

GEACU

GUAYMAY
ENERGY ALLIANCE
CREDIT UNION

Saving Together
To Help Each Other



ANNUAL REPORT 2019



Transforming
Through
Technology

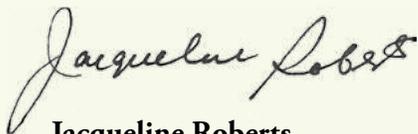
CONTENTS

| | |
|----------------------------------------------------------------------------------------|----|
| AGENDA 2020 | 2 |
| CREDIT UNION PRAYER – PRAYER OF ST. FRANCIS OF ASSISI | 3 |
| GEACU'S VISION AND STRATEGIC PILLARS | 4 |
| STANDING ORDERS | 5 |
| NOTICE OF 44TH ANNUAL GENERAL MEETING | 6 |
| MINUTES OF 43RD ANNUAL GENERAL MEETING | 7 |
| STAFF | 21 |
| BOARD OF DIRECTORS | 22 |
| BOARD OF DIRECTORS REPORT | 23 |
| CREDIT COMMITTEE REPORT | 31 |
| SUPERVISORY COMMITTEE REPORT | 36 |
| EDUCATION COMMITTEE REPORT | 39 |
| NOMINATING COMMITTEE REPORT | 42 |
| AUDITORS REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 | 44 |
| 2020 BUDGET | 79 |
| RESOLUTIONS | 80 |
| AMENDMENT(S) TO BYE-LAWS | 81 |

AGENDA 2020

1. Assessment of Quorum and Call to Order
2. National Anthem of the Republic of Trinidad and Tobago
3. Invocation – Prayer of St. Francis of Assisi
4. Welcome Remarks and Safety Briefing
5. Reading of Notice Convening the 44th Annual General Meeting
6. Reading of Standing Orders
7. Reading and Confirmation of the Minutes of the 43rd Annual General Meeting
8. Matters Arising from the Minutes of the 43rd Annual General Meeting
9. Reports:
 - (i) Board of Directors (includes Education Committee Report)
 - (ii) Credit Committee
 - (iii) Supervisory Committee
10. Motion to Accept/Adopt Reports
11. Presentation of Auditors Report and Financial Statements
12. Presentation of GEACU's Budget 2020
13. Nominating Committee Report
14. Election of Officers for the New Term:
 - (i) Supervisory Committee
 - (ii) Board of Directors
 - (iii) Credit Committee
15. Amendment to:
 - i. Bye Law 1: Overview
 - ii. Bye Law 5. Nomination of Beneficiary
 - iii. Bye Law No. 14: Financial Year
 - iv. Bye Law No. 31: Nominating Committee
16. Resolutions:
 - (i) Appointment of Auditor for the Financial Period January 1, 2020 to December 31, 2020
 - (ii) Approval of Dividend
 - (iii) Approval of Honoraria
17. Correspondence
18. Any Other Business
19. Drawing for Door Prizes
20. Vote of Thanks
21. Adjournment

On behalf of the Board of Directors



Jacqueline Roberts
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 And Strategic Pillars

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

CUSTOMER FOCUS

PEOPLE DEVELOPMENT

FINANCIAL EFFICIENCY

Guaymay Energy Alliance Credit Union

STANDING ORDERS

1. Members shall keep their microphones muted and video cameras off for the duration of the meeting, except if required to make a contribution to the meeting.
2. A member shall only address the meeting when called upon by the Chairman to do so, when invited to make a contribution, click the microphone icon to unmute your microphone. If you speak while your microphone is muted, a notification will pop up, promoting you to unmute same.
3. All members are asked to utilize the chat box to pose questions or to share any issues they are having so that the meeting administration team can troubleshoot during the session with minimal interruptions.
4. All members are reminded to conduct themselves in a professional manner. Please refrain from sharing any explicit, violent or inappropriate content.
5. Comments should be concise and relevant to the topics being discussed.
6. A member shall address the meeting when called upon by the Chairman to do so.
7. No member shall address the meeting except through the Chairman.
8. A member may not speak twice on the same subject except
 - a) The mover of a motion, who has a right to reply; or
 - b) He/She rises to object to, or explain (with permission from the Chairman).
9. No speeches shall be made after the “question” has been put and carried or voted against.
10. The mover of a “procedural motion” shall have no right to reply.
11. 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.)
12. A member:
 - a) 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.
13. Only one amendment shall be before the meeting at one time and the same time.
14. When a motion is withdrawn, any amendment to it fails.
15. The Chairman shall have the right to a casting vote.
16. If there is an equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
17. Provision shall be made for protection by the Chairman from vilification (personal abuse).
18. No member shall impute improper motives against another.
19. Cellular phones and pagers should be switched off or silenced during the course of the meeting.

NOTICE | 44th ANNUAL GENERAL MEETING

Notice is hereby given that the 44th Annual General Meeting of Guaymay Energy Alliance Credit Union Cooperative Society Limited will be held **VIRTUALLY** on Saturday, December 5, 2020 beginning at 9:00 a.m. The meeting will be facilitated through the internet via links provided to a closed Zoom meeting portal.

AGENDA

1. Reading and Confirmation of Minutes of the 43rd Annual General Meeting
2. Matters arising from the Minutes of the 43rd Annual General Meeting
3. To receive the Reports of the:
 - i. Board of Directors (includes Education Committee Report)
 - ii. Supervisory Committee
 - iii. Credit Committee
 - iv. Nominating Committee
 - v. Auditors Report and Audited Financial Statements
4. To approve the Budget proposal for the year ending December 31, 2020
5. Resolutions
6. Amendment to:
 - i. Bye Law 1: Overview
 - ii. Bye Law 5: Nomination of Beneficiary
 - iii. Bye Law No. 14: Financial Year
 - iv. Bye Law No. 31: Nominating Committee
7. To elect officers for the next term
8. To conduct general business

On behalf of the Board of Directors



Jacqueline Roberts
SECRETARY

Date: November 19, 2020

NOTES:

1. The AGM will be online with digital presentations so all members who wish to participate must register by Friday, November 27, 2020 at 4:00 p.m.
2. Please provide proper identification when registering (National I.D.).
3. Register via the AGM registration portal on our website **www.geacutt.com**, email **info@geacutt.com**
4. Only registered members will be emailed a link, with accompanying instructions, to access the virtual meeting.

NOTICE | 43rd ANNUAL GENERAL MEETING

SATURDAY, MARCH 23, 2019
BPTT'S OFFICES, QUEEN'S PARK WEST, PORT OF SPAIN

1.0. CALL TO ORDER

The 43rd 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 nineteen (119) members present.

2.0. INVOCATION

The singing of the National Anthem was led by Ms. Jeadine Jack, after which the Credit Union Prayer was recited. One minute's silence was observed for departed members.

3.0. 1ST CREDENTIAL REPORT

A Credential Report taken at 9.30 a.m. revealed that there were one hundred and nineteen (119) 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 43rd Annual General Meeting of Guaymay Energy Alliance Credit Union Co-operative Society Limited.

5.0. WELCOME REMARKS AND SAFETY BRIEFING

The President, Mr. Noel Jones, on behalf of the Board of Directors, apologized for members not having a hard copy of the Annual Report/Brochure beforehand. He stated that there were some challenges getting same printed in time for transportation to the venue.

He opined that the Annual Report/Brochure should be in the hands of members two weeks before the Annual General Meeting (AGM) so that there would be sufficient time for feedback at the AGM, which would result in improvements in the operations of the Credit Union over the next year. For several reasons, that did not happen.

Mr. Jones stated that the Board will go through the Annual Report/Brochure page by page, so that members will have an opportunity to follow and absorb what was being reported. In the week leading up to the AGM, the Credit Union emailed soft copies to members who had registered at the Credit Union Office to attend the AGM. The Annual Report/Brochure was also placed on GEACU's Facebook page and linked to our website. Copies were also emailed to all BPTT's employees via their network.

6.0. ACKNOWLEDGEMENT OF GUESTS

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

- Mrs. 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. Betty Partap of the Cooperative Division, Ministry of Labour and Small Enterprise Development;
- Mr. Favion Taylor of I.A. Ali & Associates;
- Dr. Anthony Elias, President, Trinidad and Tobago Credit Union Deposit Insurance Fund (TTCUDIF);
- Ms. Darcel Chapman of CUNA Caribbean Insurance Society Limited;
- Mr. John Douglas of Co-operative Credit Union League of Trinidad and Tobago (CCULTT);
- Ms. Heather Baldwin-Mc Dowell of Financial Intelligence Unit of Trinidad and Tobago (FIUTT);
- Mr. Omar Romero of ROSE IT Services;
- Ms. Candice Sarwan of ROSE IT Services;
- Mr. Emerald Braithwaite of the South East Regional Chapter;
- JCEP Students of Mayaro Secondary School;
- Mrs. Catherine La Croix-Hernandez – Note-taker;
- Mr. Anthony C. Hernandez – Note-taker

7.0. STANDING ORDERS

The Vice-President, Mr. Jude Moore, read 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 Mr. Vernon Gabriel and seconded by Ms. Luenda Burke.

8.0. MINUTES OF 42ND ANNUAL GENERAL MEETING HELD ON MARCH 7, 2018

Correction and/or Omission

.... On page 7, Item 2.0, change “Brent” to “Brett”.

The Secretary, Ms. Jacqueline Roberts, led the meeting through the Minutes of the 42nd Annual General Meeting, as stated on pages 7 to 22 of the Annual Report/Brochure.

Confirmation

The Minutes of the 42nd Annual General Meeting were confirmed on a motion moved by Ms. Esther Noel and seconded by Ms. Hillis Richards. The motion carried unanimously.

Business Arising from the Minutes of 42nd AGM

There were no matters arising out of the Minutes of the 42nd 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 25 to 33 of the Annual Report/Brochure.

He highlighted the financial performance of Guaymay Energy Alliance Credit Union during the period under review, in the following key areas:

- a) Increase in Members' Shares from \$164.4 million as of January 01, 2018 to \$185.9 million as at December 31, 2018.
- b) Increase in Total Loans from \$78.4 million as of January 1, 2018 to \$127.1 million as at December 31, 2018.
- c) 11.8% increase in Assets from \$186.4 million as of January 1, 2018 to \$208.5 million as at December 31, 2018.
- d) 0.25% in Net Income (Surplus) from \$7.18 million as of January 1, 2018 to \$7.2 million as at December 2018.

Some other highlights of the report were:

- e) Rebranding of the Credit Union
- f) Compliance with the Financial Intelligence Unit (FIU) and Anti-money Laundering Acts as well as the Credit Union's Compliance Programme.
- g) Training and Development Programmes geared towards improving competencies in the respective functional areas for the Board, Elected Officers and Staff.
- h) Mr. Ashley Sobers proposed to sell his share in AECUS and Ashley Limited.
- i) Continued efforts to reduce the delinquency ratio.
- j) \$1.794M invested in National Investment Fund (NIF) Bond at 4.5% for 5 years.
- k) \$3.976 million invested in NIF Bond at 5.7% for 12 years.
- l) Implementation of on-line services on a phased basis.
- m) Air-conditioning of the first floor of the Credit Union's building.
- n) Review of the Loan Policy.
- o) Five Loan Sales during the period under review.
- p) The Credit Union received Awards for Best Performing and Most Improved Financial Performance from the Credit Union League at the Annual Awards Ceremony.
- q) Guaymay Energy Alliance Credit Union continues to be a member of the Trinidad and Tobago Credit Union Deposit Insurance Fund (TTCUDIF) as well as the Central Finance Facility (CFF).

On behalf of the Board of Directors, the President extended heartfelt thanks to the Manager and his Staff, Directors and Officers for their teamwork as well as the Management and Staff of BPTT for their support.

Discussion

Members made the following comments and observations and posed the following questions:

- (i) There should have been members' input in choosing GEACU's new logo.
- (ii) The online access works and, hopefully, next year members would have a card to access their funds from any part of the world.
- (iii) The Thrift Loan encourages savings.

Acceptance

The report was accepted on a motion moved by Mr. Keon Paul and seconded by Mr. Hugh Fraser. The motion carried unanimously.

10.0. CREDIT COMMITTEE REPORT

The Chairman, Ms. Dianne Baptiste, presented the Committee's report as stated on pages 34 to 38 of the Annual Report/Brochure.

- a) Seven hundred and seven (707) loans valued \$39,553,427 were approved during the period under review.
- b) The Committee made full use of the Risk Matrix in the processing of loans.
- c) A total of twenty (20) loans totalling \$2,740,000 were not approved based on the following reasons:
 - (i) Debt Service ratio being too high (over 45%)
 - (ii) The members' pattern of delinquency based on the TransUnion Report
 - (iii) Disqualification based on the guidelines stated in the Loan Policy and Loan Sale Agreement
 - (iv) The members inability to repay the loans
 - (v) The members character could not be justified.
- d) For the period under review, a total of 4,252 transactions were conducted, totalling approximately \$20 million in share withdrawals.
- e) The Committee assisted the Board in drafting a new Loan Policy which became effective February 1, 2019.
- f) The Committee introduced a Loan log and a Loan Checklist to the Staff with the intent to assist in the faster and accurate processing of loans.
- g) The Committee was instrumental in having its Committee only approve share withdrawals over \$25,000 and those within the members' unencumbered shareholdings.

Ms. Baptiste extended appreciation and thanks to members of the Committee for their yeoman service and the knowledge she gained from working with them.

Discussion

- (i) In response to a query from Ms. Carol Bain about what is meant by "the Members' character could not be justified" Ms. Baptiste indicated that was when there was not enough information to support what was before the Committee and there were several other things that the Committee took into consideration.
- (ii) In response to Ms. Marilyn Charles, Ms. Baptiste explained that the "Thrift Loan" was a product whereby members could borrow up to \$100,000 and place the funds on their shares. The President added that the "Thrift Loan" is a product that encourages savings.
- (iii) Ms. Cheryl Singh thanked the Credit Committee for assisting her in accomplishing goals that would have been very challenging otherwise. She opined that she experienced, first-hand, the watchwords: "Saving Together to Help Each Other".

- (iv) Members made the following observations/comments/suggestions/posed the following questions:
- There should be training on requirements for loans.
 - Email and text blasts with information on loans should be sent out to members.
 - How can retirees access loans because they do not have job letters?
 - The Credit Union should form a committee to show entrepreneurs how to do the accounts for their businesses.
 - The fast card will help a lot with members engaged in small businesses and would woo that type of persons to the Credit Union.
- (v) In response to questions/suggestions/comments from members, the meeting was apprised as follows:
- a) When the new Credit Committee comes into place, there will be training with respect to the requirements for loans because many members are involved in small businesses and when asked to verify their income, sometimes a little book is presented to the Committee and it is difficult to determine the members' income and expenditure.
 - b) The text blasting is being developed and the Credit Union will make better use of the technology in the future.
 - c) For retirees to access loans, their NIS and Pension Statements are accepted by the Credit Committee as supporting documents.
 - d) The Credit Committee was able to get some members to consolidate their debts after having discussions with them.

Acceptance

The report was accepted by the meeting on a motion moved by Mr. Keon Paul and seconded by Mr. Hugh Fraser. The motion carried unanimously.

11.0. SUPERVISORY COMMITTEE REPORT

Ms. Nicole Perry, Chairperson of the Committee, presented the Committee's report. Firstly, she acknowledged the members of the Committee.

The Committee reported as follows:

- a) The Chairman or a delegate attended all Board Meetings, on the invitation of the Board, and the Committee presented a report based on its fortnightly audits/meetings.
- b) 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.
- c) A physical verification of the Credit Union's Fixed Assets was successfully conducted by the Committee in conjunction with the Accountant.
- d) A safety audit of the Credit Union's premises was done and observations made have been forwarded to the Board for further action.
- e) The Credit Committee carried out its functions in accordance with the Bye-Laws.
- f) 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.

- g) Loan applications were processed in line with the current Loan Policy and special loan requirements as approved by the Board.
- h) The Committee participated in two training programmes: “The Internal Audit Function of Supervisory Committees” and “Anti-Money Laundering and Combating Financing of Terrorism”.
- i) Staff salary treatment was reviewed, and salary adjustments were effected in accordance with Board approvals.
- j) The Committee continued to stress the importance of proper documentation and filing, and it looked forward to seeing improvements in those areas in the new financial year.
- k) The Supervisory Committee commended the Board and Management of the Credit Union for the steps taken to introduce technology which will allow members to access their account information online. The embracing of technology will in time enhance the quality of service extended to members.

Discussion

- (i) In response to Ms. Georgia Huggins’ enquiry about how the old assets were disposed of, it was revealed that some fire extinguishers - because they were still usable - were donated to the staff as the Credit Union had already purchased new ones for its Office. She advised that the Procurement Policy, which outlined how such disposals should be handled, should be used so that we stayed compliant with proper practices.
- (ii) Mr. Selwyn Baker thought that a better process should be put in place to deal with salaries for staff. He was advised that further discussion on this would be handled under General Business.

Acceptance

The report was accepted by the meeting on a motion moved by Mr. Keon Paul and seconded by Ms. Hugh Fraser. The motion carried unanimously.

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:

- a) Financial Intelligence Unit (FIU) Training for Board, Committees and Staff
- b) Financial Literacy Seminar for Children, facilitated by Ms. Pamela George, author of “Three Little Piggy Banks”
- c) Junior Co-operative Society students were given the opportunity at the Opening of Credit Union Week to sell their merchandise in an effort to raise funds for their projects.
- d) Estate Planning Seminar
- e) Small Business Exhibition
- f) Members’ Appreciation Day

Miss Rodney thanked members of the Committee for giving their time and participating in the activities of the Committee.

The Committee expressed heartfelt thanks to the Board of Directors, Committees, Manager and Staff as well as members for their constant support and encouragement.

Discussion

Members made the following observations/suggestions/comments/posed the following questions:

- (i) Have a designated person in the Credit Union's office to co-ordinate activities of the Education committee in the same manner as the designated Staff member who deals with delinquency, thus making tremendous strides.
- (ii) Establish a grant for members' children - SEA, CAPE as well as Bursaries - thus giving financial support to those children.
- (iii) Each Credit Union member should consider himself a representative of the Education Committee and members should have their success stories advertised.
- (iv) Advertise the activities of the Education Committee more aggressively.
- (v) The same energy and drive used for advertising the AGM should be employed to advertise other programs of the Credit Union, since not everyone has the capacity to get such information online.
- (vi) Use the other communicative methods of making members aware of the activities of the Education Committee because not everyone has the capacity to go on-line.
- (vii) Educate self-employed members on how best to utilize their finances.

The President implored members who would like to serve their Credit Union to leave their names and contact numbers so that they can be contacted to sit on sub-committees which are appointed to assist the Credit Union.

Acceptance

The report was accepted by the meeting on a motion moved by Mr. Keon Paul and seconded by Ms. Hugh Fraser. The motion carried unanimously.

13.0. AUDITOR'S REPORT AND FINANCIAL STATEMENTS

Mr. Favion Taylor, 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 Ms. Hillis Richards and seconded by Mr. Mark Mitchell. The motion carried unanimously.

Financial Statements

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

Some highlights during the period under review:

- i. Increase in property, plant and equipment from \$9,177,887 to \$9,929,455.
- ii. Increase in Members' Loans from \$121,449,235 to \$127,113,397.
- iii. Increase in Total Assets from \$186,434,309 to \$208,464,631.
- iv. Increase in Members' Shares from \$164,357,702 to \$185,917,672.

- v. Decrease in Members' Deposits from \$1,756,982 to \$1,303,486.
- vi. Increase in total Members' Equity and Reserves from \$19,476,452 to \$20,477,313.
- vii. Increase in Interest on Loans from \$10,531,991 to \$10,534,699.
- viii. Increase in Interest on Investments from \$955,761 to \$1,088,660.
- ix. Increase in Total Income from \$11,600,309 to \$11,730,405.
- x. Increase in Expenditure from \$3,395,807 to \$3,683,524.
- xi. Decrease in Net Surplus from \$8,204,502 to \$8,046,881.

Discussion

- i. Mr. Gary Joseph mentioned that \$67MM in investments represented about 50% of GEACU's total asset base and asked what the approved ratios were. The response to this was that PEARLS provide a guide for investments for credit union operations but there are no set regulations at this time. The Unit Trust investment is used as a current account until further feasible opportunities arise.
- ii. Mr. Riad Gajadhar enquired if it was normal for the auditors to give a qualified opinion on the audited financial statements, and if so, what were the different types of opinions. Mr. Anderson Nelson, Accountant, explained the types of opinions; viz., the unmodified unqualified opinion, qualified except for and the disclaimer.
- iii. At this point the President invited Dr. Anthony Elias, Chairman of TTCUDIF, who explained the challenges being experienced by credit unions with the implementation of the new accounting standard, IFRS9.

Acceptance

The Financial Statements were approved by the meeting on a motion moved by Mr. Krishendath Singh and seconded by Mr. Hugh Fraser. The motion carried unanimously.

14.0. BUDGET 2019

The Manager, Mr. Ryan Moren, presented the Budget for 2019.

The following projections for 2019 were highlighted:

- Total Income of \$12,400,000.00
- Expenses of \$3,919,877.98
- Capital Expenditure of \$525,000.00

Discussion

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

- (i) A decision has not yet been made on the cost of the Credit Union's fast cards and whether that cost will be borne by the members or the Credit Union.
- (ii) The generator has been installed at the new building but not yet commissioned.

Acceptance

The Budget for 2019 was approved by the meeting on a motion moved by Ms. Luenda Burke and seconded by Mr. Reynold Phillip. The motion carried unanimously.

15.0. NOMINATION COMMITTEE REPORT

Ms. Cyntra Singh, Chairman 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. Anthony Sylvester
Mr. Christopher Wint
Mr. Noel Jones
Mr. Riad Gajadhar
Mr. Rodney Jagai
Mr. Seon Casimir

CREDIT COMMITTEE

Ms. Adana Modeste-Dewsbury (withdrawn)
Ms. Althia La Pierre-Mitchell
Mrs. Catherine Perez
Ms. Dianne Baptiste
Ms. Donna Peters
Ms. Esther Noel
Mr. Krishendath Singh
Mr. Mark Mitchell
Ms. Patricia Beckles-Sandy
Ms. Vickey Ann Gould

SUPERVISORY COMMITTEE

Mr. Andy Thomas
Mr. Gary Joseph
Mr. Haroon Mohammed
Mrs. Nicole Perry

The report was unanimously accepted by the meeting on a motion moved by Ms. Cyntra Singh and seconded by Ms. Hillis Richards.

16.0. ELECTION OF OFFICERS

A motion that the Election of Officers be held before presentation of the Resolutions was moved by Mrs. Maura Paul and seconded by Mr. Ashton Wharwood. The motion carried unanimously.

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:

SUPERVISORY COMMITTEE

Ms. Tricia Lynch
Ms. Lloydris Baptiste
Ms. Joshelle Fortune
Mr. Selwyn Baker

BOARD OF DIRECTORS

Ms. Luenda Burke

CREDIT COMMITTEE

Mr. Hugh Fraser

ROSE IT Services facilitated the counting of ballots electronically.

17.1 Election Results

The results of the elections were as follows:

SUPERVISORY COMMITTEE

| No. | NOMINEES | No. of VOTES | TERM |
|-----|----------------------------------|--------------|--------|
| 1 | Mr. Gary Joseph | 127 | 1 year |
| 2 | Mrs. Nicole Perry | 102 | 1 year |
| 3 | Mr. Haroon Mohammed | 082 | 1 year |
| 4 | Ms. Tricia Lynch | 079 | 1 year |
| 5 | Mr. Andy Thomas | 074 | 1 year |
| 6 | Ms. Lloydris Baptiste (1st Alt.) | 066 | 1 year |
| 7 | Ms. Joshelle Fortune (2nd Alt.) | 065 | 1 year |
| 8 | Mr. Selwyn Baker | 037 | |

There were three (3) spoilt ballots.

BOARD OF DIRECTORS

| No. | NOMINEES | No. of VOTES | TERM |
|-----|-----------------------------|--------------|---------|
| 1 | Mr. Noel Jones | 101 | 3 years |
| 2 | Mr. Anthony Sylvester | 91 | 3 years |
| 3 | Mr. Riad Gajadhar | 89 | 3 years |
| 4 | Mr. Seon Casimir | 75 | 3 years |
| 5 | Mr. Christopher Wint | 75 | 1 year |
| 6 | Mr. Keon Paul (1st Alt.) | 72 | |
| 7 | Ms. Luenda Burke (2nd Alt.) | 66 | |
| 8 | Mr. Rodney Jagai | 58 | |

By secret ballot, members decided that Mr. Seon Casimir will serve for three (3) years and Mr. Christopher Wint will serve for one (1) year (the unexpired term of Mr. Glen Holder).

There was one (1) spoiled ballot.

CREDIT COMMITTEE

| No. | NOMINEES | No. of VOTES | TERM |
|-----|----------------------------------|--------------|--------|
| 1 | Ms. Dianne Baptiste | 107 | 1 year |
| 2 | Ms Althia La Pierre Mitchell | 97 | 1 year |
| 3 | Mr. Mark Mitchell | 93 | 1 year |
| 4 | Mr. Khrishendath Singh | 90 | 1 year |
| 5 | Ms. Esther Noel | 79 | 1 year |
| 6 | Ms. Vickey Ann Gould (1st. Alt.) | 70 | 1 year |
| 7 | Hugh Fraser (2nd Alt.) | 51 | 1 year |
| 7 | Ms. Patricia Beckles-Sandy | 30 | |
| 7 | Ms. Donna Peters | 26 | |
| 7 | Ms. Catherine Perez | 7 | |

There was one (1) spoiled ballot.

17.2. Destruction of Ballots/Deletion of Electronic Data

A motion for destruction of the ballots and deletion of the electronic data was moved by Ms. Hillis Richards, seconded by Mr. Isidore Lewis and unanimously accepted by the meeting.

18.0. RESOLUTIONS

18.1. 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, 2019.

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

18.2. 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-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.

The resolution was seconded by Mr. Hugh Fraser and unanimously accepted by the meeting.

18.3. 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, 2018;

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% payable in cash be paid to members in good standing for the financial year January 1, 2018 to December 31, 2018.

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. Jude Moore and unanimously approved by the meeting.

18.4. Honoraria

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

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 in 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, 2018.**

The resolution was seconded by Mr. Ian Fraser and unanimously approved by the meeting.

19.0. AMENDMENT TO BYE-LAWS

On behalf of the Board of Directors, Mr. Noel Jones tabled the following amendment to Bye Law No. 4 - APPLICATION AND QUALIFICATION FOR MEMBERSHIP of Guaymay Energy Alliance Credit Union Co-operative Society Limited - which 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 his 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 these bye-laws shall be given to each member on the approval of his application for membership."

The resolution was seconded by Mr. Vernon Gabriel. On a vote of one hundred and eighteen (118) members voting in the affirmative, none against and no abstention, the resolution was unanimously approved by the meeting.

20.0. GENERAL BUSINESS

Members made the following suggestions/comments:

- a) Members' statements need to be simplified for better understanding of same.
- b) Disposal of Equipment and old furniture, etc. from the Office should be done in accordance with an HSSE policy.

21.0. DOOR PRIZES

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

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

- 22 - Mr. Patrick Nurse
- 11 - Ms. Vicky Ann Gould
- 97 - Ms. Merlyn Charles
- 98 - Mr. Nwadike Holder
- 130 - Mr. Gary Joseph
- 104 - Ms. Lystra Coggins
- 91 - Ms. Esther Noel

A door prize donated by CUNA Caribbean Insurance Society Limited was won by Ms. Leila Basanta (95). On behalf of CUNA, Ms. Darcel Chapman made this presentation to the winner.

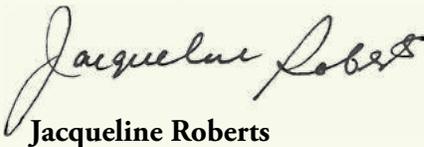
22.0. VOTE OF THANKS

Ms. Cyntra Singh, Assistant Secretary, thanked the Cooperative Officers of the Ministry of Labour and Small Enterprise Development for conducting the elections, BPTT for use of the facility, the invited guests, the Auditors, the caterers, the Manager and Staff of the Credit Union for the tremendous work done over the years, students of Mayaro Composite Secondary School, the Note-takers as well as members for their attendance and participation in having a successful 43rd Annual General Meeting.

23.0. CONCLUSION

There being no further business to discuss, the meeting concluded at 2.40 p.m.

Submitted by,



Jacqueline Roberts
SECRETARY

STAFF



BACK ROW (l-r)

Ryan Moren (Manager)
Keishel Beckles
Brenda-Joy Pierre
Malicke Mc Knight
Anderson Nelson
Chrissiann La Focaude
Khadsha Alexander

FRONT ROW (l-r)

Tricia Persad
Bernadine Gangadeen
Jenna Nedd
Tricia King-Balkissoon
Roxanne Leotaud
Petra Charles
Natalie Eudovic

BOARD OF DIRECTORS

JANUARY 1, 2019 TO DECEMBER 31, 2019



Mr. Noel Jones
PRESIDENT



Mr. Riad Gajadhar
VICE PRESIDENT



Ms. Jacqueline Roberts
SECRETARY



Ms. Cyntra Singh
ASSISTANT SECRETARY



Mr. Kwasi Alleyne
DIRECTOR



Mr. Anthony Sylvester
DIRECTOR



Mr. Seon Casimir
DIRECTOR



Mr. Lerry Brereton
DIRECTOR



Mrs. Maura Paul
DIRECTOR



Ms. Natasha Rodney
DIRECTOR



Ms. Nancy Hunte
DIRECTOR



Mr. Christopher Wint
DIRECTOR

REPORT | BOARD OF DIRECTORS

FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2019

INTRODUCTION

The Board of Directors of Guaymay Energy Alliance Credit Union (GEACU) takes pleasure in reporting its activities for the period of review - January 1, 2019 to December 31, 2019.

After 43 years of continued growth and Development and an undying commitment to service, Guaymay Energy Alliance Credit Union is pleased to report another successful year of attending to the financial needs of our valued membership.

During the year we continued to see growth in membership and all key financial areas. We continued our quest to improve the quality of our products and services while facing a continuing competitive financial environment.

Following the Forty-third (43rd) Annual General Meeting on March 23, 2018 and the subsequent Election of the New Executive, the Table below outlines the Board of Directors, their positions and attendance at Board meetings during 2019.

| NAME | POSITION | PRESENT | EXCUSED/ABSENT |
|------------------------|-----------------|---------|----------------|
| Mr. Noel Jones | President | 12 | 0 |
| Mr. Riad Gajadhar | Vice President | 9 | 0 |
| Ms. Jacqueline Roberts | Secretary | 11 | 0 |
| Ms. Cyntra Singh | Asst. Secretary | 12 | 0 |
| Mr. Seon Casimir | Director | 6 | 3 |
| Ms. Natasha Rodney | Director | 11 | 1 |
| Ms. Nancy Hunte | Director | 6 | 6 |
| Mr. Kwasi Alleyne | Director | 11 | 1 |
| Mrs. Maura Paul | Director | 10 | 2 |
| Mr. Anthony Sylvester | Director | 8 | 1 |
| Mr. Lerry Brereton | Director | 2 | 10 |
| Mr. Christopher Wint | Director | 6 | 3 |

The outgoing Directors are Mrs. Jacqueline Roberts, Ms. Natasha Rodney, Ms. Nancy Hunte, and Mr. Christopher Wint. Mrs. Jacqueline Roberts is not eligible for re-election, as she is statute-barred having served three consecutive terms.

The Board appointed several subcommittees to serve in various functional areas as follows:

| | POLICY | HR | FINANCE & INVESTMENT | BUILDING | DELINQUENCY | SIGNATORY | EDUCATION | NOMINATION COMMITTEE | |
|----------------------------|--------|----|----------------------|----------|-------------|-----------|-----------|----------------------|---|
| Noel Jones | 1 | 1 | 1 | | | 1 | | | 4 |
| Riad Gajadhar | | 1 | 1 | | | 1 | | | 3 |
| Jacqueline Roberts | 1 | 1 | | | | 1 | | | 3 |
| Cyntra Singh | | 1 | | | | 1 | | 1 | 3 |
| Seon Casimir | | | | 1 | | | | 1 | 3 |
| Lerry Brereton | | | | 1 | | | | | 1 |
| Nancy Hunte | 1 | | | | 1 | | | | 2 |
| Anthony Sylvester | | | | 1 | | | | | 2 |
| Natasha Rodney | | | | | | | 1 | | 1 |
| Maura Paul | 1 | | | | | 1 | 1 | | 3 |
| Christopher Wint | 1 | | 1 | | | | | | 2 |
| Kwasi Alleyne | | | | 1 | | | | 1 | 1 |
| Keon Paul | | | | | | | 1 | | 1 |
| Lloydris Baptiste | | | | | | | 1 | | 1 |
| Parbatee Bridgemohan-Singh | | | | | | | 1 | | 1 |

ECONOMIC CLIMATE

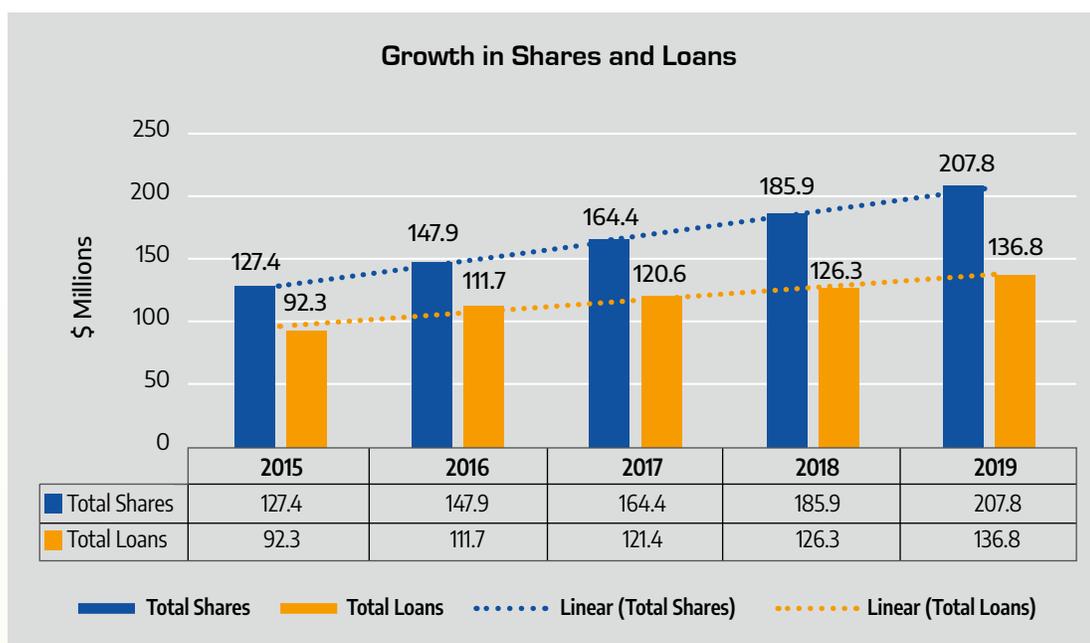
The Central Bank mid-year report stated, “against the background of an uncertain international environment and based on developments in the energy sector, economic activity in Trinidad and Tobago was anticipated to expand moderately in 2019”. This statement held true till year end. Notwithstanding this, retrenchments continued in the construction, energy, finance and business services, and transport sectors throughout the year.

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 again performed remarkably well in 2019.

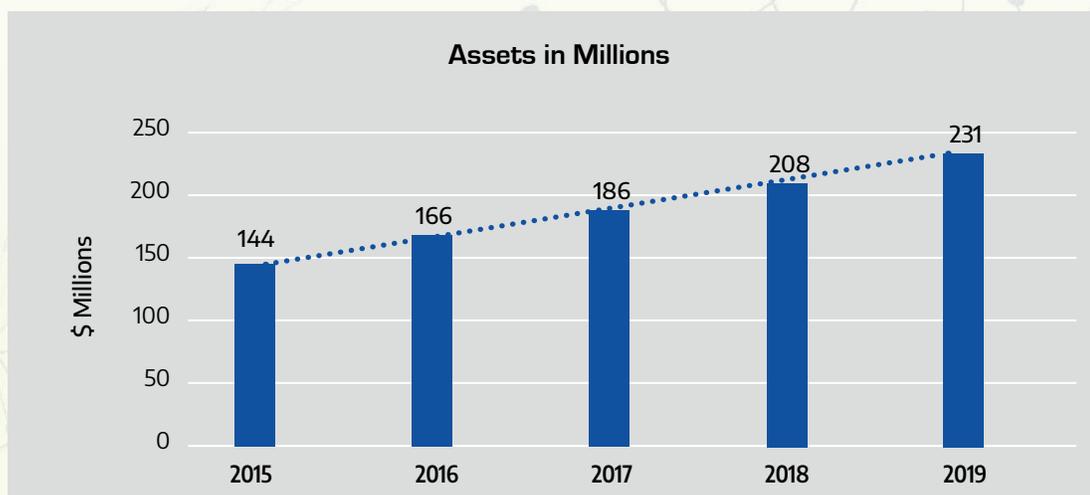
OVERVIEW OF 2019 FINANCIAL PERFORMANCE

Members' shares increased from \$185.9M as of January 1, 2019 to \$207.8M as at December 31, 2019.

Growth in Shares and Loans

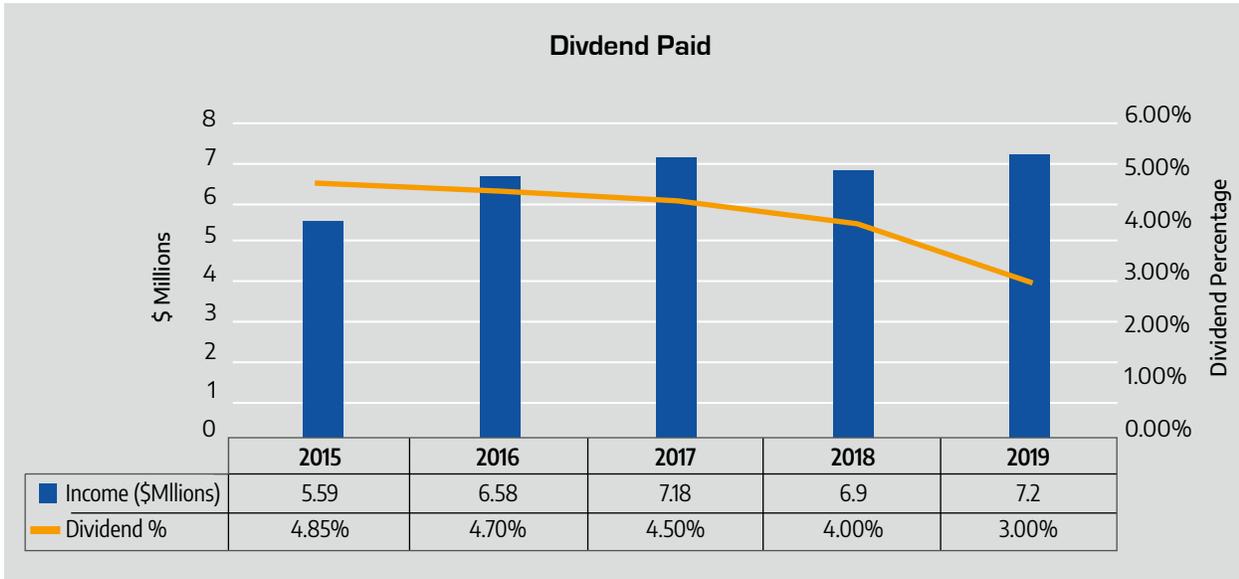


Growth in Assets

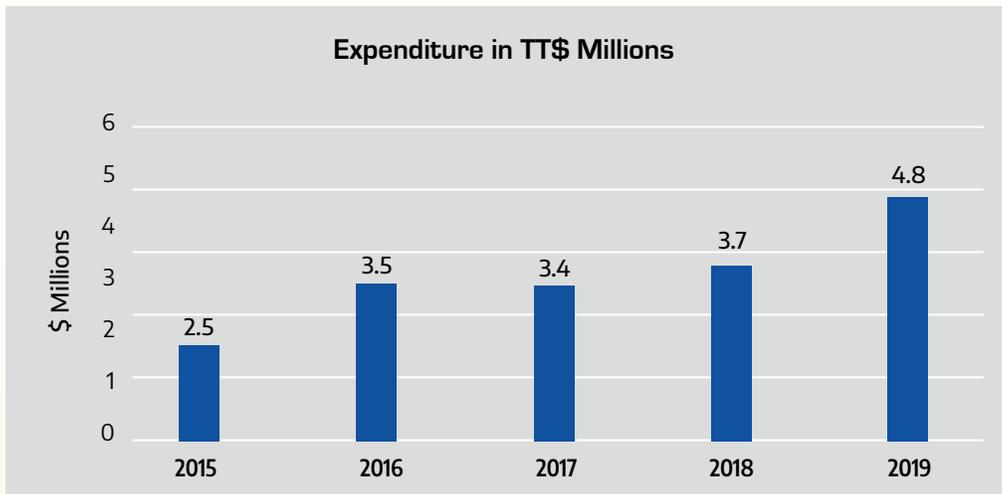


Assets grew from \$207.6M in 2018 to \$231.2M in the period ending 2019.

Dividend Paid



Expenses in TT\$ Millions



TECHNOLOGY UPGRADE

The relationship between businesses and consumers has rapidly changed over the years, and Credit Unions are no exception. Interactions are increasingly occurring online and on mobile devices in real time. We are mindful of these changes and understand that we ought to change rapidly to keep up with these trends. On December 15, 2018 Guaymay commenced the implementation of its online service on a phased basis. Members now have access to their accounts via the internet to view their balances, transfer between accounts and download statements. The platform for online transactions is being developed over the longer term, like other leading financial institutions. We will be implementing our

mobile app during the first quarter of 2020, so that the service is also available on your mobile phone. 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. During the first year of implementation, just over 10 % of our active members have signed up for this service.

We are mindful that while this is a welcome change for some members, many still prefer to come to the office, and we will be continuing to provide that service you.

Effective January 1, 2018, all financial institutions in Trinidad and Tobago were mandated to implement the new International Financial Reporting Standard IFRS9. During 2019 we installed an IFRS9 module into the Emortelle software to accommodate the requirements of this standard. The software now provides us with the capability that allows us to accurately calculate and maintain provisioning for loans and investments.

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 held on the job, internally and externally. The external 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.

Sourcing, engaging and retaining the best talent are top priorities for all organizations. In December 2019, GEACU launched its first internship programme. This Programme is a development program that is the first step in building a talent pool for future full-time hires for positions in the Credit Union. It also provides an opportunity to participant/s to gain relevant on-the-job experience in their chosen field. If there are no vacancies at the end of the period of Internship, the programme would have served to prepare a young aspiring professional to enter the world of work outside the Credit Union. This will also provide the Credit Union with a talent pool with known potential/capability to recruit if we wish to employ them in the future.

The Education Committee was appointed in accordance with our Bye Laws at the first Board Meeting after the Annual General Meeting. Details of the Education Committee activities are shown in the Education Committee report.

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 towards the reduction of delinquency

FINANCE AND INVESTMENT

The committee consisted of Mr. Riad Gajadhar (Chairman), Mr. Noel Jones, Mr. Jude Moore, Mr. Christopher Wint and Mr. Ryan Moren. The 2019 mandate continued along similar lines as previous years follows:

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

LOAN SALES

We held loan sales during the year and we reviewed them quarterly to keep abreast of the competitive market. These sales accounted for 74% of our loan portfolio for 2019.

AECUS AND ASHLEY LIMITED

GEACU's interest in AECUS and Ashley remained at 50% ownership. Our two representatives on the company's board for 2019 were Mr. Jude Moore and Mr. Christopher Wint. In 2018, 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 was put up for sale in 2019. GEACU is expected to benefit significantly from the sale of this investment. The eight (8) apartments are being rented out, as the long-term contract with the Port Authority of Trinidad and Tobago came to an end in 2018.

BUILDING

The Building Committee took up the Board-appointed responsibility as mandated by the Board of Directors. The Chairman was Mr. Anthony Sylvester. The other committee members comprised Mr. Noel Jones, Mr. Seon Casimir, Mr. Lerry Brereton and Mr. Ryan Moren.

The Committee's main successes and initiatives included:

- Completion of repairs to the first (1st) floor ceiling in November 2019
- Finalization of the Commissioning Exercise of the Standby Generator, in conjunction with Electoral Inspectorate. 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. The need for a standby generator was therefore crucial for business continuity. The standby generator was commissioned during the third quarter of 2019 and will serve to provide the necessary backup needed to ensure the Credit Union remains in operations during power outages.
- Mandatory inspection of the Building by the Trinidad and Tobago Fire Service.

The Committee's ongoing works and planned projects are:

- Engagement of possible vendors for the approved renovations to the Building's first (1st) floor, inclusive of a Board Room.
- Continued exploration of feasible projects to satisfy the infrastructural needs of the building's external spaces.

- Restructuring of the existing office spaces and the construction of a Board room.
- Assessment of safety policies and practices.

POLICY AND PROCEDURE

During the year we continued to introduce new policies while reviewing the existing ones to keep them current and in some cases relevant.

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:

1. Credit Union Week Opening Ceremony
2. Awards Ceremony and Dinner
3. Leadership and Technical Training Seminars
4. Feedback on the proposed Legislation
5. President Meetings
6. Other Business Meetings

At the Awards Ceremony held in San Fernando during Credit Union Week, GEACU received an Award for Outstanding Performance; viz., Best Financial Performance for Large Credit Unions. GEACU received Awards for Outstanding Performances in various categories over the past seven (7) 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 currently the Vice President of the Board of Directors of TTCUDIF.

CENTRAL FINANCIAL FACILITIES (CFE)

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 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, CFE, CUNA Caribbean; MSD

and the Co-operative 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.



Noel Jones
PRESIDENT

REPORT | CREDIT COMMITTEE

FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2019



Committee Members (l-r):

Esther Noel
Dianne Baptiste (Chairperson)
Althea La Pierre-Mitchell
Krishendath Singh
Mark Mitchell

CREDIT COMMITTEE TEAM

INTRODUCTION

The Credit Committee is pleased to present this report which summarizes its activities for the financial year ended December 31, 2019. While the main function of the committee is the supervision of loans, we also interviewed and counselled members when deemed necessary. We ensured, as is reasonably possible, that loans were processed in keeping with the guidelines outlined in the loan policy and loan sale criteria. Conversations were held with the Board for clarity and waiver of policy as and when needed. We are pleased to report that we supervised all applications on an individual basis taking into consideration the characteristics of good lending.

LOANS APPROVED

For the year 2019, the Credit Committee is pleased to report that we approved 911 loans up from 707 in 2018. The value of these loans totalled \$46,434,297, which is an increase of 17% over the 2018 figure of \$39,553,427. **Figure 1** outlines the various categories of loans approved in 2019 and compares this to 2018. It is to be noted that the majority of loans were for house repairs.

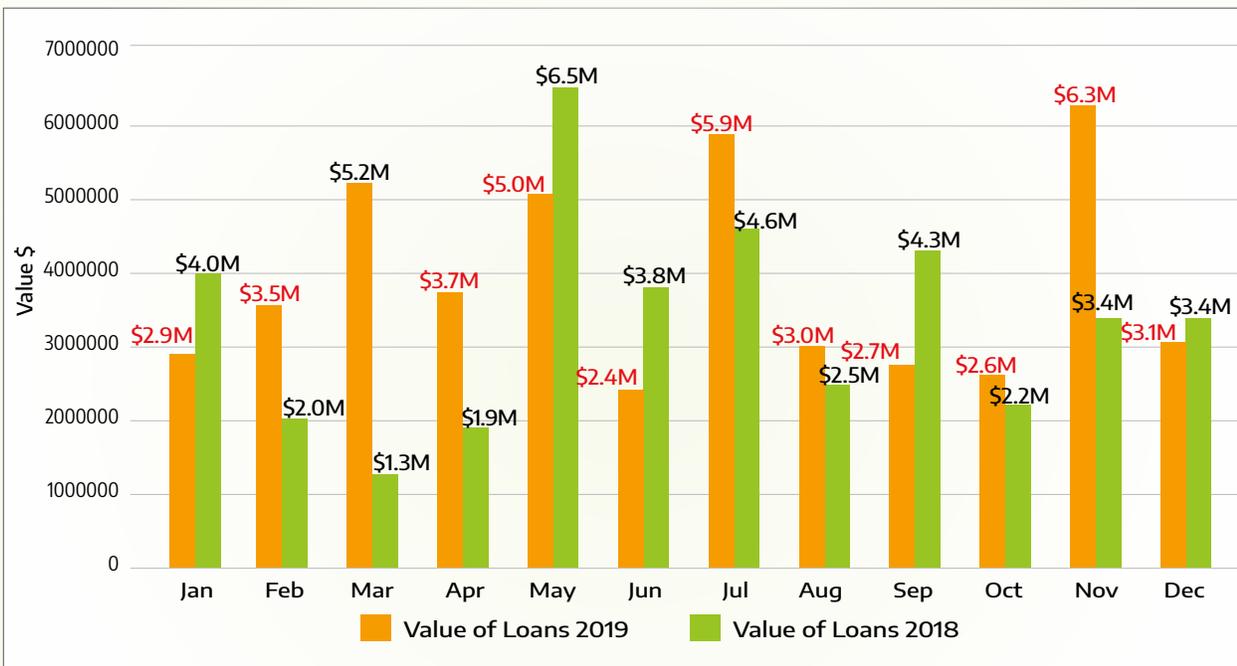
The following charts show the 2019 year-to-date value of loans approved each month compared to the same period in 2018.

Figure 2 compares the actual value of loans approved each month. Compared to 2018, a significant increase in the value of loans granted can be seen for the months of March, April, and November. These increases can be attributed to the loan sale products introduced during those periods.

Figure 1

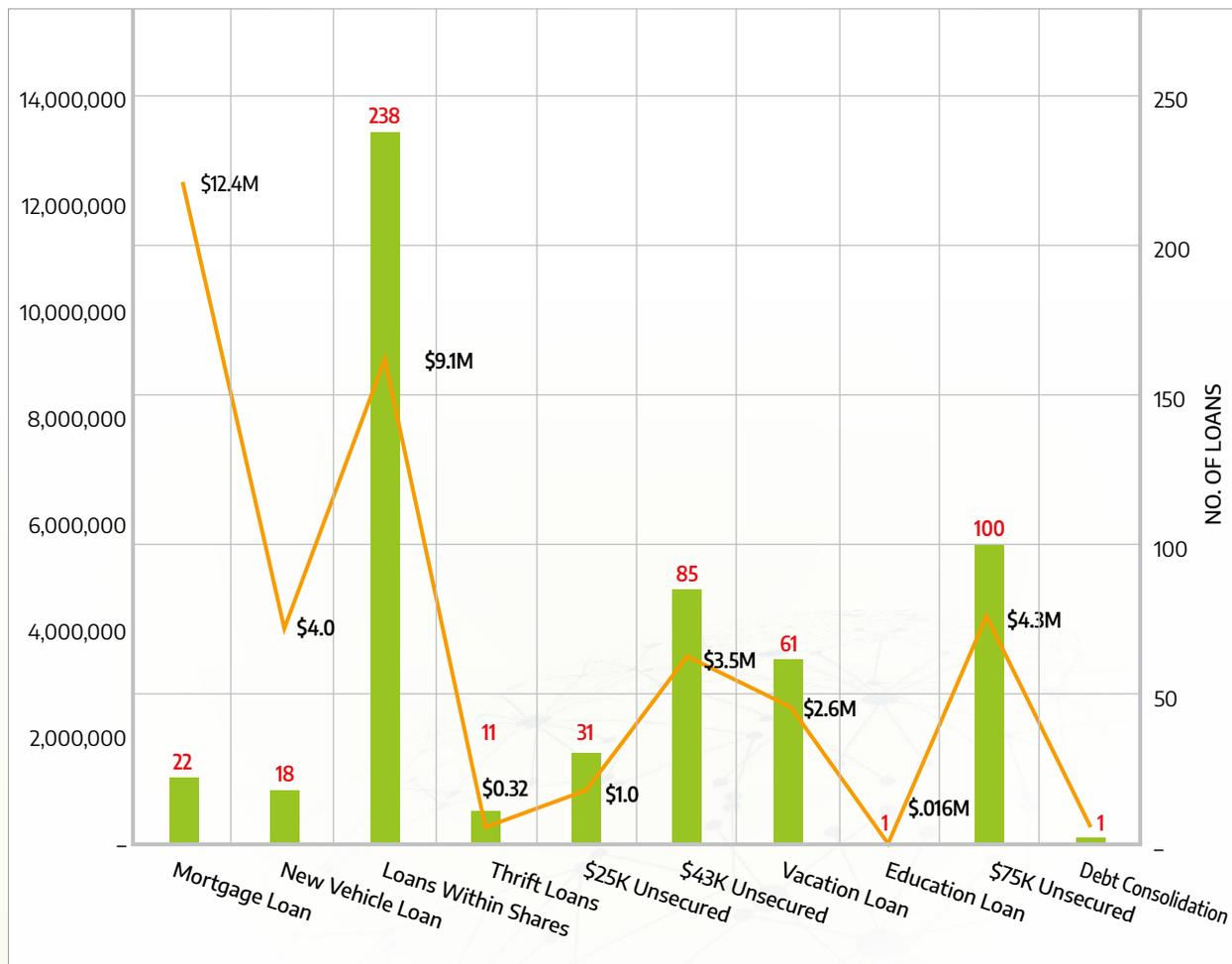
| CATEGORIES | 2018 | | 2019 | | Variance | |
|------------------------|-------------|-------------------|-------------|-------------------|-------------|------------------|
| | No of Loans | Value \$ | No of Loans | Value \$ | No of Loans | Value \$ |
| Land & Agriculture | 9 | 323,000 | 4 | 113,800 | (5) | (209,200) |
| Legal Fees | 3 | 156,400 | 1 | 38,850 | (2) | (117,550) |
| Medical Expenses | 28 | 426,485 | 14 | 295,138 | (14) | (131,347) |
| Education | 27 | 586,500 | 18 | 270,700 | (9) | (315,800) |
| Aid To Relatives | 12 | 230,000 | 42 | 1,112,212 | 30 | 882,212 |
| Investment | 77 | 2,549,740 | 94 | 3,152,635 | 17 | 602,895 |
| Furniture & Appliances | 33 | 701,100 | 54 | 951,678 | 21 | 250,578 |
| Vacation | 21 | 378,000 | 51 | 1,439,100 | 30 | 1,061,100 |
| Debt Consolidation | 34 | 2,139,254 | 45 | 3,111,226 | 11 | 971,972 |
| Motor Vehicle Repairs | 39 | 1,278,000 | 51 | 936,045 | 12 | (341,955) |
| Motor Vehicle Purchase | 39 | 3,636,305 | 55 | 4,483,925 | 16 | 847,620 |
| Vessel | 2 | 50,000 | 1 | 43,000 | (1) | (7,000) |
| Ceremonies | 25 | 371,800 | 29 | 681,649 | 4 | 309,849 |
| Insurance | 11 | 114,378 | 6 | 78,307 | (5) | (36,071) |
| Housing/Land Purchase | 2 | 80,000 | 1 | 40,000 | (1) | (40,000) |
| House Repairs | 291 | 8,514,235 | 405 | 13,264,110 | 114 | 4,749,875 |
| Mortgage Loan Sale | 31 | 12,780,875 | 22 | 12,374,343 | (9) | (406,532) |
| New Vehicle Loan Sale | 23 | 5,237,355 | 18 | 4,047,580 | (5) | (1,189,775) |
| Total | 707 | 39,553,427 | 911 | 46,434,297 | 204 | 6,880,871 |

Figure 2 Loan Sales



The Board of Directors introduced several loan products throughout 2019 as can be seen from the chart below. These included three (3) different types of unsecured loan which benefitted members who had the ability to repay but may lack security.

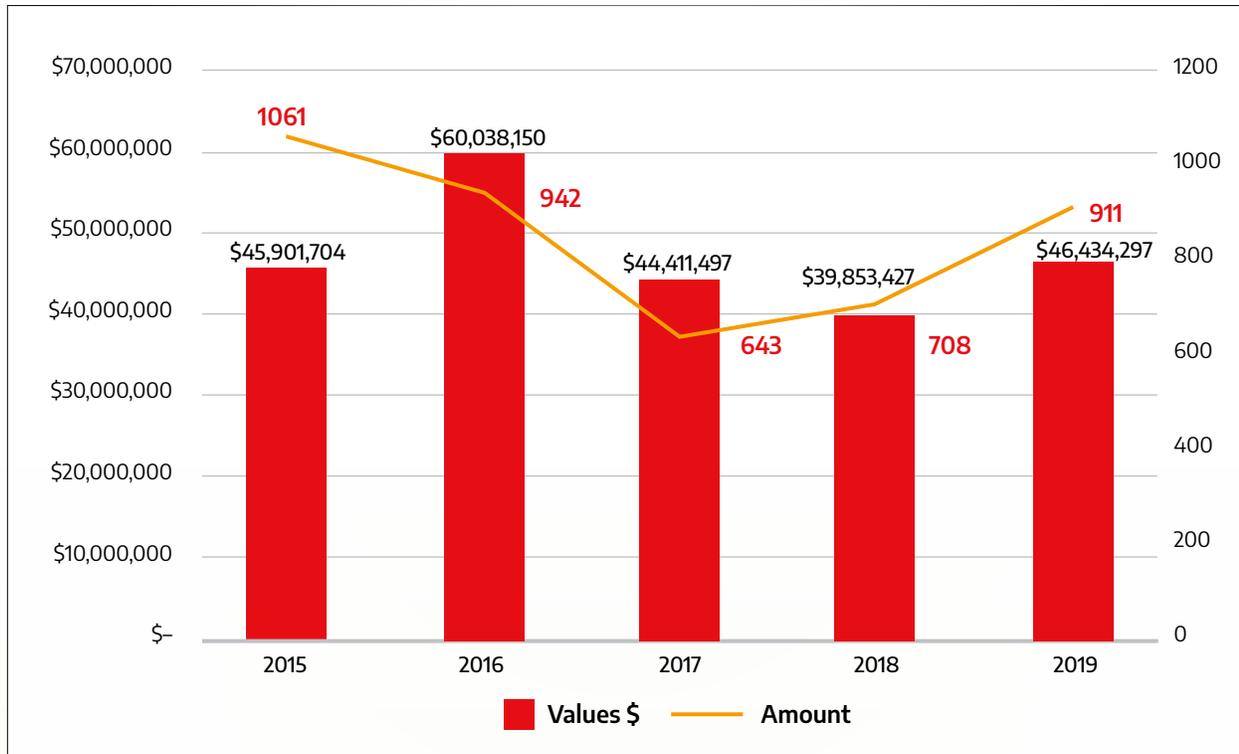
Figure 3 Loan Sale 2019



A debt consolidation loan facility was also introduced. This allowed members who were experiencing some difficulty in managing their current loan portfolio to liquidate and consolidate existing loan balances. This resulted in rationalizing their loan portfolios and easing the repayment requirements.

The Mortgage and New Vehicle Loan sales continued at an attractive interest rate of 0.5% per month. The majority of these loan products performed very well as members avail themselves of these facilities.

Fig. 4: Loan Approved Comparison: 2015–2019



An average of 853 loans per year were approved over the last 5 years for an average yearly value of \$47,327,815

LOANS NOT APPROVED

A total of 42 loans totalling \$4,847,753 were not approved during 2019. It is never easy for the committee to decline a loan request, and as such, we explore all avenues to assist the member prior to making a final decision. In processing all loans, we consider our responsibility to safeguard the interest of all our members from undue risk. Reasons for non-approval ranged from members not meeting the criteria of the loan sales and the loan policy. Some of these include DSR over 45%, the members' inability to repay the loan, unfavourable credit rating, insufficient information provided by member.

OTHER

As part of the loan approval process, the committee interviewed several applicants to gather additional information. As a result the committee was able to use this information to make more informed decisions while processing the loans.

Several informal meetings were held with the lending and delinquency staff to discuss areas to improve the process for lending.

Site visits were conducted for mortgage, investment, and vehicle repair purposes as and when deemed necessary.

ATTENDANCE AT BOARD MEETINGS

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

Committee

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

Ms. Dianne Baptiste, Chairperson
Mrs. Althia La Pierre-Mitchell, Secretary
Mr. Mark Mitchell
Mr. Michael K. Singh
Ms. Esther Noel
Ms. Vicky-Ann Gould, Alternate
Mr. Hugh Fraser, Alternate

Meetings were held weekly and more frequently during peak holiday periods.

CONCLUSION

In closing, we continue to appreciate the support given to us by the Board, Manager, Loan Officers and other staff members, Committees, and you the members. We look forward to your continued support throughout 2020 and beyond.

For and on behalf of the Credit Committee.



Dianne Baptiste
CHAIRPERSON



REPORT | SUPERVISORY COMMITTEE

FOR THE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2019



Committee Members (l-r):
Nicole Perry (Chairperson)
Gary Jospheh
Tricia Lynch
Haroon Mohammed
Andy Thomas

INTRODUCTION

The following report summarises the activities of the Supervisory Committee for the year ended December 31, 2019.

THE COMMITTEE

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

Mr. Gary Joseph
Ms. Tricia Lynch
Mr. Haroon Mohammed
Ms. Nicole Perry
Mr. Andy Thomas

At the first meeting of the Committee Mrs. Nicole Perry and Ms. Tricia Lynch were elected Chairman and Secretary respectively.

Main Activities of the Committee

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
- Periodic cash counts
- Review of new member applications
- Review of loans not approved
- Review of journals
- Review of payments
- Review of dormant accounts

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 reviews/meetings.

NEW MEMBER APPLICATIONS

During 2019, the Credit Union's membership grew by 544 and there were 46 updates of member information on file along with the re-activation of 54 accounts. The Committee reviewed samples of these transactions. In general, the forms were completed as per guidelines and supporting documents provided.

LOANS

The Committee reviewed samples 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 found that loan applications were processed in line with the current loan policy and special loan requirements as approved by the Board.

CASH COUNTS

Two (2) 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, 2019. It should be noted that at year end there were no cotton hundred dollar bills on hand at the Credit Union.

JOURNALS

A sample of journals was reviewed by the Committee. Recommendations put forward included ensuring that journal entries be accompanied by proper supporting documents and requisite approvals, bearing in mind that journal entries can impact a member's account balances.

PAYMENTS

Cheque payments were reviewed to ensure that disbursements were properly supported and authorized. The Committee found that payment vouchers and supporting documents were filed alphabetically. The recommendation is that the filing ought to be done in cheque number sequence.

DORMANT ACCOUNTS

The dormant account listing reviewed by the Committee included the names of persons with large balances as well as names of deceased persons. We acknowledge that the account re-activations effected for the year are testament to the Credit Union making attempts to contact members and have them resume their relationship with the Credit Union.

TRAINING

The Committee participated in a training session hosted by the Credit Union's software provider. This programme provided an overview of the Emortelle system and the functionality available to the end user.

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.

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 for the upcoming year will do so in the best interest of all members.



Nicole Perry
CHAIRPERSON

REPORT | EDUCATION COMMITTEE

For the period January 1, 2019 to December 31, 2019

Committee Members (l-r):

Maura Paul
Parbatie Bridgemohan Singh
Lloydris Baptiste
Keon Paul
Natasha Rodney (missing)



CREDIT COMMITTEE TEAM

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

Committee Members were as follows:

1. Mr. Keon Paul, Chairperson
2. Ms. Lloydris Baptiste, Secretary
3. Ms. Natasha Rodney
4. Ms. Parbatie Bridgmohan Singh
5. Mrs. Maura Wendy Paul

In accordance with Bye Law 25 (a), the Education Committee is primarily responsible for Publicity and Education. The Committee met monthly and reported to the Board of Directors.

The Committee's Theme for 2019 was: YOUTH, CULTURE, COMMUNITY.

The Education Committee continued to focus on looking at ways to educate our youths and the general membership by planning programmes to enhance their financial decisions and their knowledge of our organization.

ACCOMPLISHMENTS

Etiquette Training

Etiquette training was offered to members' children, ages 9 - 18 years, at the BPTT Resource Centre, Mayaro, on February 23, 2019. Training was focused in the following areas: Social Etiquette, Meeting and Greeting, Handshake and Introductions, Conversational skills etc. This was a hands-on, practical training which was well received by the attendees. Certificates were distributed to each participant.

HOME GARDENING WORKSHOP

A Home Gardening Workshop was held on June 8, 2019 for members of GEACU. This workshop was conducted by one of our members, Mrs. Kim Perez-Peruse, who volunteered her time to share her expertise, free of charge. The feedback from attendees was very positive. Tokens were presented to attendees which could assist them in their efforts to continue their home gardening.

2019 BURSARIES: S.E.A. STUDENTS

The Board of Directors, for the first time, approved the distribution of Bursaries in the amount of \$6,000.00 to four (4) recipients of the Ortoire R.C. School who were successful in the 2019 S.E.A Examinations. Each student received a book voucher valued at \$1,000.00 plus \$500.00 worth of Credit Union shares. The Bursaries were awarded in consultation with the teachers and Principal of the school, to students who were worthy of the assistance, both academically and financially. This gesture was greatly appreciated by both the students and their parents. Our intention is to continue this practice in 2020 and beyond to other schools.

CREDIT UNION OPENING CEREMONY

As is customary, in celebration of Credit Union Month in October of each year, our Credit Union attended the Opening Ceremony on October 13, 2019. A contingent of 40 persons, inclusive of members, children, staff and ten (10) Junior Cooperative students and one (1) teacher from the Mayaro Secondary School. The highlight of the day was when one of the Junior Cooperative students was selected as the flag bearer for our region (SERC), and he thoroughly enjoyed representing our chapter. He was subsequently rewarded with a hamper for his participation.

LEADERSHIP TRAINING - MAYARO SECONDARY SCHOOL

In our continued efforts to nurture young minds in the Community, we reached out to the Mayaro Secondary School and conducted a Leadership Training session for students on November 13, 2019. Mr. Ryan Moren, GEACU's Manager, accompanied by Mrs. Maura Wendy Paul, Director, conducted the training. Thirty-two (32) students from three (3) Committees of Leadership within the school namely: Junior Cooperative, School Prefects Student Body Council, attended the much-needed training. The presentation by Mr. Moren was exceptionally executed and well received by both students and teachers.

MEMBERS OUTREACH - GALEOTA POINT

Mr. Seon Casimir, Board Member, coordinated a meeting held on November 28, 2019 at Galeota Point. Mr. Ryan Moren facilitated this meeting. Approximately two hundred (200) persons attended, and the reception was very encouraging.

OPEN HOUSE - RIO CLARO

We extended our outreach to Rio Claro and environs as part of our Marketing Strategy on November 29, 2019. The event was well received and was a tremendous success. Thirty-Five (35) new members registered on that day and showed great potential for the future.

NEWSLETTER

The Newsletter published during the month of October 2019 highlighted the Credit Union's accomplishments during the year, provided information and outlined some of the benefits of being a member of Guaymay Energy Alliance Credit Union.

ANNUAL MEMBERS' APPRECIATION DAY

Our Annual Members' Appreciation Day was held on December 06, 2019 at the office from 9:00 a.m. – 1:00 p.m. Members were treated to music, refreshments, GEACU branded tokens and an opportunity to win special prizes. Thank you to all our valued members for your continued business and trust in our organization throughout the years, and for considering us as your preferred financial institution.

I take this opportunity to thank all members of the Education Committee for their commitment, dedication and support expressed during 2019. Teamwork was evident in the way each member stuck to the task and ensured by our individual efforts that this would be a very successful and fulfilling term.

The Education Committee takes this opportunity to express our sincere and grateful appreciation to the Board of Directors and other Committees for your guidance and support during 2019, and a special Thank You to the Manager and Staff for their constant and unwavering support in all activities during our term in office. We could not have been as successful without your individual and collective assistance and cooperation.



Keon Paul
CHAIRPERSON



REPORT | NOMINATING COMMITTEE

For the period January 1, 2019 to December 31, 2019

APPOINTMENT

In accordance with the Bye Law 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 Nominating Committee are as follows:

- Ms. Cyntra Singh
- Mr. Kwasi Alleyne
- Mr. Seon Casimir

NOTICE TO MEMBERS

The committee issued notices in the news media inviting members to submit nominations for consideration, and that any such nominations should reach the office no later than January 31, 2020. The nominations were with respect to fill the following vacancies: - Board of Directors – four (4) and two (2) alternates, The 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 44th Annual General Meeting.

NOMINATIONS

The following nominations were received:

Board of Directors

| NAME | NOMINATED BY | SECONDED BY |
|-------------------------|-------------------|---------------------|
| Christine Fields | Kela Frontin | Jamal Sookram |
| Christopher Wint | Anthony Sylvester | Nancy Hunte |
| Jeadine Jack | Keishel Beckles | Khadesha Alexander |
| Harricharan Narine | Reynold Phillip | Ryan Moren |
| Nancy Hunte | Christopher Wint | Seon Casimir |
| Summer Manswell-Edwards | Keishel Beckles | Natalie Lares-Allen |

Credit Committee

| NAME | NOMINATED BY | SECONDED BY |
|---------------------------|---------------------------|---------------------------|
| Dianne Baptiste | Althea La Pierre-Mitchell | Esther Noel |
| Althia La Pierre-Mitchell | Esther Noel | Mark Mitchell |
| Krishendath Singh | Dianne Baptiste | Mark Mitchell |
| Mark Mitchell | Dianne Baptiste | Krishendath Singh |
| Patricia Beckles-Sandy | Nickolene Cain | Natasha Rodney |
| Natasha Rodney | Kwasi Alleyne | Althia La Pierre-Mitchell |

Supervisory Committee

| NAME | NOMINATED BY | SECONDED BY |
|-----------------|---------------------------|-----------------|
| Esther Noel | Althia La Pierre-Mitchell | Dianne Baptiste |
| John Wildman | Jamanadai Wildman | Danny Dookie |
| Haroon Mohammed | Tricia Lynch | Kizze Perez |
| Tricia Lynch | Haroon Mohammed | Kizze Perez |

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.
- Each candidate is a member of Guaymay Energy Alliance Credit Union Cooperative Society Limited.
- No candidate is 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 Members.

The above nominations are submitted for your consideration.



Cyntra Singh
CHAIRPERSON

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| CONTENTS | PAGES |
|----------------------------------------------------|-------|
| STATEMENT OF MANAGEMENT RESPONSIBILITIES | 45 |
| INDEPENDENT AUDITOR'S REPORT | 46 |
| STATEMENT OF FINANCIAL POSITION | 49 |
| STATEMENT OF COMPREHENSIVE INCOME | 50 |
| STATEMENT OF CHANGES OF MEMBERS' EQUITY & RESERVES | 51 |
| STATEMENT OF CASH FLOWS | 52 |
| NOTES TO THE FINANCIAL STATEMENTS | 53 |

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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, 2019, 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 Credit Union keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Credit Union's assets, detection/prevention of fraud, and the achievement of Credit Union'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 Credit Union will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

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



Manager
March 2, 2020

3 Peter Hill Road, Mayaro,
Trinidad & Tobago, W.I.

☎ 868-630-4228

✉ info@geacutt.com
www.geacutt.com



L.A. ALI & ASSOCIATES

Chartered Accountants

L.P. #54 Marshall Street, Warrentville, 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

Opinion

We have audited the financial statements of Guaymay Energy Alliance Credit Union Co-operative Society Limited (the Society), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in members' equity and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *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 opinion.

Other Information

Management is responsible for the other information. Other information consists of information included in the Credit Union's Annual Report but does not include the financial statements and our auditors report thereon. The Credit Union's 2019 Annual Report is expected to be made available after the date of the auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Credit Union's 2019 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate it with those charges with governance.

Member of:

Association of
Certified Fraud Examiners

Association of
Chartered Certified Accountants

Institute of Chartered Accountants
of Trinidad & Tobago



I.A.ALI & ASSOCIATES

Chartered Accountants

L.P. #54 Marshall Street, Warrenville, Cunupia
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 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

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.

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.

Member of:

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 Certified Fraud Examiners

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 of Trinidad & Tobago



I.A. ALI & ASSOCIATES

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Website: www.accountingsolutionsft.com

Independent Auditor's Report (continued)

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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

I.A. Ali & Associates
Cunupia
Trinidad
March 2, 2020

Member of:

Association of
Certified Fraud Examiners

Association of
Chartered Certified Accountants

Institute of Chartered Accountants
of Trinidad & Tobago

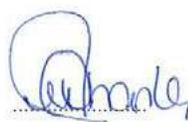
**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019**

| ASSETS | Notes | 2019 \$ | Restated 2018 \$ | Restated 2017 \$ |
|-------------------------------------------------------------|-------|--------------------|------------------------|------------------------|
| Assets | | | | |
| Property, plant and equipment | 5 | 9,848,588 | 9,929,455 | 9,177,887 |
| Receivables and prepayments | 6 | 10,096,218 | 864,058 | 773,484 |
| Members' loans | 7 | 136,753,614 | 126,277,259 | 120,616,493 |
| Loan to AECUS and Ashley Limited | 8 | 333,441 | 333,441 | 445,388 |
| Investment securities: | | | | |
| - measured at fair value through other comprehensive income | 10(a) | 18,746,054 | 17,980,667 | 17,460,825 |
| - measured at amortised cost | 10(b) | 10,062,000 | 10,062,000 | 4,292,000 |
| Cash and short term funds | 9 | 45,387,838 | 42,181,613 | 32,835,490 |
| Total Assets | | 231,227,753 | 207,628,493 | 185,601,567 |
| LIABILITIES AND MEMBERS' EQUITY & RESERVES | | | | |
| Liabilities | | | | |
| Payables and accruals | 11 | 879,780 | 766,161 | 843,173 |
| Members' shares | | 207,775,975 | 185,917,672 | 164,357,702 |
| Members' deposits | | 1,522,795 | 1,303,486 | 1,756,982 |
| Total Liabilities | | 210,178,550 | 187,987,319 | 166,957,857 |
| Members' Equity & Reserves | | | | |
| Reserve fund | | 11,228,028 | 10,443,168 | 9,638,301 |
| Education fund | | 150,000 | 150,000 | 150,000 |
| Investment re-measurement reserve | | 3,341,877 | 2,681,170 | 2,503,404 |
| Undivided earnings | | 6,329,298 | 6,366,837 | 6,352,005 |
| Total Members' Equity & Reserves | | 21,049,203 | 19,641,175 | 18,643,710 |
| Total Liabilities and Members' Equity & Reserves | | 231,227,753 | 207,628,493 | 185,601,567 |

On March 2, 2020, the Board of Directors of Guaymay Energy Alliance Credit Union Co-operative Society Limited authorised these financial statements for issue.

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


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, 2019**

| | <u>Notes</u> | <u>2019</u> \$ | <u>Restated</u> <u>2018</u> \$ |
|---------------------------------------------------------------------------------|--------------|--------------------------|--------------------------------------|
| Income | | | |
| Interest on loans | | 10,802,938 | 10,534,699 |
| Income from investments | | 1,676,135 | 1,088,660 |
| Other income | 12 | <u>152,941</u> | <u>107,046</u> |
| Total income | | <u>12,632,014</u> | <u>11,730,405</u> |
| Expenditure | | | |
| Annual general meeting | | 105,415 | 105,160 |
| Bank interest & charges | | 24,935 | 18,177 |
| Board and committee | | 331,370 | 346,044 |
| CUNA insurance | | 288,593 | 283,507 |
| Depreciation | | 307,442 | 294,119 |
| Donations | | 24,046 | 20,700 |
| Electricity | | 26,225 | 25,701 |
| Expected credit loss on (IFRS 9) | | 792,095 | 3,396 |
| Green fund levy | | 152,333 | - |
| Insurances | | 38,805 | 31,930 |
| League dues and membership | | 154,048 | 140,903 |
| Legal and professional | | 185,868 | 160,076 |
| Marketing and advertising | | 60,233 | 103,209 |
| Office | 13 | 116,686 | 107,543 |
| Personnel | 14 | 1,799,995 | 1,685,340 |
| Repairs & maintenance | | 114,295 | 84,650 |
| Security | | 91,935 | 99,225 |
| Telephone | | 108,291 | 116,552 |
| Travelling & courier | | <u>63,038</u> | <u>60,688</u> |
| Total expenditure | | <u>4,785,648</u> | <u>3,686,920</u> |
| Net surplus attributable to members for the year | | <u>7,846,366</u> | <u>8,043,485</u> |
| Other comprehensive income: | | | |
| Unrealised gain on investments at fair value through other comprehensive income | | <u>660,707</u> | <u>177,766</u> |
| Other comprehensive income for the year | | <u>660,707</u> | <u>177,766</u> |
| Total comprehensive income for the year | | <u>8,507,073</u> | <u>8,221,251</u> |

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, 2019**

| | Reserve Fund \$ | Education Fund \$ | Investment Re-measurement Reserve \$ | Undivided Earnings \$ | Total \$ |
|------------------------------------------------|-----------------------|-------------------------|-----------------------------------------------|-----------------------------|-------------------|
| Year ended December 31, 2019 | | | | | |
| Balance at January 1, 2019 | 10,443,168 | 150,000 | 2,681,170 | 6,366,837 | 19,641,175 |
| Membership fees | 224 | - | - | - | 224 |
| Total comprehensive income for the year | - | - | 660,707 | 7,846,366 | 8,507,073 |
| Dividends paid | - | - | - | (6,895,641) | (6,895,641) |
| Honoraria | - | - | - | (90,000) | (90,000) |
| Education expenses | - | (113,628) | - | - | (113,628) |
| <u>Transfers from undivided earnings</u> | | | | | |
| (i) 10% to reserve fund | 784,637 | - | - | (784,637) | - |
| (ii) Education fund | - | 113,628 | - | (113,628) | - |
| Balance at December 31, 2019 | 11,228,028 | 150,000 | 3,341,877 | 6,329,298 | 21,049,203 |
| Year ended December 31, 2018 (Restated) | | | | | |
| Balance at January 1, 2018 | 9,638,301 | 150,000 | 2,503,404 | 7,184,747 | 19,476,452 |
| Impact of initial adoption of IFRS 9 (note 19) | - | - | - | (832,742) | (832,742) |
| Restated balance as at January 1, 2018 | 9,638,301 | 150,000 | 2,503,404 | 6,352,005 | 18,643,710 |
| Membership fees | 153 | - | - | - | 153 |
| Total comprehensive income for the year | - | - | 177,766 | 8,043,485 | 8,221,251 |
| Dividends paid | - | - | - | (7,041,242) | (7,041,242) |
| Honoraria | - | - | - | (89,998) | (89,998) |
| Education expenses | - | (92,699) | - | - | (92,699) |
| Adjustment | 25 | - | - | (25) | - |
| <u>Transfers from undivided earnings</u> | | | | | |
| (i) 10% to reserve fund | 804,689 | - | - | (804,689) | - |
| (ii) Education fund | - | 92,699 | - | (92,699) | - |
| Balance at December 31, 2018 | 10,443,168 | 150,000 | 2,681,170 | 6,366,837 | 19,641,175 |

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, 2019**

| | <u>2019</u> | <u>Restated</u> <u>2018</u> |
|----------------------------------------------------------------------------------------------------|--------------------------|--------------------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Net surplus attributable to members for the year | 7,846,366 | 8,043,485 |
| Adjustments to reconcile net surplus to net cash (used in)/generated from operating activities: | | |
| Expected credit loss provision | 792,095 | 3,396 |
| Depreciation | 307,442 | 294,119 |
| Unrealised gain on financial assets at fair value through other comprehensive income | <u>660,707</u> | <u>177,766</u> |
| Operating surplus before working capital changes | 9,606,610 | 8,518,766 |
| Increase in members' loans | (11,268,450) | (5,664,162) |
| Decrease in loan to AECUS and Ashley Limited | - | 111,947 |
| Increase in receivables and prepayments | (9,232,160) | (90,574) |
| Increase/(decrease) in members' deposits | 219,309 | (453,496) |
| Increase/(decrease) in payables and accruals | <u>113,619</u> | <u>(77,013)</u> |
| Net cash (used in)/generated from operating activities | <u>(10,561,072)</u> | <u>2,345,468</u> |
| Cash flows from investing activities | | |
| Net change in investments | (765,387) | (6,289,842) |
| Additions to property, plant and equipment | <u>(226,575)</u> | <u>(1,045,687)</u> |
| Net cash used in investing activities | <u>(991,962)</u> | <u>(7,335,529)</u> |
| Cash flows from financing activities | | |
| Membership fees | 224 | 153 |
| Honoraria | (90,000) | (89,998) |
| Education fund payments | (113,628) | (92,699) |
| Dividends paid | (6,895,641) | (7,041,242) |
| Net increase in members' shares | <u>21,858,303</u> | <u>21,559,970</u> |
| Net cash generated from financing activities | <u>14,759,259</u> | <u>14,336,184</u> |
| Net increase in cash and cash equivalents | 3,206,225 | 9,346,123 |
| Cash and cash equivalents | | |
| at beginning of year | <u>42,181,613</u> | <u>32,835,490</u> |
| Cash and cash equivalents at end of year | <u>45,387,838</u> | <u>42,181,613</u> |
| Cash and cash equivalents | | |
| Cash and short term funds | <u>45,387,838</u> | <u>42,181,613</u> |
| Total cash and cash equivalents | <u>45,387,838</u> | <u>42,181,613</u> |

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

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 ("IFRSs"), and are stated in Trinidad and Tobago dollars. These financial statements are stated on the historical cost basis, except for the measurement of investment securities at fair value through other comprehensive income and certain other financial instruments.

(i) New, revised and amended standards effective January 1, 2019. (IFRS 9 Financial Instruments)

The Credit Union has adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of January 1, 2018. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

The key changes to the Credit Union's accounting policies resulting from its adoption of IFRS 9 are summarised below.

Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

The classification is based on the Credit Union's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The standard eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. The Credit Union's classification of its financial assets can be seen in note (2g).

IFRS 9 retains most of the existing requirements of IAS 39 for the classification of financial liabilities. However, although under IAS 39 all fair value changes of liabilities designated under the fair value option were recognized in profit or loss, under IFRS 9 fair value changes are generally presented as follows:

- The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income ("OCI"); and
- The remaining amount of change in the fair value is presented in profit or loss.

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a. Basis of preparation (continued)

(i) *New, revised and amended standards effective January 1, 2019. (IFRS 9 Financial Instruments) (continued)*

The Credit Union's classification of its financial liabilities can be seen in note (2h).

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. IFRS 9 requires that credit losses are recognized earlier than under IAS 39. The Credit Union's application of the impairment requirements of IFRS 9 can be seen in note (3).

In the current year, IFRS 16 Leases became effective. This standard introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, these revisions and/or amendments have no impact on these financial statements.

Transition

- Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, as set out in note 19 to the financial statements which are also reflected in the statement of changes in equity. Comparative periods have been restated. Differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment are recognized in retained earnings and reserves as at January 1, 2018. Accordingly, the information presented for the 2017 financial year does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for the 2018 financial year under IFRS 9.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:
 - The determination of the business model within which a financial asset is held.
 - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
 - The designation of certain investments in equity instruments not held for trading as at FVOCI.
 - For financial liabilities designated as at FVTPL, the determination of whether presenting the effects of changes in the financial liability's credit risk in OCI would create an accounting mismatch in profit or loss.
- If a debt security had low credit risk at the date of initial application of IFRS 9, the Credit Union has assumed that credit risk on the asset had not increased significantly since its initial recognition to the date of initial application.

(ii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Credit Union.*

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Credit Union's future financial statements in the period of initial application. In all cases, the entity intends to apply these standards from the mandatory application date as indicated in the next page.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a. Basis of preparation (continued)

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Credit Union.

The underlisted are not expected to have a significant impact on the Credit Union's financial statements.

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. An exposure draft Amendments to IFRS 17 addresses concerns and implementation challenges that were identified after IFRS 17 was published. One of the main changes proposed is the deferral of the date of initial application of IFRS 17 by one year to annual periods beginning on or after 1 January 2022.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

(iii) Standards, amendments and interpretations to existing standards early adopted by the Credit Union.

The Credit Union did not early adopt any new revised or amended standards.

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b. Use of estimates

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Credit Union'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. Foreign currency translation

Functional and presentation currency

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

d. 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 Credit Union 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.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e. 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.

f. Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost, which is equivalent to fair value.

Cash and cash equivalents also comprise cash balances which are payable on demand.

g. Financial assets

The Credit Union classifies its investment in financial assets at, amortised cost and at fair value through other comprehensive income. The classification depends on the purpose for which financial assets were acquired or originated.

(i) Amortised cost

Financial assets measured at amortised cost include corporate bonds, notes and repurchase agreements.

These are financial assets with fixed or determinable payments and fixed maturity that the Credit Union has the intent an ability to hold to maturity. These are initially measured at cost, being the fair value plus the transaction cost that are directly attributable to the acquisition of the instrument.

All non-trading financial liabilities and financial assets measured at amortised cost are subsequently measured at amortised costs less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument. The amortisation of premiums and discounts is taken to the statement of comprehensive income.

(ii) Fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income includes certain equity instruments.

These financial assets are investments that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in exchange rates or equity prices or that are not classified as loans and receivables.

These financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition.

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g. Financial assets (continued)

After initial recognition, investments which are classified as "fair value through other comprehensive income" are measured at fair value with unrealised gains or losses on revaluation recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative loss or gain previously reported in the investment re-measurement reserve is included in the statement of comprehensive income.

Impairment of financial assets

At the reporting date, the Credit Union assesses on a forward-looking basis, the credit losses associated with its financial assets measured at amortised cost.

The Credit Union measures loss allowances on its debt instruments at an amount equal to lifetime credit losses, except in the following cases, for which the amounts are recognised on the basis of 12 months' credit losses.

For receivables, the Credit Union applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of receivables.

In the prior year (2018), financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculate as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Any impairment losses in respect of a financial asset at amortised cost are recognised in the statement of comprehensive income.

An impairment loss in respect of financial assets measured at fair value through other comprehensive income is calculated by reference to its fair value. Any cumulative gains/losses on re-measurement of equity investments, which the Credit Union has opted, irrevocably, to measure at fair value through other comprehensive income, are recognized in other comprehensive income as 'Items that may not be reclassified to profit and loss. Upon derecognition, the cumulative gains/(losses) previously recognized in other comprehensive income is not reclassified to profit and loss but instead, transferred within equity.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and at fair value through other comprehensive income that are debt securities, the reversal is recognised in the statement of comprehensive income. For investments measured at fair value through other comprehensive income that are equity securities, the reversal is recognised directly in equity.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g. Financial assets (continued)

Impairment of non-financial assets

The carrying amount of the Credit Union's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is adjusted to reflect the revised estimate.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smaller group assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

h. 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.

i. 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.

j. Members' loans

Members' loans are initially measured at cost, 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.

Impairment provisions for loans to members are recognised based on the three stage approach within IFRS 9 as follow:

Stage 1 represents 12 month expected credit losses (gross interest)

- Applicable when no significant increase in credit risk
- Entities continue to recognise 12 month expected losses that are updated to each reporting date
- Presentation of interest on gross basis.

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j. Members' loans (continued)

Stage 2 represents lifetime expected credit losses (gross interest)

- Application in case of significant increase in credit risk
- Recognition of lifetime expected losses
- Presentation of interest on gross losses

Stage 3 represents lifetime expected credit losses (net interest)

- Application in case of credit impairment
- Recognition of lifetime expected losses
- Presentation of interest on net basis

The Credit Union maintained a loan loss provision, which in management's opinion, is adequate to absorb all incurred credit-related losses in its loan portfolio. Provision for loan losses are calculated using a formula method taking into account recent loss experience.

Loans are written off after all the necessary legal procedures have been completed and the amount of the loss can be fully determined.

k. Taxation

The profits arising from the Credit Union are exempt from income tax, as per the Co-operative Societies Act Chapter 81:03 sections 76-77.

l. 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.

m. Members' shares

Upon opening an account at the Credit Union, 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 Credit Union at any time.

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

n. 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.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o. Accounts payable

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

p. Provisions

Provisions are recognized when the Credit Union 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 reflects current market assessments of the time value of money and the risks specific to the obligation.

q. Comparative figures

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

r. Reserve Fund

Section 47(2) of the Co-operatives Societies Act 1971 requires that at least 10% of the net surplus of the Credit Union's for the year is to be transferred to a reserve fund. In accordance with Bye-Law 27 of the Credit Union, 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 Credit Union had no control.

s. Education Fund

In accordance with Bye-Law 27 of the Credit Union, 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.



**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

3. FINANCIAL RISK MANAGEMENT

Financial Risk Factors

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

Financial Instruments

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

| | 2019 | |
|----------------------------------|--------------------------|--------------------|
| Financial Assets | Carrying Value | Fair Value |
| | \$ | \$ |
| Cash and short term funds | 45,387,838 | 45,387,838 |
| Investment securities | 28,808,054 | 28,808,054 |
| Receivables and prepayments | 10,096,218 | 10,096,218 |
| Members' loans | 136,753,614 | 136,753,614 |
| Loan to AECUS and Ashley Limited | 333,441 | 333,441 |
| | <u>221,379,165</u> | <u>221,379,165</u> |
| | \$ | \$ |
| Financial Liabilities | | |
| Payables and accruals | 879,780 | 879,780 |
| Members' deposits | 1,522,795 | 1,522,795 |
| Members' shares | 207,775,975 | 207,775,975 |
| | <u>210,178,550</u> | <u>210,178,550</u> |
| | | |
| | Restated 2018 | |
| Financial Assets | Carrying Value | Fair Value |
| | \$ | \$ |
| Cash and short term funds | 42,181,613 | 42,181,613 |
| Investment securities | 28,042,667 | 28,042,667 |
| Receivables and prepayments | 864,058 | 864,058 |
| Members' loans | 126,277,259 | 126,277,259 |
| Loan to AECUS and Ashley Limited | 333,441 | 333,441 |
| | <u>197,699,038</u> | <u>197,699,038</u> |
| | | |
| Financial Liabilities | | |
| Payables and accruals | 766,161 | 766,161 |
| Members' deposits | 1,303,486 | 1,303,486 |
| Members' shares | 185,917,672 | 185,917,672 |
| | <u>187,987,319</u> | <u>187,987,319</u> |

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

3. FINANCIAL RISK MANAGEMENT (cont'd)

Financial Instruments (continued)

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

a. Interest rate risk

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

The Credit Union is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds, loans, 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 is the risk of financial loss to the Credit Union if a member or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Credit Union's loans to members and other banks, and investment debt securities. The Credit Union relies heavily on a written Loan and Investment Policy Manual, which sets out in detail the current policies governing the lending and investment function and provides a comprehensive framework for prudent risk management of the credit function.

Adherence to these guidelines is expected to communicate the Credit Union's lending and investment philosophy; provide policy guidelines to team members involve in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

For risk management reporting purposes, the Credit Union considers and consolidates all elements of credit risk exposure – e.g. individual obligor default risk, regional and industry sector risk.

The market risk in respect of changes in the value of financial assets measured at FVTPL arising from changes in market credit spreads applied to debt securities is managed as a component of market risk.

i. Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to management and the Credit Committee. The loans and finance departments, reporting to the respective committees, are responsible for managing the Credit Union's credit risk, including the following:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorization structure for the approval and renewal of credit facilities. Authorisation limits are allocated to Loan Officers and larger facilities require approval by the Credit Committee or the Board of Directors, as appropriate.

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

3. FINANCIAL RISK MANAGEMENT (cont'd)

b. Credit risk (cont'd)

ii. Management of credit risk (continued)

- Reviewing and assessing credit risk: Credit assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans, financial guarantees and similar exposures), and by issuer, credit rating band and market liquidity (for investment securities).
- Developing and maintaining the Credit Union's Credit Scores used to categorize exposures according to the degree of risk of default. The responsibility for setting risk scores lies with the final approving executive or committee, as appropriate. Risk scores are subject to regular reviews by the Credit Union's Board.
- Developing and maintaining the Credit Union's processes for measuring the ECL: This includes processes for:
 - a. initial approval, regular validation and back-testing of the models used;
 - b. incorporation of forward-looking information.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, regional risk and product types. Regular reports on the credit quality of local portfolios are provided to Credit, which may require appropriate corrective action to be taken. These include reports containing estimates of ECL allowance.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Credit Union in the management of credit risk.

iii. Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Credit Union considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Credit Union's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default ("PD") as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

3. FINANCIAL RISK MANAGEMENT (cont'd)

b. Credit risk (cont'd)

iv. Credit risk scores

The Credit Union uses a scoring matrix to assess a member's credit risk during the loan application process. This early screening tool assists the loans department and credit committee by providing a predictive estimate of the risk of default. The risk scoring matrix evaluates qualitative and quantitative factors that are indicative of risk of default and provides a risk score between 1 -9. This, together with the experience and judgement of the Credit Committee, will assist greatly in managing the loan portfolio and the level of risk take when granting loans.

v. Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Credit Union collects performance and default information about its credit risk exposures. The Credit Union employs statistical models to analyse the data collected and entered into the Emortelle software and generate estimates of the remaining lifetime PD of exposures.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of other key factors (e.g. period of employment, debt service ratio, securitization of loan) on the risk of default.

vi. Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by stages and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Credit Union's policy, installments in arrears determined to have increased by more than Thirty (30) Days.

Using its credit judgement and, where possible, relevant historical experience, the Credit Union may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Credit Union considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due or, for [certain types of exposure], more than 90 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

3. FINANCIAL RISK MANAGEMENT (cont'd)

b. Credit risk (cont'd)

vi. Determining whether credit risk has increased significantly

The Credit Union monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- The criteria do not align with the point in time when an asset becomes 30 days past due; and
- There is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

vii. Definition of default

The Credit Union considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Credit Union in full, without recourse by the Credit Union to actions such as realizing security (if any is held);
- The borrower is past due more than 90 days on any material credit obligation to the Credit Union.
- The Credit Union agrees to a distressed restructuring resulting in a material credit related diminished asset stemming from such actions as material forgiveness or postponement of payments or repayments of amount owing;
- The Credit Union has filed for the borrower's bankruptcy in connection with the credit obligation; or
- The borrower has sought or been placed in bankruptcy resulting in the delay or avoidance of repayment of the amount owing. In assessing whether a borrower is in default, the Credit Union considers indicators that are:
 - Qualitative – e.g. breaches of covenant;
 - Quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Credit Union; and
 - Based on data developed internally and obtained from external sources.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Credit Union for regulatory purposes.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

3. FINANCIAL RISK MANAGEMENT (cont'd)

b. Credit risk (cont'd)

viii. Incorporation of forward-looking information

The Credit Union incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Credit Union formulates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two more additional economic scenarios and considering the relative probabilities of each outcome.

The Credit Union has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past eight (8) years.

ix. Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default ("PD");
- Loss given default ("LGD"); and
- Exposure at default ("EAD").

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD represents the probability of occurrence of an event of default of the credit exposure, in a defined time lag (i.e. 1 year). The Credit Union intends to strengthen this model by using rating tools tailored to the various categories of loan and exposures. These statistical models will be based on internally compiled data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD represents the percentage of the estimated loss, and thus the expected rate of recovery, at the date of occurrence of the default event of the credit exposure. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.



GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

3. FINANCIAL RISK MANAGEMENT (cont'd)

b. Credit risk (cont'd)

ix. Measurement of ECL (continued)

EAD represents the measure of the exposure at the time of the event of default of the credit exposure. The Credit Union derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and future expectations.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Credit Union measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Credit Union considers a longer period. The maximum contractual period extends to the date at which the Credit Union has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk gradings;
- collateral type;
- date of initial recognition (vintage);
- remaining term to maturity;

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

For portfolios in respect of which the Credit Union has limited historical data, external benchmark information is used to supplement the internally available data.

c. Liquidity risk

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

d. Operational risk

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

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

3. FINANCIAL RISK MANAGEMENT (cont'd)

e. 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 Credit Union.

f. Reputation risk

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

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

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

The critical 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 fair value through other comprehensive income or amortised cost.
- (ii) Which depreciation method for property, plant and equipment is used.



GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

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.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

5. PROPERTY, PLANT AND EQUIPMENT

| | Land & Building | Office Furniture, Fittings and Equipment | Total |
|-------------------------------------|--------------------|------------------------------------------------|------------------|
| | \$ | \$ | \$ |
| Year ended December 31, 2019 | | | |
| Cost | 9,371,575 | 1,197,407 | 10,568,982 |
| Accumulated depreciation | (296,745) | (423,648) | (720,393) |
| Net Book Amount | 9,074,830 | 773,759 | 9,848,588 |
| Net Book Amount | | | |
| January 1, 2019 | 9,223,324 | 706,131 | 9,929,455 |
| Additions | - | 226,575 | 226,575 |
| Depreciation charge | (148,495) | (158,947) | (307,442) |
| December 31, 2019 | 9,074,830 | 773,759 | 9,848,588 |
| Year ended December 31, 2018 | | | |
| Cost | 9,371,575 | 970,832 | 10,342,407 |
| Accumulated depreciation | (148,251) | (264,701) | (412,952) |
| Net Book Amount | 9,223,324 | 706,131 | 9,929,455 |
| Net Book Amount | | | |
| January 1, 2018 | 8,567,923 | 609,964 | 9,177,887 |
| Additions | 803,652 | 242,035 | 1,045,687 |
| Depreciation charge | (148,251) | (145,868) | (294,119) |
| December 31, 2018 | 9,223,324 | 706,131 | 9,929,455 |

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>2019</u> | <u>Restated</u> |
|-------------------------------------------------------------|---------------------------|---------------------------|
| | \$ | 2018 \$ |
| 6. RECEIVABLES AND PREPAYMENTS | | |
| Accrued interest | 832,592 | 450,854 |
| Other receivables | 9,263,626 | 413,204 |
| | <u>10,096,218</u> | <u>864,058</u> |
| 7. MEMBERS' LOANS | | |
| a) Credit Concentration | | |
| Personal loans | 38,052,101 | 41,722,207 |
| Mortgage loans | 83,438,143 | 68,908,799 |
| Consumer loans | 2,737 | 78,401 |
| Special loans | 9,410,432 | 13,011,034 |
| Christmas loan | 344 | 1,818 |
| Staff special loans | 1,292,724 | 1,651,720 |
| School loans | 58,993 | 197,248 |
| Members' loan promotion | 8,004,183 | 5,074,895 |
| | 140,259,655 | 130,646,122 |
| Less: Provision for loan losses | <u>(3,506,041)</u> | <u>(4,368,863)</u> |
| Total loans net of provision for loan losses | <u>136,753,614</u> | <u>126,277,259</u> |
| b) Analysis of movement in provision for loan losses | | |
| Provision at beginning of the year | 4,368,863 | 5,406,787 |
| Current year expected credit losses | 792,095 | 3,396 |
| Loans written off against provision | <u>(1,654,917)</u> | <u>(1,041,320)</u> |
| Provision at end of the year | <u>3,506,041</u> | <u>4,368,863</u> |

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>2019</u> \$ | <u>Restated</u> <u>2018</u> \$ |
|----------------------------------------------|--------------------|--------------------------------------|
| 7. MEMBERS' LOANS (continued) | | |
| c) Aging of loans to members | | |
| Principal neither past due nor impaired | 123,182,184 | 122,452,630 |
| Principal which is past due but not impaired | 11,219,010 | 3,249,652 |
| Principal which is impaired | 5,858,461 | 4,943,840 |
| Gross loans | 140,259,655 | 130,646,122 |
| Less: Provision for loan losses | (3,506,041) | (4,368,863) |
| Total loans net of provision for loan losses | <u>136,753,614</u> | <u>126,277,259</u> |

The table below shows the staging of loans to members and the related expected credit losses based on the Company's adoption of IFRS 9 at December 31, 2019.

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---------------|--------------------|-------------------|------------------|--------------------|
| Principal | 123,182,184 | 11,219,010 | 5,858,461 | 140,259,655 |
| Credit losses | (1,768,964) | (322,675) | (1,414,402) | (3,506,041) |
| | <u>121,413,220</u> | <u>10,896,335</u> | <u>4,444,059</u> | <u>136,753,614</u> |

| | <u>2019</u> \$ | <u>2018</u> \$ |
|--------------------------------------------|-------------------|-------------------|
| 8. LOAN TO AECUS AND ASHLEY LIMITED | | |
| Opening balance | 333,441 | 445,388 |
| Loan repayments received | - | (111,947) |
| Closing balance | <u>333,441</u> | <u>333,441</u> |

This loan bears interest at the rate of 6% per annum and is repayable in monthly installments of \$11,302, inclusive of interest.

| | <u>2019</u> \$ | <u>2018</u> \$ |
|-------------------------------------------------------------|-------------------|-------------------|
| 9. CASH AND SHORT TERM FUNDS | | |
| Cash in hand | 5,944 | 337,164 |
| Republic Bank Limited | 781,751 | 2,026,941 |
| T & T Unit Trust Corporation - North American Fund | - | 82,994 |
| Republic Bank Limited - Money Market Fund | 8,149,480 | 9,523,958 |
| Guardian Asset Management - TTD Income Fund | 5,282,549 | 5,203,427 |
| Guardian Asset Management - USD Income Fund | 109,482 | 108,544 |
| T & T Unit Trust Corporation - Calypso Fund | 627,338 | 597,465 |
| T & T Unit Trust Corporation - TTD Income Fund (2nd Scheme) | 30,431,293 | 24,301,120 |
| | <u>45,387,838</u> | <u>42,181,613</u> |

See note (19) for reclassifications made to prior years.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>2019</u> | <u>2018</u> |
|---------------------------------------------------------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| 10(a) INVESTMENT SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE | | |
| INCOME | | |
| Equity Instruments | | |
| Royal Skandia - Executive Wealthbuilder Account | - | 58,320 |
| 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 | 2,245,292 | 1,713,990 |
| Trinidad & Tobago NGL Limited | 4,515,454 | 5,484,129 |
| Massy Holdings Limited | 451,400 | 347,800 |
| CLICO Investment Fund | 658,350 | 462,693 |
| Guardian Holdings Limited | 714,450 | 597,300 |
| One Caribbean Media Limited | 208,250 | 252,105 |
| T & T Unit Trust Corporation - Growth and Income Fund (1st Scheme) | 9,525,728 | 8,686,030 |
| AECUS and Ashley Limited (50% Investment in Joint Venture at cost) | 343,300 | 343,300 |
| JMMB Bank (Trinidad and Tobago) Limited | 48,830 | - |
| | <u>18,746,054</u> | <u>17,980,667</u> |
| 10(b) INVESTMENT SECURITIES MEASURED AT AMORTISED COST | | |
| Bonds | | |
| 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 | 1,794,000 |
| National Investment Fund Holding Company Limited - NIF (5.7%) | 3,976,000 | 3,976,000 |
| | <u>10,062,000</u> | <u>10,062,000</u> |
| See note (19) for reclassifications made to prior years. | | |
| 11. PAYABLES AND ACCRUALS | | |
| Accounts payable | 151,039 | 655,585 |
| Accrued expenses | 728,741 | 110,576 |
| | <u>879,780</u> | <u>766,161</u> |

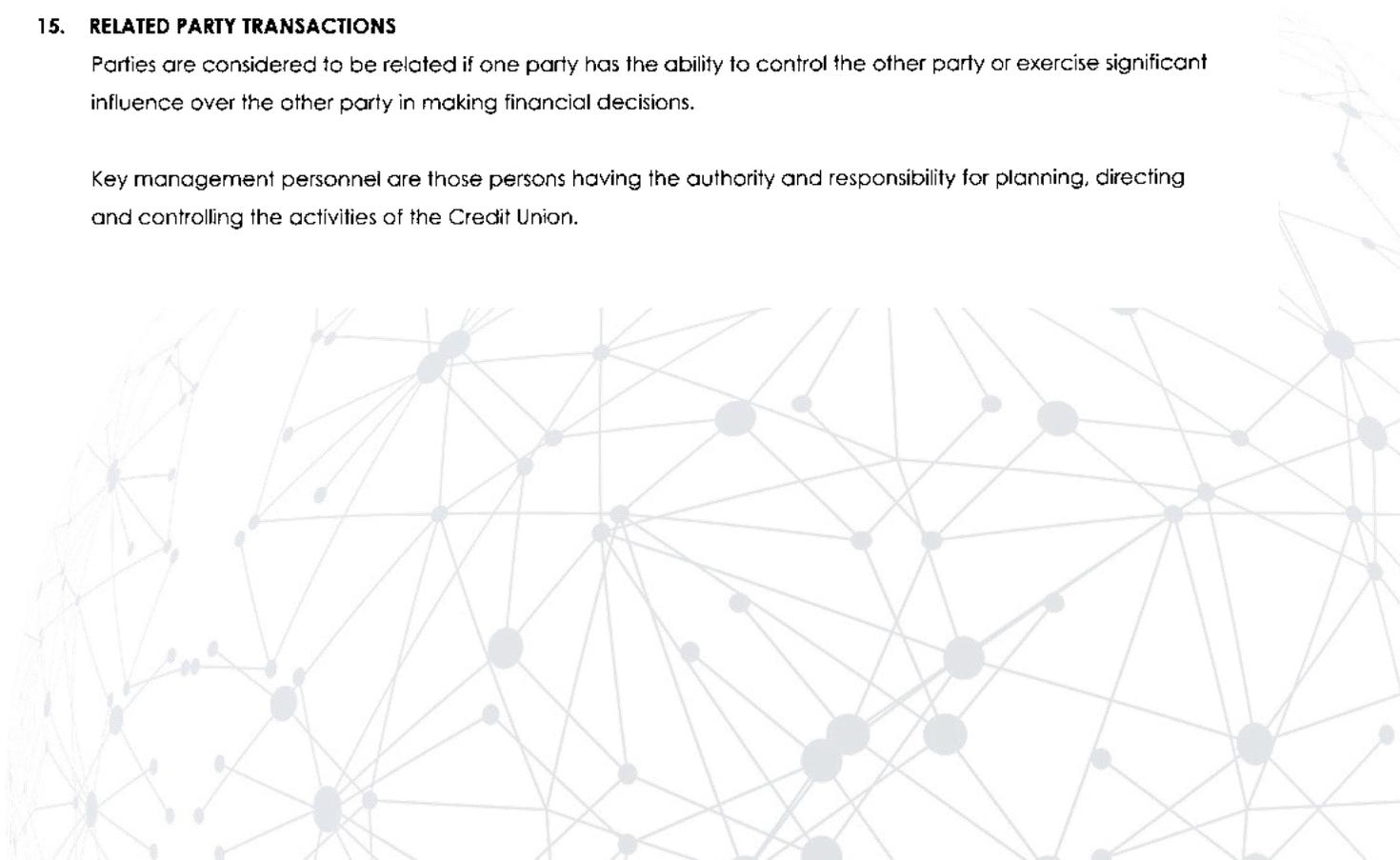
**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>2019</u> | <u>2018</u> |
|---------------------------------|------------------|------------------|
| | \$ | \$ |
| 12. OTHER INCOME | | |
| Commissions and other | 152,941 | 107,046 |
| 13. OFFICE EXPENSES | | |
| Stationery, stamps and printing | 63,225 | 64,744 |
| Office and general expenses | 39,672 | 33,082 |
| Seminars and functions | 13,789 | 9,717 |
| | <u>116,686</u> | <u>107,543</u> |
| 14. PERSONNEL COSTS | | |
| Salaries & NIS | 1,589,513 | 1,421,204 |
| Pension | 122,379 | 117,961 |
| Travelling | 14,620 | 15,736 |
| Staff welfare and training | 73,483 | 130,439 |
| | <u>1,799,995</u> | <u>1,685,340</u> |

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 Credit Union.



**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>2019</u> | <u>Restated</u> <u>2018</u> |
|--------------------------------------------------------------------------------------------------------------|------------------|--------------------------------|
| | \$ | \$ |
| 15. RELATED PARTY TRANSACTIONS (continued) | | |
| Balances and transactions with related parties and key management personnel during the year were as follows: | | |
| Statement of Financial Position | | |
| <u>Members' Loan</u> | | |
| - Board of Directors | 3,193,018 | 3,088,667 |
| - Supervisory Committee | 118,137 | 183,027 |
| - Credit Committee | 290,520 | 374,355 |
| - Education Committee | 91,835 | 2,531 |
| | <u>3,693,511</u> | <u>3,648,580</u> |
| Statement of Financial Position | | |
| <u>Members' Shares and Deposits</u> | | |
| - Board of Directors | 3,440,094 | 4,176,762 |
| - Supervisory Committee | 348,381 | 1,662,115 |
| - Credit Committee | 1,570,336 | 1,652,952 |
| - Education Committee | 278,660 | 7,496 |
| | <u>5,637,472</u> | <u>7,499,325</u> |
| Statement of Comprehensive Income | | |
| Directors and Committee members expenses | 331,370 | 346,044 |
| Key Management Compensation | 465,331 | 441,290 |

16. FAIR VALUE MEASUREMENTS

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available.

In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

16. FAIR VALUE MEASUREMENTS (CONT'D)

b) Members' loans

Loans are net of specific provisions 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.

c) Investments

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

17. CAPITAL RISK MANAGEMENT

The Credit Union 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 Credit Union's overall strategy remains unchanged from previous years.

18. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

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



**GUAYMAY ENERGY ALLIANCE CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

19. RESTATEMENT AND RECLASSIFICATION

Restatements and reclassifications were made to the prior years as a result of the adoption of IFRS 9 as follows:

| | As at December 31, 2017 | Re- classifications | Adjustments | Restated as at December 31, 2017 |
|----------------------------------------------------------------|----------------------------------------------------------|------------------------|-------------|----------------------------------------|
| Statement of Financial Position | | | | |
| Assets | | | | |
| Members Loans | 121,449,235 | - | (832,742) | 120,616,493 |
| Investments | 52,363,229 | (52,363,229) | - | - |
| Investment securities: | | | | |
| - measured at fair value through other comprehensive income | - | 17,460,825 | - | 17,460,825 |
| - amortised cost | - | 4,292,000 | - | 4,292,000 |
| Cash and short term funds | 2,225,086 | 30,610,404 | - | 32,835,490 |
| Members' Equity | | | | |
| Undivided Earnings | 7,184,747 | - | (832,742) | 6,352,005 |
| | As previously presented as at December 31, 2018 | Re- classifications | Adjustments | Restated as at December 31, 2018 |
| Statement of Financial Position | | | | |
| Assets | | | | |
| Members Loans | 127,113,397 | - | (836,138) | 126,277,259 |
| Members' Equity | | | | |
| Undivided Earnings | 7,202,975 | - | (836,138) | 6,366,837 |
| Statement of Comprehensive Income | | | | |
| Net surplus for the year | 8,046,881 | - | (3,396) | 8,043,485 |

20. SUBSEQUENT EVENTS

Management evaluated all events that occurred from January 1, 2020 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.

2020 BUDGET

| Income | 2020 | 2019 | 2020 vs 2019 |
|-------------------|-------------------------|-------------------------|------------------------|
| Loan Interest | \$ 12,000,000.00 | \$ 10,802,938.00 | \$ 1,197,062.00 |
| Investment Income | \$ 1,650,000.00 | \$ 1,635,553.00 | \$ 14,447.00 |
| Other Income | \$ 160,000.00 | \$ 153,184.00 | \$ 6,816.00 |
| Total | \$ 13,810,000.00 | \$ 12,591,675.00 | \$ 1,218,325.00 |

| Expenditure | 2020 | 2019 Actual Expenses | 2019 Actual vs 2020 Budget |
|----------------------------|------------------------|------------------------|----------------------------|
| Annual General Meeting | \$ 105,500.00 | \$ 105,415.00 | \$ 85.00 |
| Legal and Professional | \$ 229,000.00 | \$ 130,868.00 | \$ 98,132.00 |
| IFRS 9 Provision | \$ 645,000.00 | \$ 1,404.00 | \$ 643,596.00 |
| Bank Interest & Charges | \$ 28,900.00 | \$ 24,935.00 | \$ 3,965.00 |
| Board and Committee | \$ 350,000.00 | \$ 331,370.00 | \$ 18,630.00 |
| Depreciation | \$ 392,926.88 | \$ 307,962.00 | \$ 84,964.88 |
| Donation | \$ 30,000.00 | \$ 24,046.00 | \$ 5,954.00 |
| Utilities | \$ 136,320.00 | \$ 134,516.00 | \$ 1,804.00 |
| Insurances | \$ 340,520.00 | \$ 327,398.00 | \$ 13,122.00 |
| League Dues and Membership | \$ 154,500.00 | \$ 154,048.00 | \$ 452.00 |
| Marketing and Advertising | \$ 100,000.00 | \$ 60,233.00 | \$ 39,767.00 |
| Office Expenses | \$ 120,000.00 | \$ 116,686.00 | \$ 3,314.00 |
| Personnel | \$ 1,986,562.15 | \$ 1,799,995.00 | \$ 186,567.15 |
| Repairs & Maintenance | \$ 157,200.00 | \$ 104,002.00 | \$ 53,198.00 |
| Security | \$ 102,000.00 | \$ 91,935.00 | \$ 10,065.00 |
| Travelling & Courier | \$ 63,200.00 | \$ 63,038.00 | \$ 162.00 |
| Green Fund Levy | \$ 41,430.00 | \$ 152,333.00 | \$ (110,903.00) |
| Total | \$ 4,983,059.03 | \$ 3,930,184.00 | \$ 1,052,875.03 |

RESOLUTIONS

The Board hereby proposes the following Resolutions for approval at this 44th Annual General Meeting:

APPROVAL OF AUDITOR

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

AND WHEREAS Bye Law No. 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, 2020.

DIVIDEND

WHEREAS the Credit Union has realized a Net Surplus for the Financial year ended December 31, 2019;

AND WHEREAS Bye Law No. 27 of the Society makes provision for the distribution of the Surplus in accordance with the Regulations of the Cooperative Societies Act;

BE IT RESOLVED that a Dividend of 3% payable in Cash be paid to Members in good standing for the Financial Year January 1, 2019 to December 31, 2019.

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

HONORARIA

WHEREAS during 2019 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, 2019.

AMENDMENT(S) TO BYE-LAWS

WHEREAS Bye Law 1. Overview

Reads as:

1. OVERVIEW

- a) In these bye-laws unless the context otherwise requires “the Commissioner” means the Commissioner for Cooperative Development. The words ‘he’, ‘his’ and ‘him’ shall also mean ‘she’, ‘hers’ and ‘her’. The “Board” means the Board of Directors. “The Act” means the Cooperative Societies Act, 1971, and any amendments and revisions thereto. “The Rules” means the rules as provided for in bye-laws 21(1) of these bye-laws.
- b) These bye-laws are supplementary to the provisions of the Act and the Regulations and the Society shall be guided by the Act, the Regulations and the bye-laws read together.

BE IT RESOLVED that this Annual General Meeting agrees to the Amendment of Bye Law No. 1 to read as follows:

1. INTERPRETATION

- a) The “Commissioner” means the Commissioner for Cooperative Development.
- b) The words ‘he’, ‘his’ and ‘him’ shall also mean ‘she’, ‘hers’ and ‘her’.
- c) “The Act” means the Cooperative Societies Act, Chapter 81:03 and any amendments thereto.
- d) “The Board” means the Board of Directors.
- e) An “Inactive Member” is a member on whose account there was no activity for a period of twelve (12) months.
- f) A “Delinquent Member” is a member who is in default of payments of money when due.
- g) A member in “Good Financial Standing” is a member who is neither delinquent nor inactive.
- h) “Meeting of the Society” means any General Meeting or any meeting of the Board or the Credit, Supervisory or Education Committees, whether in person, virtual or hybrid as indicated on the Notice of the meeting.

WHEREAS Bye Law No. 5. NOMINATION OF BENEFICIARY

Reads as:

- c) Provided further, the Society shall unless prevented by order of a court of competent jurisdiction pay to such nominee or nominees or legal personal representative as the case may be a sum not exceeding Five Thousand Dollars (\$5,000.00) due to the deceased member from the Society. All other monies due to the deceased member from the Society shall fall into his estate and be subject in all respects to the laws relating to inheritance including the requirement to pay estate duty.

AND WHEREAS THE Cooperative Societies Act 41 (3) is amended by deleting the words “five thousand dollars” and substituting the words “fifty thousand dollars”.

BE IT RESOLVED that this Annual General Meeting agrees to the Amendment of Bye Law No. 5 c) to read as follows:

- c) Provided further, the Society shall unless prevented by order of a court of competent jurisdiction pay to such nominee or nominees or legal personal representative as the case may be a sum as prescribed in the Cooperative Societies Act 41 (3) due to the deceased member from the Society. All other monies due to the deceased member from the Society shall fall into his estate and be subject in all respects to the laws relating to inheritance including the requirement to pay estate duty.
-

WHEREAS Bye Law No. 14 FINANCIAL YEAR

Reads as:

The financial year of the Society shall begin on the first day of January and end on the last day of December.

AND WHEREAS the Co-operative Societies Regulation 48 (1) is amended by deleting the words “two months” and substituting the words “*four months.*”

BE IT RESOLVED that this Annual General Meeting agrees to the Amendment of Bye Law No. 14 to read as follows:

The financial year of the Society shall begin on the first day of January and end on the last day of December, and the Society’s accounts shall be audited within four (4) months from the end of the Financial year.

WHEREAS Bye Law 31. Nominating Committee

Reads as:

The Board may appoint a Nominating Committee comprising of not more than five (5) members of the Society whose duty shall be the selection of qualified members who are willing to be considered for election to the Board of Directors, Supervisory Committee and Credit Committee at the Annual General Meeting. Notwithstanding the recommendations of the Nominating Committee, any member shall have the right to nominate other members for election to the Board of Directors, Supervisory and Credit Committees at the Annual General Meeting.

BE IT RESOLVED that this Annual General Meeting agrees to the Amendment of Bye Law 31. Nominating Committee to read as follows:

The Board shall appoint a Nominating Committee within ninety (90) days of the Annual General Meeting.

(a) Composition:

- (i) The Committee shall comprise of no fewer than three (3) who are not offering themselves as nominees for the election at the Annual General Meeting.

(b) Powers and Duties:

- (i) The Committee shall be responsible for the selection of suitably qualified members to fill vacancies on the Board, Credit and Supervisory Committees.
- (ii) The Committee shall invite members in good financial standing to nominate any member of the credit union in good financial standing who is willing to be considered for election to either the Board, Credit or Supervisory Committees.
- (iii) The Committee shall submit a Report to the Board and make appropriate recommendations to the Annual General Meeting regarding same.
- (iv) In the event that there are insufficient nominations to fill the vacancies on the Board and/or Committees, the Nominating Committee shall have the power to extend the period of Nomination or invite nominations from the floor at the Annual General Meeting.
- (v) Notwithstanding (iv) above, there shall be no nominations from the floor.
- (vi) The Committee shall be responsible for the pre-election orientation and training of the nominees.





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