidad and Tobago (CCULTT). We participated in the under-mentioned activities run by the League: -

- a. Credit Union Week Opening Ceremony
- b. Awards Ceremony and Dinner
- c. Leadership and Technical Training Seminars
- d. Feedback on the proposed Cooperative Legislation
- e. President Meetings
- f. Other Business Meetings

At the Awards Ceremony held in San Fernando during Credit Union Week, GEACU received Awards for Outstanding Performance; viz., Best Financial Performance and Most Improved Financial Performance for Large Credit Unions. GEACU received Awards for Outstanding Performances in various categories over the past six (6) years.

TRINIDAD AND TOBAGO CREDIT UNION DEPOSIT INSURANCE FUND (TTCUDIF)

GEACU continues to be a Member of the TTCUDIF. This organization provides Insurance Coverage on Shares and Deposits. This means that if for any reason a credit union should go into liquidation, all members belonging to that credit union will receive protection for their unencumbered funds of up to \$125,000.00 on Shares and \$50,000.00 on Deposits.

TTCUDIF also provides Training and Development Programmes to Member Credit Union Directors, Committee Members and Staff that are geared to improve their competence in their respective functional areas. President, Mr. Noel Jones is a Member of the Board of Directors of TTCUDIF.

CENTRAL FINANCIAL FACILITIES (CFF)

GEACU is also a Member of the Central Finance Facility. This organization provides Training and Investment opportunities for member Credit Unions and Co-operatives.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I extend heartfelt thanks to the Manager and his Staff, and all Board and Committee Members who played significant roles in making this year a success. Surely the main ingredient in our success was Teamwork. I urge you all to continue working unselfishly, as it gives us the

ACKNOWLWDGEMENT Con't

impetus to embrace the challenges ahead. To our Members, we also acknowledge the confidence you have placed in our ability to manage your Investments, and we vow to continue working towards satisfying your expectations. Thanks also to the CCULTT, TTCUDIF, CFF, CUNA Caribbean; MSD and the Cooperative Development Division and other external Stakeholders for giving us your support throughout our existence.

Heartfelt Thanks to the Management and Staff of BPTT who continue to give us their support as they have done throughout our existence.

Mr Noel

Jones PRESIDENT



REPORT OF CREDIT COMMITTEE

FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

INTRODUCTION

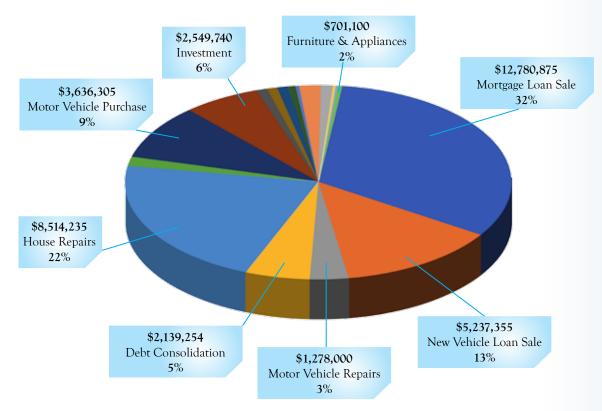
The Credit Committee is pleased to present this report which summarises its activities for the financial year ended December 31, 2018.

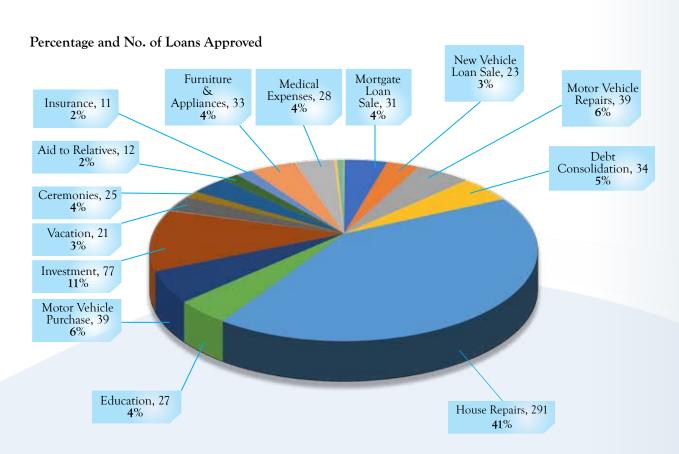
LOANS APPROVED

For the year 2018, the Credit Committee approved 707 loans totalling \$39,553,427. This is 11% less than the 2017 figure of \$44,441,497.

CATEGORIES	2017		2	018	Variance		
CATEGORIES	No of Loans	Value \$	No of Loans	Value \$	No of Loans	Value \$	
Mortgage Loan Sale	47	16,831,954	31	12,780,875	(16)	(4,051,079)	
New Vehicle Loan Sale	0	-	23	5,237,355	23	5,237,355	
Motor Vehicle Repairs	0	-	39	1,278,000	39	1,278,000	
Debt Consolidation	100	5,617,216	34	2,139,254	(66)	(3,477,962)	
House Repairs	192	8,480,367	291	8,514,235	99	33,868	
Education	22	344,800	27	586,500	5	241,700	
Motor Vehicle	99	8,861,974	0	1	(99)	(8,861,974)	
Motor Vehicle Purchase	0	-	39	3,636,305	39	3,636,305	
Investment	46	1,569,486	77	2,549,740	31	980,254	
Vacation	29	429,700	21	378,000	(8)	(51,700)	
Land & Agriculture	8	289,802	9	323,000	1	33,198	
Ceremonies	24	296,900	25	371,800	1	74,900	
Aid To Relatives	16	447,200	12	230,000	(4)	(217,200)	
Insurance	12	109,597	11	114,378	(1)	4,781	
Furniture & Appliances	21	252,500	33	701,100	12	448,600	
Medical Expenses	12	302,000	28	426,485	16	124,485	
Housing/Land Purchase	0	-	2	80,000	2	80,000	
Vessel	1	160,000	2	50,000	1	(110,000)	
Legal Fees	5	272,500	3	156,400	(2)	(116,100)	
Christmas Loan Sale	9	175,500	0	-	(9)	(175,500)	
					-	-	
Total	643	44,441,497	707	39,553,427	64	(4,888,070)	

Percentage and Value of Loans Approved







SHARES WITHDRAWN

For the year 2018, a total of 4252 transactions were conducted totalling approximately \$20M.

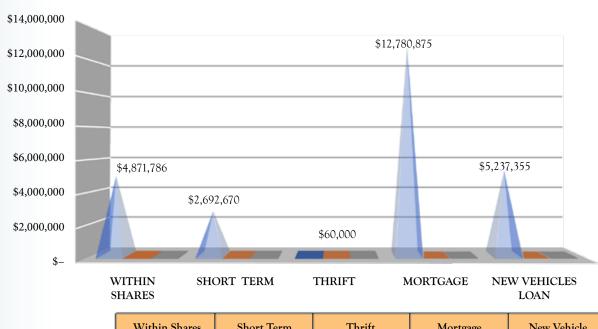
LOAN SALES

The following loan sales were in effect throughout 2018:

Category	Interest Rate
Mortgage Loan Sale	0.50%
New Vehicle Loan Sale	0.50%
Thrift Loan Sale	1.25%
Loan Within Shares Sale	0.50%
Short Term Loan Sale	1.20%

As can be seen from the graph below, the Mortgage Loan Sale was the best performer at \$12,780,875, whereas the Thrift Loan Sale was only able to realize \$60,000.

2018 Loan Sales



	Within Shares	Short Term	Thrift	Mortgage	New Vehicle Loan
■ Value	\$4,871,786	\$2,692,670	\$60,000	\$12,780,875	\$5,237,355
■ Interest Rate	0.50%	1.20%	1.25%	0.50%	0.50%
No of Loans	126	84	3	31	23

LOANS NOT APPROVED

A total of 20 loans totalling \$2,740,000 were not approved based on the following reasons:

- The Debt Service Ratio being too high over 45%
- The members pattern of delinquency based on the Trans Union Report
- Disqualification based on the guidelines stated in the Loan Policy and Loan Sale Agreement.
- The members inability to repay the loan
- The members character could not be justified

INTERVIEWS

Six interviews were conducted with individual members prior to approval of the loan.

TRAINING

Member of the committee participated in the several training programs for the year, namely: - "Risk Management Training", Anti- Money Laundering and the Combatting of Terrorism", and "The Emerging Trends in Credit Administration".

LOAN POLICY

We assisted the Board in drafting a new Loan Policy which became effective February 1, 2019.

ATTENDANCE AT BOARD MEETINGS

The Chairman or representative attended all Board Meetings on the invitation of the Board and presented a monthly report on the activities of the Credit Committee at these meetings.

OTHER

The Committee introduced to the Staff a Loan Log and a Loan Checklist to assist the Committee in the processing of loans.

The Committee was instrumental in having the Board approve the following:

- That the Credit Committee only approve share withdrawals over \$25,000 and those within the Member's encumbered shareholdings.

COMMITTEE

The Committee consisted of the following members all elected at the last AGM:

Dianne Baptiste – *Chairman* Althia La Pierre Mitchell – *Secretary* Keon Paul Krishendath Singh Esther Noel

Meetings were held weekly, and during peak holiday periods, twice a week.



CREDIT COMMITTEE TEAM



Krishendath Singh, Esther Noel, Althia La Pierre-Mitchell, Dianne Baptiste-Chairperson, Hugh Fraser

CONCLUSION

In closing, we continue to appreciate the support given to us by the Board, Loan Officers, the Manager, Committees and you the members, and we look forward to your continued support as we move our Credit Union towards 2020 and beyond.

For and on behalf of the Credit Committee

Dianne Baptiste

Chairman

REPORT OF

SUPERVISORY COMMITTEE

FOR THE 43RD ANNUAL GENERAL MEETING

INTRODUCTION

The following report summarises the activities of the Supervisory Committee for the year ended December 31, 2018.

THE COMMITTEE

The following members served on the Supervisory Committee during the period under review:

Mr. Telephorus Alexis

Ms. Parbatie Bridgmohansingh

Mr. Haroon Mohammed

Ms. Nicole Perry

Mr. Anthony Sylvester

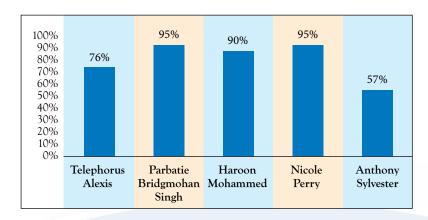
Mr. John Wildman (Alternate)

Mr. Primcharan Sookram (Alternate)

At the first meeting of the Committee Mr. Haroon Mohammed was elected Chairman and Ms. Parbatie Bridgmohan Singh was elected Secretary.

In September 2018, Mr Haroon Mohammed indicated that he was stepping down as Chairman for personal reasons. The Committee then elected Ms Nicole Perry to serve as Chairman for the remainder of the Committee's term, with Mr. Mohammed continuing to serve as a normal member.

Supervisory Committee Attendance



NOMINATIONS

The Committee commenced operations by developing an Action Plan to guide its activities during its term in office.



Action items included:

- Attendance at all Board meetings on the invitation of the Board
- Review and sign off on the Monthly Financial Statements
- Periodic Cash Counts
- Review of bank reconciliations
- Review of loans approved/not approve
- Fixed Asset verification
- HSSE Audit

BOARD MEETINGS

The Chairman or a delegate attended all Board meetings on the invitation of the Board. At these meetings the Committee presented its report based on the findings of its fortnightly audits/meetings.

FINANCIAL STATEMENTS

Monthly Financial Statements were reviewed and discussed with the Accountant as required.

LOANS

The Committee reviewed a sample of the Credit Union's loan portfolio – loans approved as well as those not approved by the Credit Committee. Observations made were brought to the attention of the Board for further action. In general, the Committee has found that loan applications were processed in line with the current loan policy and special loan requirements as approved by the Board.

This term saw continuous improvement in the loan review process. This included the development of a check list which was used during the loan review process. Additionally, the Committee instituted a stratified sampling process with a higher percentage of higher valued loans being sampled.

The Committee also visited the Credit Committee at its meeting to observe the loan review and approval process, and can report that the Credit Committee carried out its functions in accordance with the Bye-laws.

Loan Value	% of Value Selected
> \$1,000,000	100%
\$500,000 - \$1,000,000	50%
\$100,000 - \$500,000	40%
\$50,000 - \$100,000	20%
<\$50,000	10%

CASH COUNTS

Two impromptu observations of Cash Counts were conducted by the Committee and in both instances cash on hand was found to be accurate and in line with the controls in place to safeguard the assets of the credit union.

The Committee also observed a count of the tellers' cash at the close of the financial year – December 31, 2018.

FIXED ASSETS

A physical verification of the Credit Union's fixed assets was successfully conducted by the Committee in conjunction with the Accountant.

SUPERVISORY COMMITTEE TEAM

Left to right : Haroon Mohammed, Nicole Perry- Chairperson, Telephorus Alexis and Parbatie Bridgmohan-Singh

In a separate exercise, items identified for disposal were viewed, identified and tagged.

HSSE

The Committee carried out a safety audit of the Credit Union's premises. Observations made have been provided to the Board for further action.

STAFF

We conducted a review of Staff salary treatment and can report that all salary adjustments were effected in accordance with Board approvals.

TRAINING

The Committee participated in two training programmes during this term - "The Internal Audit Function of Supervisory Committees" and "Anti Money Laundering and Combatting Financing of Terrorism Training".

OTHER ISSUES

We continue to stress the importance of proper documentation and filing, and we look forward to seeing improvements in these areas in the new financial year.

We commend the Board and Management of the Credit Union for the steps taken to introduce technology which would allow members to access their account information online. This embracing of technology will in time enhance the quality of service extended to members.

CONCLUSION

In conclusion, we continue to recognize the excellent work of the Board, Committees and Staff, and we are confident that the individuals elected to serve the Credit Union will do so in the best interest of all members

Nicole Perry CHAIRPERSON



REPORT OF EDUCATION COMMITTEE

FOR THE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

The following report summarises the activities of the Supervisory Committee for the year ended December 31, 2018.

The Education Committee was appointed by the Board of Directors in accordance with our Bye Laws after the last Annual General Meeting.

The committee members were as follow:

- 1. Ms. Natasha Rodney Chairperson
- 2. Ms. Lloydris Baptiste Secretary
- 3. Mrs. Maura Paul
- 4. Mr. Seon Casimir
- 5. Mr. Lerry Brereton

The Education Committee's main responsibility is to educate Board of Directors, Committees and membership. It meets at least once per month and reports to the Board of Directors on a monthly basis.

The Education Committee's focus for 2018 was "Building Young Minds and Community". The education programmes were tailored to equip our membership with information to make better financial decisions in order to survive in this environment with shifting challenges and dynamics.

FINANCIAL INTELLIGENCE TRAINING (FIU)

Mandatory annual FIU training was held as GEACU is committed to ensuring that its Board, Staff and Committee members understand ways in which the organisation is vulnerable to criminal activities and methods to identify them. This heightened awareness provides some assurance that our Credit Union is operating in compliance with all legal requirements.

FINANCIAL LITERACY SEMINAR FOR CHILDREN

We teach our children to read, write, spell and count, so why not teach them the value of money? This seminar was especially close to our hearts as it set the foundation for our future Board of Directors and Committee Members. It is very important to teach them the relationship amongst earning, spending and saving money. Miss Pamela George, author of the book "Three Little Piggy Banks" facilitated this seminar.

JUNIOR COOPERATIVE SOCIETY (JCS)

GEACU continues to support and foster relationships with the schools involved in the Junior Cooperative Society. Students had the opportunity to join the Credit Union family in celebrating the Opening of Credit Union Week held at Skinner's Park, San Fernando. Some students were allowed to sell merchandise at the Credit Union's carpark in an effort to raise funds for their projects. They were also given promotional items to distribute at their schools.

ESTATE PLANNING SEMINAR

This seminar was held with the aim of educating our members in preparing and managing their trust and protecting their assets. We think this was especially beneficial to our members as it helped with responsible legacy planning, which includes Wills & Trusts, Probate, Powers of Attorney and Family Security.

SMALL BUSINESS EXHIBITION

In order to showcase our entrepreneurs and talented members who have locally-made, independent products and services to offer, GEACU facilitated a Small Business Exhibition. The intent was to connect the suppliers of these goods and services to potential buyers.

MEMBER APPRECIATION DAY

Our members are the heart of our business and we need to make them feel valued and appreciated. The Education Committee held a half-day event whereby we interacted with every customer entering or conducting business at the Credit Union.

By educating and making available tools and skills that inspire better decision-making is another way of improving the quality of life for our members and by extension the community.

All events organised by the Education Committee were geared towards the enlightenment, empowerment and development of GEACU members and the community in which we operate. We were honoured and pleased to be part of this.

I take this opportunity to express my gratitude to the members of the Education Committee for their generosity in giving their time, sharing their knowledge and supporting the program of events to ensure the Committee's success.

Finally, the Education Committee will like to say thank you to our Members, the Board of Directors, Committees and the dedicated GEACU Staff for their constant support and encouragement.

"An investment in knowledge pays the best interest." Benjamin Franklin

Natasha Rodney

Chairperson



REPORT OF

NOMINATION COMMITTEE

FOR THE 43RD ANNUAL GENERAL MEETING

APPOINTMENT

In accordance with the Bye Laws 31, the Board of Directors appointed the following persons to invite members who are fit and proper and in a good financial standing, to submit names of members of Guaymay Energy Alliance Credit Union who are willing to be considered for elections to the Board, Credit and Supervisory committees.

The members appointed Nomination Committee were as follows:

Ms. Cyntra Singh

Mr. Kwasi Alleyne

Ms. Nancy Hunte

Ms. Natasha Rodney

NOTICE TO MEMBERS

The Committee issued notices in the news media inviting members to submit nominations for consideration, and that any such nomination should reach the office no later than January 31, 2019. The nominations were in respect to filling vacancies on:

Board of Directors - four (4) and two (2) alternates;

Credit Committee - five (5) and two (2) alternates; and the

Supervisory Committees - five (5) and two (2) alternates.

Election of officers will be held at the 43rd Annual General Meeting.

NOMINATIONS

The following nominations were received: -

Board of Directors

NAME	NOMINATED BY	SECONDED BY
Mr. Anthony Sylvester	Ms.Tricia Persad	Ms. Keishel Beckles
Mr. Christopher Wint	Ms. Nancy Hunte	Ms. Genya Lewis Lowe
Mr. Noel Jones	Mr. Jude Moore	Mr. Ryan Moren
Mr. Riad Gajadhar	Ms. Nancy Hunte	Ms. Natalie Coolslatigue
Mr. Rodney Jagai	Ms. Cyntra Singh	Ms. Jacqueline Roberts
Mr. Seon Casimir	Ms. Natasha Rodney	Ms. Cyntra Singh

Credit Committee

NAME	NOMINATED BY	SECONDED BY
Ms. Adanna Modeste-Dewsbury	Ms. Althia La Pierre Mithell	Ms. Natasha Rodney
Ms. Althia La Pierre Mitchell	Ms. Dianne Baptiste	Mr. Krishendath Singh
Ms. Catherine Perez	Ms. Jeadine Jack	Ms. Keishel Beckles
Ms. Dianne Baptiste	Ms. Althia La Pierre Mitchell	Mr. Krishendath Singh
Ms. Donna Peters	Mr. Krishendath Singh	Ms. Tricia Persad
Ms. Esther Noel	Ms. Dianne Baptiste	Ms. Althia La Pierre Mitchell
Mr. Krishendath Singh	Mr. Basdeo Ramdhanie	Mr. Bernadine Gangadeen
Mr. Mark Mitchell	Mrs. Roxanne Leotaud	Ms. Kieshel Beckles
Ms. Patricia Beckles Sandy	Mr. Mark Mitchell	Ms. Keishel Beckles
Ms. Vicky Ann Gould	Ms. Jeadine Jack	Ms. Keishel Beckles

Supervisory Committee

NAME	NOMINATED BY	SECONDED BY
Mr. Andy Thomas	Mrs. Bernadine Gangadine	Mrs. Roxanne Leotaud
Mr. Gary Joseph	Ms. Tricia Persad	Mrs. Bernadine Gangadine
Mr. Haroon Mohammed	Mr. Anthony Sylvester	Ms. Althea La Pierre Mithcell
Ms. Nicole Perry	Mr. Anthony Sylvester	Mr. Telephorous Alexis

FINDINGS AND RECOMMENDATIONS

The Committee is pleased to report that all candidates nominated have satisfied the requirements of our bye-laws, i.e.

- The nominees are fit and proper and in good financial standing;
- That each of the candidates is a member of the Guaymay Energy Alliance Credit Union Co-operative Society Limited; and
- That all candidates are not in any way statute-barred.

The Committee is satisfied that nominees have met all the requirements as set out by the Nominations Committee. As such, elections will be conducted for all outgoing Board and Committee positions.

The above nominations are submitted for your consideration.

Ms. Cyntra Singh Chairperson

Nominations Committee

Date:



GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Financial Statements for the year ended December 31, 2018

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Statement of Management Responsibilities

Management is responsible for the following:

- Preparation and fairly presenting the accompanying financial statements of the Guaymay Energy Alliance Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December, 2018, the statements of comprehensive income, changes in members' equity and reserves and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Society keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security
 of the Society's assets, detection/prevention of fraud, and the achievement of Society's
 operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; 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 choose those considered most appropriate in the circumstances.

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

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

Manager/Freasurer

March 7, 2019



L.P. #54 Marshall Street, Warrenville, Cunupia Tel: (868) 221-8535 • Fax: (868) 693-2246 Email: imtiaz.a.ali@hotmail.com Website: www.accountingsolutionstt.com

Independent Auditor's Report

To the members of Guaymay Energy Alliance Credit Union Co-operative Society Limited

Qualified Opinion

We have audited the financial statements of Guaymay Energy Alliance Co-Operative Society Ltd (the Society), which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

The Society did not make any adjustments nor disclosures in the financial statements as at December 31, 2018 in accordance with IFRS 9 - Financial Instruments as we were unable to obtain sufficient appropriate audit evidence mainly in respect of impairment of financial assets. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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

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

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

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

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

Member of:

Association of Certified Fraud Examiners Association of Chartered Certified Accountants

Institute of Chartered Accountants of Trinidad & Tobago



L.P. #54 Marshall Street, Warrenville, Cunupia Tel: (868) 221-8535 • Fax: (868) 693-2246 Email: imtiaz.a.ali@hotmail.com Website: www.accountingsolutionstt.com

Independent Auditor's Report (continued)

To the members of

Guaymay Energy Alliance Credit Union Co-operative Society Limited

Auditor's 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 auditor's 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Society 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.

Member of:

Association of Certified Fraud Examiners

Association of Chartered Certified Accountants

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Independent Auditor's Report (continued)

To the members of

Guaymay Energy Alliance Credit Union Co-operative Society Limited

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.

I.A. Ali & Associates

Cunupia Trinidad March 7, 2019

Member of:

Association of Certified Fraud Examiners

Association of Chartered Certified Accountants

Institute of Chartered Accountants of Trinidad & Tobago

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

ASSE	e T S	<u>2018</u>	<u>2017</u>
	<u>Notes</u>	\$	\$
Assets			
Property, plant and equipment	5	9,929,455	9,177,887
Receivables and prepayments	6	864,058	773,484
Members' loans	7	127,113,397	121,449,235
Loan to AECUS and Ashley Limited	8	333,441	445,388
Investments	10	67,860,175	52,363,229
Cash and short term funds	9	2,364,105	2,225,086
otal Assets		208,464,631	186,434,309
Payables and accruals	11	766.160	843.173
Payables and accruals	11	766,160	843,173
Members' shares		185,917,672	164,357,702
Members' deposits		1,303,486	1,756,982
otal Liabilities		187,987,318	166,957,857
Nembers' Equity & Reserves			
Reserve fund		10,443,167	9,638,301
Education fund		150,000	150,000
Investment re-measurement reserve		2,681,170	2,503,404
Undivided earnings		7,202,976	7,184,747
otal Members' Equity & Reserves		20,477,313	19,476,452
otal Liabilites and Members' Equity		208,464,631	186,434,309

The accompanying notes form an integral part of these financial statements.

On March 7, 2019, the Board of Directors of Guaymay Energy Alliance Credit Union Co-operative Society Limited authorised these financial statements for issue.

PRESIDENT

TREASURER

CHAIRMAN OF SUPERVISORY
COMMITTEE

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	<u>2018</u> \$	<u>2017</u> \$
Income	HOIES	3	•
Interest on loans		10,534,699	10,531,991
Income from investments		1,088,660	955,761
Other income	12	107,046	112,557
	٠~ .		
Total income	•	11,730,405	11,600,309
Expenditure			
Annual general meeting		105,160	93,072
Legal and professional		160,076	132,617
Bad and doubtful debts		-	148,852
Bank interest & charges		18,177	17,462
Board and committee		346,044	297,871
CUNA insurance		283,507	266,813
Depreciation		294,119	87,848
Difference on foreign exchange		-	(5,625)
Donations		20,700	11,760
Electricity		25,701	18,590
Insurances		31,930	13,291
League dues and membership		140,903	154,665
Loss on disposal of office, furniture & equipment		-	67,127
Marketing and advertising		103,209	16,476
Office	13	107,543	163,434
Personnel	14	1,685,340	1,491,994
Rent		-	147,500
Repairs & maintenance		84,650	21,535
Security		99,225	104,895
Telephone		116,552	90,554
Travelling & courier	,	60,688	55,076
Total expenditure		3,683,524	3,395,807
Net surplus for the year		8,046,881	8,204,502
Other comprehensive income: Items that may be reclassified subsequently to profit and loss			
Changes in fair value of available-for-sale investments	,	177,766	1,049,419
Other comprehensive Income for the year		177,766	1,049,419
Total Comprehensive Income for the year		8,224,647	9,253,921
The accompanying notes form an integral part of these financial statements.			

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED STATEMENT OF CHANGES IN MEMBERS' EQUITY AND RESERVES FOR THE YEAR ENDED DECEMBER 31, 2018

	Reserve Fund	Education Fund	Investment Re-measurement Revaluation	Undivided Earnings	Total
	\$	\$	\$	\$	\$
Year ended December 31, 2018					
Balance at January 1, 2018	9,638,301	150,000	2,503,404	7,184,747	19,476,452
Membership fees	153	-	-	-	153
Total comprehensive income	-	-	177,766	8,046,881	8,224,647
Dividends paid	-	-	-	(7,041,242)	(7,041,242)
Honoraria	-	-	-	(89,998)	(89,998)
Education expenses	-	(92,699)	-	-	(92,699)
Adjustment	25	-	-	(25)	-
Appropriation of net surplus					
(i) 10% to reserve fund	804,689	-	-	(804,689)	-
(ii) Education fund	_	92,699	_	(92,699)	
Balance at December 31, 2018	10,443,167	150,000	2,681,170	7,202,976	20,477,313
Year ended December 31, 2017					
Balance at January 1, 2017	8,817,851	150,000	1,453,985	6,402,753	16,824,589
Membership fees	-	-	-	25	25
Total comprehensive income	-	-	1,049,419	8,204,502	9,253,921
Dividends paid	-	-	-	(6,416,444)	(6,416,444)
Honoraria	-	-	-	(89,997)	(89,997)
Education expenses	-	(95,642)	-	-	(95,642)
Appropriation of net surplus					
(i) 10% to reserve fund	820,450	-	-	(820,450)	-
(ii) Education fund		95,642	-	(95,642)	
Balance at December 31, 2017	9,638,301	150,000	2,503,404	7,184,747	19,476,452

The accompanying notes form an integral part of these financial statements.

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u> \$	<u>2017</u> \$
Cash flows from operating activities	\$	•
Net surplus for the year	8,046,881	8,204,502
Adjustments to reconcile net surplus to net cash		
generated by operating activities:		
Depreciation	294,119	87,848
Loss on disposal of office, furniture & equipment	-	67,127
Unrealised gain on available-for-sale investments	177,766	1,049,419
Operating surplus before working capital changes	8,518,766	9,408,896
Increase in members' loans	(5,664,162)	(9,786,273)
Decrease in loan to AECUS and Ashley Limited	111,947	105,443
Increase in receivables and prepayments	(90,574)	(33,402)
(Decrease)/increase in members' deposits	(453,496)	970,805
(Decrease)/increase in payables and accruals	(77,013)	174,278
Net cash generated by operating activities	2,345,468	839,747
Cash flows from investing activities		
Net change in investments	(15,496,946)	(5,930,012)
Additions to property, plant and equipment	(1,045,688)	(5,839,898)
Net cash used in investing activities	(16,542,634)	(11,769,910)
Cash flows from financing activities		
Membership fees	153	25
Honoraria	(89,998)	(89,997)
Education fund payments	(92,699)	(95,642)
Dividends paid	(7,041,242)	(6,416,444)
Net increase in members' shares	21,559,970	16,481,678
Net cash generated from financing activities	14,336,184	9,879,620
Net increase/(decrease) in cash and cash equivalents	139,019	(1,050,543)
Cash and cash equivalents		
at beginning of year	2,225,086	3,275,629
Cash and cash equivalents at end of year	2,364,105	2,225,086
Cash and cash equivalents	22/4 105	2 225 004
Cash and short term funds Total cash and cash equivalents	2,364,105 2,364,105	2,225,086 2,225,086
The accompanying notes form an integral part of these financial statements.	2,004,100	_,,

1. REGISTRATION AND ACTIVITIES

Guaymay Energy Alliance Credit Union Co-operative Society Limited is registered in the Republic of Trinidad and Tobago under the Co-operative Societies Act Chapter 81:03. Its registered office is located at #3 Peter Hill Road, Mayaro. The Society's principal activities are to promote the economic and social welfare of its members, encouraging the spirit and practice of thrift, self-help and co-operation and to promote the development of co-operative ideas.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are stated below:

a. Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and interpretations issued by the IFRS Interpretations Committee (IFRSIC). These financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and are stated in Trinidad and Tobago dollars. 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 judgment in the process of applying the Society's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

c. New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2018, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Society, except for IFRS 9 Financial Instruments, which was not yet adopted.

d. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the Society operates ('the functional currency'). These financial statements are presented in Trinidad and Tobago Dollars, which is the Society's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is provided on the straight line basis at rates estimated to write-off the assets over their expected useful lives.

Current rates of depreciation are:

Building - 2%

Office furniture, fittings and equipment - 10% - 33.3%

The assets residual values and useful lives are reviewed at each statement of financial position date and adjusted, if appropriate.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

f. Investments

The Society has classified all investments into the following categories. The classification is dependent on the purpose for which investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Fair value through profit or loss

These instruments are either acquired for generating a profit from short-term fluctuations in price, or are securities included in a portfolio in which a pattern of short-term profit taking exists. These instruments are initially measured at fair value plus transaction costs that are directly attributable to their acquisition. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value, based on their quoted market price at the reporting date without any deduction for transaction costs.

Gains and losses, both realised and unrealised, arising from the change in the fair value of equity instruments at fair value through profit or loss are recognized in statement of comprehensive income.

Held-to-maturity

These are securities which are held with the positive intention of holding them to maturity and are stated at amortized cost less provisions made for any permanent diminution in value. Amortized cost is calculated by taking into account any premium or discounts on acquisition over the period of maturity using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES (conf'd)

f. Investments (cont'd)

Available-for-sale

These securities are intended to be held for an indefinite period of time but may be sold in response to the needs for liquidity or changes to interest rates, exchange rates or equity prices. After initial recognition, available-for-sale investments are measured at fair value with unrealized gains or losses recognized in the Investment re-measurement Reserve. Realised gains and losses from the disposal of available for sale investments are recognised in the statement of comprehensive income in the period in which they arise.

For actively traded investments, fair value is determined by reference to the Stock Exchange quoted market prices at the Statement of Financial Position date, adjusted for transaction costs necessary to realize the investment. For investments where there is no quoted market price, the carrying value is deemed to approximate fair value.

g. Revenue recognition

Interest on Members' loans

Interest on members' loans is recognized on the accruals basis.

Interest income

Interest income is recognized using the effective interest method.

Dividend income

Dividend income from equities is recognized when the right to receive payment is established.

h. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprises cash and bank balances.

i. Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrumental of another entity.

Financial assets and financial liabilities are recognized on the Society's Statement of Financial Position when the Society becomes a party to the contractual provisions of the instrument.

Financial assets

All regular purchases and sales of financial assets are recognized or derecognized on the trade date i.e. the date on which the Society commits itself to purchase or sell an asset. A regular purchase and sale of financial asset is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

When financial assets are recognized initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the asset.

When financial assets are derecognized, the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i. Financial instruments (cont'd)

Impairment of financial assets

The Society assesses at each Statement of Financial Position date whether there is objective evidence that a financial asset or group of financial assets is impaired.

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

Objective evidence that a financial asset or group of financial assets is impaired included observable data that comes to the attention of the Society about the following loss events.

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

The Society first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Society determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

Financial assets measured at amortised cost

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income.

If in the subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal is recognized in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (conf'd)

j. Financial liabilities

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost using the effective interest method.

Financial liabilities are derecognized when they are extinguished, that is when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the Statement of Comprehensive Income.

k. Accounts receivable

Accounts receivable are initially measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired.

I. Members' loans

Members' loans are initially measured at fair value, net of loan origination fees and inclusive of transaction costs incurred. They are subsequently measured at amortised cost, using the effective interest rate method, less any impairment losses. Loans to members are reported at their recoverable amount representing the aggregate amount of principal, less any allowance or provision for impaired loans.

m. Members' deposits

Members' deposits are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the instrument. Member deposits are subsequently measured at amortized cost, using the effective interest rate method.

n. Members' shares

Upon opening an account at the Society, new members are required to subscribe for a minimum of one share. Members can withdraw all or any portion of their unencumbered shares from the Society at any time.

Members' shares are classified as other financial liabilities under the International Accounting Standard (IAS) 32 Financial Instruments: Disclosure and Presentation and are measured at par value.

o. Dividends

Dividends are recommended by the Board of Directors and approved by the members at the Annual General Meeting following the year to which they relate. Dividends are an appropriation of undivided earnings and are recognized in the statement of changes in members' equity and reserves in the period when paid.

The 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 in issue at the end of each month.

2. SIGNIFICANT ACCOUNTING POLICIES (conf'd)

p. Accounts payable

Accounts payable are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

q. Provisions

Provisions are recognized when the Society has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. Provisions are not recognized for future operating losses.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the obligation.

r. Comparative figures

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

s. Reserve Fund

Section 47(2) of the Co-operatives Societies Act 1971 requires that at least 10% of the net surplus of the Society's for the year is to be transferred to a reserve fund. In accordance with Bye-Law 27 of the Society, this reserve fund may be used only with the approval of the Commissioner of Co-operative Development for bad loans and other losses sustained through extraordinary circumstances over which the Society had no control.

t. Education Fund

In accordance with Bye-Law 27 of the Society, the education fund shall be administrated by the Board of Directors and shall be used for the education of members, staff and the general public in the principles and practices of Co-operatives and academic pursuits and an amount transferred to the Education Fund not to exceed the amount stipulated by the Board and approved by the Commissioner of Co-operatives Development.

3. FINANCIAL RISK MANAGEMENT

Financial Risk Factors

The Society's activities are primarily related to the use of financial instruments. The Society accepts funds from members and earns interest by investing in equity investments, securities and Bonds.

Financial Instruments

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

20	1	- 52

Financial Assets	Carrying Value \$	Fair Value \$
Cash and short term funds	2,364,105	2,364,105
Investments	67,860,175	67,860,175
Receivables and prepayments	864,058	864,058
Members' loans	127,113,397	127,113,397
Loan to AECUS and Ashley Limited	333,441	333,441
	198,535,176	198,535,176
Financial Liabilities		
	\$	\$
Payables and accruals	766,160	766,160
Members' deposits	1,303,486	1,303,486
Members' shares	185,917,672	185,917,672
	187,987,318	187,987,318

2017

Financial Assets	Carrying Value \$	Fair Value \$
Cash and short term funds	2.225.086	2,225,086
Investments	52,363,229	52,363,229
Receivables and prepayments	773,484	773,484
Members' loans	121,449,235	121,449,235
Loan to AECUS and Ashley Limited	445,388	445,388
,	177,256,422	177,256,422
Financial Liabilities		
	\$	\$
Payables and accruals	843,173	843,173
Members' deposits	1,756,982	1,756,982
Members' shares	164,357,702	164,357,702
	166,957,857	166,957,857

3. FINANCIAL RISK MANAGEMENT (cont'd)

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

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Society is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds, loans, deposits and other funding instruments.

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

b) Credit risk

Credit risk arises when there is a failure by counter parties to discharge their obligations and could reduce the amount of cash inflows from financial assets on hand at the Statement of Financial Position date.

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

Cash balances are held with high credit quality financial intermediaries/agencies and the Society has policies to limit the amount of exposure to any single financial intermediary/agency.

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

Maximum exposure to credit risk before collateral held or credit enhancements

	\$	\$
Members' loans	127,113,397	121,449,235
Investments	67,860,175	52,363,229
Receivables and prepayments	864,058	773,484
Cash & short term funds	2,364,105	2,225,086
Loan to AECUS and Ashley Limited	333,441	445,388
	198,535,176	177,256,422

2018

2017

3. FINANCIAL RISK MANAGEMENT (cont'd)

b) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

	2018 \$	2017 \$
Cash held in reputable financial institutions	2,364,105	2,225,086
Investments with no default anticipated	67,860,175	52,363,229
Accounts receivable with full repayment expected	864,058	773,484
Members' loans	127,113,397	121,449,235
Loan to AECUS and Ashley Limited	333,441	445,388
	198,535,176	177,256,422

c) Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet its payment obligations when they fall due. The Society maintains a diverse portfolio of investments and marketable securities that can be liquidated in the event of an unforeseen interruption in cash flows.

d) Currency risk

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

e) Operational risk

Operational risk is derived from deficiencies relating to the Society's information technology and control systems, as well as the risk of human error and natural disasters. The Society's systems are evaluated, maintained and upgraded continuously. Supervisory controls are also installed to minimize human error.

f) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Commissioner for Co-operative Development division, as well as by the monitoring controls applied by the Society.

g) Reputation risk

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

4. CRITICAL ACCOUNTING ESTIMATES AND 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 Society's accounting policies.

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

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

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

- (i) Whether investments are classified as held-to-maturity investments, available-for-sale investments, fair value through profit and loss or loans and receivables.
- (ii) Which depreciation method for property, plant and equipment is used.

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

(i) Impairment of assets

Management assesses at each Statement of Financial Position date whether the 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) Property, Plant and equipment

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

	Land & Building	Capital Work in Progress	Office Furniture, Fittings and Equipment	Total
	\$	\$	\$	\$
Year ended December 31, 2018				
Cost	9,371,575	-	970,832	10,342,407
Accumulated depreciation	(148,251)	-	(264,701)	(412,952)
	9,223,324	-	706,131	9,929,455
Net Book Value				
January 1, 2018	8,567,923	-	609,964	9,177,887
Additions	803,652	-	242,036	1,045,688
Depreciation charge	(148,251)	-	(145,868)	(294,119)
December 31, 2018	9,223,324	-	706,131	9,929,455
Year ended December 31, 2017				
Cost	8,567,923	-	728,797	9,296,720
Accumulated depreciation	-	-	(118,833)	(118,833)
	8,567,923	-	609,964	9,177,887
Net Book Value				
January 1, 2017	2,289,190	903,493	300,281	3,492,964
Transfer	903,493	(903,493)	-	-
Additions	5,375,240	-	464,658	5,839,898
Disposals	-	-	(67,127)	(67,127)
Depreciation charge	-	-	(87,848)	(87,848)
December 31, 2017	8,567,923	-	609,964	9,177,887

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

		<u>2018</u> \$	<u>2017</u> \$
6.	RECEIVABLES AND PREPAYMENTS		
	Accrued interest	450,854	457,881
	Other receivables	413,204	315,603
		864,058	773,484
7.	MEMBERS' LOAN		
	Personal loans	41,722,207	44,796,857
	Mortgage loans	68,908,799	53,411,654
	Consumer loans	78,401	80,497
	Special loans	13,011,034	17,658,071
	Christmas Ioan	1,818	1,818
	Staff special loans	1,651,720	1,741,623
	School loans	197,248	281,777
	Members' loan Promotion	5,074,895	8,050,981
		130,646,122	126,023,280
	Provision for loan losses	(3,532,725)	(4,574,045)
		127,113,397	121,449,235
	The movement in the provision for loan loss is as follows:		
	Balance at beginning of year	4,574,045	4,425,844
	Add: Provision for the year	-	148,201
	Less: Write-off for the year	(1,041,320)	-
	Provision at end of year	3,532,725	4,574,045
8.	LOAN TO AECUS AND ASHLEY LIMITED		
	Opening balance	445,388	550,831
	Loan repayments received	(111,947)	(105,443)
	Closing balance	333,441	445,388
	This loan bears interest at the rate of 6% per annum and is repayable in monthly in of interest.	nstallments of \$11,30	02, inclusive
9.	CASH AND SHORT TERM FUNDS		
	Cash in hand	337,164	779
	Republic Bank Limited	2,026,941	2,224,307
		2,364,105	2,225,086

		<u>2018</u> \$	<u>2017</u> \$
10.	INVESTMENTS	·	Ť
	Available-for-sale investments:		0.5.770
	T & T Unit Trust Corporation - North American Fund	82,994	85,770
	Republic Bank Limited - Money Market Fund	9,523,958	21,936
	Royal Skandia - Executive Wealthbuilder Account	58,320	58,320
	Guardian Asset Management - TTD Income Fund	5,203,427	2,166,038
	Guardian Asset Management - USD Income Fund	108,544	106,826
	Central Finance Facility Co-operative Society of Trinidad and Tobago	25,000	25,000
	The Co-operative Credit Union League of Trinidad and Tobago	10,000	10,000
	First Citizens Bank Limited	1,713,990	1,614,591
	Trinidad & Tobago NGL Limited	5,484,129	4,994,138
	Massy Holdings Limited	347,800	355,348
	CLICO Investment Fund	462,693	485,100
	Guardian Holdings Limited	597,300	561,990
	One Caribbean Media Limited	252,105	319,970
	T & T Unit Trust Corporation - Calypso Fund	597,465	852,383
	T & T Unit Trust Corporation - Growth and Income Fund (1st Scheme)	8,686,030	8,693,068
	T & T Unit Trust Corporation - TTD Income Fund (2nd Scheme)	24,301,120	27,377,451
		57,454,875	47,727,929
	Held-to-maturity investments:		
	Central Bank of Trinidad and Tobago - Government of T & T (4.1%)	1,992,000	1,992,000
	Central Bank of Trinidad and Tobago - Government of T & T (4.5%)	2,100,000	2,100,000
	Central Bank of Trinidad and Tobago - Government of T & T (5.2%)	100,000	100,000
	Central Bank of Trinidad and Tobago - NIPDEC (5.15%)	100,000	100,000
	National Investment Fund Holding Company Limited - NIF (4.5%)	1,794,000	-
	National Investment Fund Holding Company Limited - NIF (5.7%)	3,976,000	
		10,062,000	4,292,000
	Fair value through profit and loss:		
	AECUS and Ashley Limited (50% Investment in Joint Venture at cost)	343,300	343,300
		343,300	343,300
	Total investments	67,860,175	52,363,229
11.	PAYABLES AND ACCRUALS		
	Accounts payable	655,585	482,595
	Accrued expenses	110,575	105,021
		110,070	255,557
	Building retention payable	7// 5/0	
		766,160	843,173

		<u>2018</u> \$	2017 \$
12.	OTHER INCOME		
	Commissions and other	107,046	112,557
13.	OFFICE EXPENSES		
	Stationery, stamps and printing	64,744	71,327
	Office and general expenses	33,082	78,955
	Seminars and functions	9,717	13,152
		107,543	163,434
14.	PERSONNEL COSTS		
	Salaries & NIS	1,421,204	1,332,814
	Pension	117,961	88,725
	Travelling	15,736	16,903
	Staff welfare and training	130,439	53,552
	Č	1,685,340	1,491,994

15. 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.

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

Statement of Financial Position

Members' Loan		
- Board of Directors	3,088,667	1,001,823
- Supervisory Committee	183,027	161,909
- Credit Committee	374,355	380,205
- Education Committee	2,531	82,729
	3,648,580_	1,626,667
Statement of Financial Position		
Members' Shares and Deposits		
- Board of Directors	4,176,762	4,099,995
- Supervisory Committee	1,662,115	1,016,717
- Credit Committee	1,652,952	778,108
- Education Committee	7,496	98,386
	7,499,325	5,993,206
Statement of Comprehensive Income		
Directors and Committee members expenses	346,044	297,221
Key Management Compensation	441,290	445,399

16. FAIR VALUES

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value.

Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

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

(a) Current assets and liabilities

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

(b) Investments

The fair value of investments are determined on the basis of market prices available as at December 31, 2018

(c) Members' Loans

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

(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.

17. CAPITAL RISK MANANGEMENT

The Society manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members, whilst 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, which comprises reserves and undivided earnings.

18. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

The Society has no contingent liabilities and capital commitments as at year end.

19. SUBSEQUENT EVENTS

Management evaluated all events that occurred from January 1, 2019 through the date the financial statements were available to be issued. During the period, the Society did not have any subsequent events requiring recognition or disclosure in the financial statements.



2019 BUDGET

INCOME	2019	2018	2019 vs 2018
Loan Interest	\$ 11,000,000.00	\$ 10,534,699.00	\$ 465,301.00
Investment Income	\$ 1,300,000.00	\$ 1,088,660.00	\$ 211,340.00
Other Income	\$ 100,000.00	\$ 107,046.00	\$ (7,046.00)
Total	\$ 12,400,000.00	\$ 11,730,405.00	\$ 669,595.00

EXPENDITURE	2019	018 ACTUAL EXPENSES	2018 201	3 ACTUAL vs 9 BUDGET
Annual General Meeting	\$ 95,000.00	\$ 105,160.00	\$	(10,160.00)
Legal and Professional	\$ 159,000.00	\$ 160,076.00	\$	(1,076.00)
IFRS9 Provision			\$,
Bank Interest & Charges	\$ 57,900.00	\$ 18,177.00	\$	39,723.00
Board and Committee	\$ 300,000.00	\$ 346,044.00	\$	(46,044.00)
Cuna Insurances		\$ 283,507.00	\$	(283,507.00)
Depreciation	\$ 383,910.00	\$ 294,119.00	\$	89,791.00
Donation	\$ 30,000.00	\$ 20,701.00	\$	9,299.00
Utilities	\$ 148,320.00	\$ 25,701.00	\$	122,619.00
Insurances	\$ 340,520.00	\$ 31,930.00	\$	308,590.00
League Dues and Membership	\$ 153,515.63	\$ 140,902.00	\$	12,613.63
Marketing and Advertising	\$ 150,000.00	\$ 103,209.00	\$	46,791.00
Office Expenses	\$ 90,000.00	\$ 107,543.00	\$	(17,543.00)
Personnel	\$ 1,722,992.35	\$ 1,685,340.00	\$	37,652.35
Repairs & Maintenance	\$ 129,600.00	\$ 84,650.00	\$	44,950.00
Security	\$ 108,120.00	\$ 99,225.00	\$	8,895.00
Telephone		\$ 116,552.00	\$	(116,552.00)
Travelling & Courier	\$ 51,000.00	\$ 60,688.00	\$	(9,688.00)
Total	\$ 3,919,877.98	\$ 3,683,524.00	\$	236,353.98

CAPITAL EXPENDITURE	COST
Outfitting of new building -Furniture and equipment	\$ 60,000.00
Ground Floor Furniture (meeting room and staff chairs)	\$ 25,000.00
Generator	\$ 130,000.00
Purchase of new and replacement computers	\$ 30,000.00
Implementation of Online Services, Mobile, ACH and Surepay	\$ 100,000.00
Paving of Eastern Carparks	\$ 150,000.00
Landscaping	\$ 30,000.00
Total	\$ 525,000.00



RESOLUTIONS

The Board hereby proposes the following Resolutions for approval at this 43rd Annual General Meeting:

APPROVAL OF AUDITOR

WHEREAS the Commissioner for Co-operative Development has drawn up a List of Approved Auditors for the Accounts of Co-operative Societies in accordance with Section 51 of the Co-operative Societies Act and Regulations thereof;

AND WHEREAS Bye-Laws No. 18 (h) of the Guaymay Energy Alliance Credit Union requires the Annual General Meeting to appoint an Auditor for the ensuring Term from the List of Auditors approval by the Commissioner;

BE IT RESOLVED that I. A. Ali and Associates be retained as our External Auditors for the Financial Year ended December 31st 2019.

RESOLUTION TO WRITE -OFF BAD DEBTS

WHEREAS Regulation 32 of The Co-operative Societies Act, Chapter 81:03 requires the Approval of the General Meeting to Write-Off Bad Debts from the books of the Society;

AND WHEREAS every effort is made to recover Bad Debts/Delinquent Loans in pursuance of the Recoveries Procedure of the Society;

AND WHEREAS efforts to recover Sixty-Two (62) Loans in the Sum of \$1,667,723.74 have proven futile;

AND WHEREAS the Board continues to pursue the Recovery of Bad Debts/ Delinquent Loans even after they have been Written-Off;

BE IT RESOLVED that Sixty-Two (62) Loans in the Sum of \$1,667,723.74 be Written-off during the 2019 Financial Year.

DIVIDEND

WHEREAS the Credit Union has realized a Net Surplus for the Financial year ended December 31st 2018;

AND WHEREAS Bye – Law No.27 of the Society makes provision for the distribution of the Surplus in accordance with the Regulations of the Co-operative Societies Act,

BE IT RESOLVED that a Dividend of 4% Payable in Cash be paid to Members in good – standing for the Financial Year January 1st 2018 to December 31st 2018.

AND BE IT FURTHER RESOLVED that for any Account in Arrears, the said Sum be Credited to Outstanding Loan and Interest

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HONORARIA

WHEREAS during 2018 the Society's affairs have been effectively managed by the Board of Directors, Statutory and other appointed Committees;

AND WHEREAS the Society has realized a Net Surplus on its operation during the Financial Year;

BE IT RESOLVED that honoraria of \$90,000.00 be paid to Board and Committee Members for the Financial Year ended Decembert 31st 2018.

WHEREAS, Bye-Law No. 4. APPLICATION AND QUALIFICATION FOR MEMBERSHIP of Guaymay Energy Alliance Credit Union Co-operative Society Limited states;

4. APPLICATION AND QUALIFICATION FOR MEMBERSHIP

4.1 Admission

"An application for membership shall be made on the prescribed form and submitted to the Board. No application shall be approved unless the applicant has paid an unredeemable entrance fee and the value of one (1) full share. All such entrance fees shall go to the Reserve Fund. Membership commences from the date of approval of the application by the Board of Directors.

A copy of these bye-laws shall be given to each member on the approval of this application for membership."

BE IT RESOLVED, that this Annual General Meeting agrees to the Amendment of Bye-Law No. 4 to read as follows:

"An application for membership shall be made on the prescribed form and submitted to the Board. No application shall be approved unless the applicant has paid an unredeemable entrance fee of Twenty dollars (\$20.00) and the value of one (1) full share. All such entrance fees shall go to the Reserve Fund. Membership commences from the date of approval of the application by the Board of Directors.

A copy of the bye-laws shall be given to each member on the approval of their application for membership."

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