



Saving Together  
To Help Each Other

# Thriving

Through Adversity



ANNUAL REPORT : 2020

# CONTENTS

AGENDA 2021 ..... 2

CREDIT UNION PRAYER – PRAYER OF ST. FRANCIS OF ASSISI ..... 3

GEACU’S VISION AND STRATEGIC PILLARS ..... 4

STANDING ORDERS ..... 5

NOTICE OF 45TH ANNUAL GENERAL MEETING ..... 6

MINUTES OF 44TH ANNUAL GENERAL MEETING ..... 7

STAFF ..... 23

BOARD OF DIRECTORS ..... 24

BOARD OF DIRECTOR’S REPORT ..... 25

CREDIT COMMITTEE REPORT ..... 33

SUPERVISORY COMMITTEE REPORT ..... 38

NOMINATIONS COMMITTEE REPORT ..... 41

AUDITOR’S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020 ..... 43

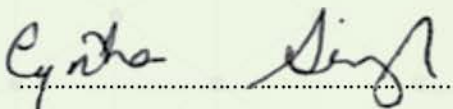
2021 BUDGET ..... 76

BYE-LAW AMENDMENTS ..... 77

RESOLUTIONS ..... 78

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 45th Annual General Meeting
6. Reading of Standing Orders
7. Reading and Confirmation of the Minutes of the 44th Annual General Meeting
8. Matters Arising from the Minutes of the 44th 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 2021
13. Nominating Committee Report
14. Motion to Accept/Adopt Reports
15. Election of Officers for the New Term
  - (i) Supervisory Committee
  - (ii) Board of Directors
  - (iii) Credit Committee
16. Amendment to Bye Law 5. Nomination of Beneficiary c & d)
17. Resolutions
  - (i) Appointment of Auditor for the Financial Period January 1, 2021 to December 31, 2021
  - (ii) Approval of Dividend
  - (iii) Approval of Honoraria
  - (iv) Approval of Write-off Bad Debts
18. Correspondence
19. Any Other Business
20. Drawing for Door Prizes
21. Vote of Thanks
22. Adjournment

On behalf of the Board of Directors



**CYNTRA SINGH (MS.)**  
SECRETARY

# CREDIT UNION PRAYER

---

## PRAYER OF ST. FRANCIS OF ASSISI

*Lord,*

*make me an instrument of Thy peace:*

*Where there is hatred, let me sow love;*

*Where there is injury, pardon;*

*Where there is doubt, faith;*

*Where there is despair, hope;*

*Where there is darkness, light; and*

*Where there is sadness, joy.*

*O Divine Master,*

*grant that I may not so much seek*

*To be consoled as to console;*

*To be understood as to understand;*

*To be loved as to love;*

*For it is in giving that we receive;*

*It is in pardoning that we are pardoned;*

*And it is in dying that we are born to eternal life.*

AMEN

## VISION 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**

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, prompting 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: 45TH ANNUAL GENERAL MEETING

---

Notice is hereby given that the 45th Annual General Meeting of Guaymay Energy Alliance Credit Union Cooperative Society Limited will be held VIRTUALLY on Saturday, May 29, 2021 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 44th Annual General Meeting
2. Matters arising from the Minutes of the 44th 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. Auditors Report and Audited Financial Statements
4. To approve the Budget proposal for the year ending December 31, 2021
5. Nominating Committee Report
6. Election of Officers for the new term:
  - a. Supervisory Committee
  - b. Board of Directors
  - c. Credit Committee
7. Amendment to Bye-Law 5. Nomination of Beneficiary c & d)
8. Resolutions
9. To conduct general business

On behalf of the Board of Directors



**CYNTRA SINGH (MS.)**

SECRETARY

May 14, 2021

---

### NOTES:

The AGM will be online with digital presentations so all members who wish to participate must register by May 23rd, 2021 at 9:00 p.m.

Please provide proper identification when registering.

Register via the AGM registration portal on our website at [www.geacutt.com](http://www.geacutt.com), or email [info@geacutt.com](mailto:info@geacutt.com).

# 44TH ANNUAL GENERAL MEETING

GUAYMAY ENERGY ALLIANCE CREDIT UNION  
HELD ON SATURDAY, 05 DECEMBER, 2020  
VIA ZOOM VIDEO CONFERENCING

## 1.0. **CALL TO ORDER**

The President, Mr. Noel Jones, called the meeting to order at 9:03 a.m. with the rendition of the National Anthem followed by the recitation of the Credit Union Prayer. One minute of silence was observed for recently departed members.

## 2.0. **CREDENTIAL REPORT**

A Credential Report, undertaken at 9:00 a.m. revealed there were sixty-nine (69) Members participating, which met the quorum to show that the meeting was legally constituted.

## 3.0. **NOTICE CONVENING THE MEETING**

The Notice and Agenda of the Annual General Meeting was read by the Secretary, Ms. Jacqueline Roberts.

## 4.0. **AGENDA CHANGE**

The President asked for a motion to be moved to change the Agenda as presented on page two (2) in the AGM Brochure as opposed to the meeting Agenda on page 6 to reflect the presentation of the Nomination Committee Report before the Elections. The motion to adopt the change was moved by Ms. Cyntra Singh and seconded by Mr. Timothy Spann; The motion carried with forty-nine (49) members voting in favor, none against and two (2) abstentions.

## 5.0. **ANNUAL REPORT /BROCHURE**

The Annual Report/Brochure was taken as read on a motion moved by Mr. Christopher Wint and seconded by Ms. Natasha Rodney. The motion carried with forty-nine (49) in acceptance, none against and three (3) abstentions.

## 6.0. **ADOPTION OF STANDING ORDERS**

The Standing Orders, as stated on page 5, were presented by Vice President, Mr. Riad Gajadhar, and was adopted on a motion by Mr. Kwesi Alleyne and seconded by Mr. Anthony Sylvester. The motion carried with fifty-One (51) members voting in favor, none against and two (2) abstentions.

Mr. Jesus Lyle Hackshaw asked if the Standing Orders read were reflective of permanent changes or whether they were only designed for the AGM. The President, Mr. Jones, informed that they represented the same meeting protocols with the exceptions being included to fit the virtual nature of the meeting.

## 7.0. **ACKNOWLEDGEMENT OF GUESTS**

The Chairman acknowledged the following specially invited guests:



**Moderators:**

- Mr. Omar Romero – ROSE IT Services
- Mr. Mark Sudan – ROSE IT Services
- Mr. Andre Samuel – ROSE IT Services
- Ms. Abigail Ramdeen – ROSE IT Services

**Ministry of Youth Development and National Services – Co-operative Development Division:**

- Mrs. Elizabeth Spence-Al-Haqq
- Ms. Sabrina Badree

**Credit Union League**

**Central Finance Facility**

**CUNA**

**TTCUDIF**

**I. Ali and Associates – Auditors**

**Minute Taker**

**Returning Officer**

**AECUS & Ashley**

**Micro Software Designs Limited**

**CTSL**

**Music**

Mr. Michael Hernandez

Mr. Lyndon Byer

Ms. Rhea Mc Comie

Dr. Anthony Elias

Mr. Favion Taylor

Ms. Tennille Alonzo

Mr. Dorwin Manzano

Mr. Ashley Sobers

Ms. Yvette Bob

Mr. Rushton Paray

DJ Sweet Tunes

**8.0. CONFIRMATION OF THE MINUTES OF THE 43RD ANNUAL GENERAL MEETING HELD ON MARCH 23, 2019**

The Minutes were taken as read. No omissions or corrections were offered. The motion to adopt the minutes of the 43rd AGM held on March 23, 2019 was moved by Ms. Luenda Burke and seconded by Ms. Joselle Fortune. The motion carried with forty-five (45) members voting in favor, none against and six (6) abstentions.

**8.1 MATTERS ARISING FROM THE MINUTES OF THE 43RD ANNUAL GENERAL MEETING HELD ON MARCH 23, 2019**

One member raised an item in the AGM from last year concerning assistance to SEA Students, and it was reported that SEA Students from the Ortoire RC School benefitted from a bursary funded by GEACU. Four (4) Students were recipients of this Bursary.

**9.0. BOARD REPORT**

The President, Mr. Noel Jones presented the Board of Directors Report on shown on pages 23 – 30 of the AGM brochure.

**Key Highlights of the Board Report**

**9.1 Financial Performance**

Mr. Jones noted that in the year 2019, the Central Bank of Trinidad and Tobago presented a moderate economic forecast citing uncertainty in the international economy such

as in the energy sector. In relation to the Trinidad and Tobago economy a moderate expansion was expected within the fiscal year of 2019. This was realized but still included contractions in the construction, energy, finance, business services and transport sectors.

Despite this, GEACU still received growth in 2019 in both loans and shares in the amounts of \$136.8M and \$207.8M respectively compared to 2018 in loans and shares in the amounts of \$126.3M and \$185.9M respectively.

Assets also increased by 11% percent from 208M to 231M. There was however a decline in dividends paid to members from 4% (2018) to 3% (2019) due to the decline in income. It was stated that expenditure also increased in 2019 by approximately 30% (\$4.8M) when compared to 2018 (\$3.7M) which also contributed to the contraction in dividends paid. The provision for loan loss under IFRS9 as per the decisions taken at the last AGM and the Green Fund Levy, as well as hiring of talented staff for the organization were principally responsible for the increase in expenditure.

## 9.2 **GEACU Activities In 2019**

### 9.2.1 **Online Access**

Mr. Jones reported that GEACU officially launched its online access in December, 2019. Members signing on for online access as slow at the beginning, but it was noted that during the year of 2020 there was improvement in this area due to the new demands on the public to observe social distancing during the pandemic. Mobile applications were also being developed to further improve member accessibility.

### 9.2.2 **Education and Training**

Several staff and member training initiatives were undertaken in the year of 2019. This is highlighted further down in this report under the heading "Education Committee Report."

For instance, there was Etiquette Training for members' children ages nine (9) to eighteen (18); A Home Gardening Workshop; Leadership Training for Mayaro Secondary School Students; Members Outreach at Galeota Point and an Open House at Rio Claro.

### 9.2.3 **Building**

The Building Committee's main successes and initiatives included finalization of the commissioning exercise of the standby generator in conjunction with the Electoral Inspectorate, mandatory inspection of the building by the Trinidad and Tobago Fire Services and completion of repairs to the first-floor ceiling.

### 9.2.4 **Delinquency**

Delinquency was a key focus of 2019 and it was noted that keen interest in managing delinquency remained a priority of GEACU.

### 9.2.5 **Finance and Investment**

The President, Mr. Jones, noted that the Finance and Investment Committee was active in 2019 to ensure that GEACU remained competitive and relevant to members' needs.

The Committee was instrumental in developing and promoting loan sales to keep GEACU competitive in the market, optimizing existing investments and seeking out safe and attractive new investments, and keeping our investment with (AECUS & Ashley Ltd) in Tobago viable.

**9.2.6 Purchase of AECUS and Ashley Limited**

GEACU's interest in AECUS & Ashley remained at 50% ownership. Our partner, Mr. Ashley Sobers, opted to sell his half share in the company in 2018. The Board of Directors of GEACU decided to sell its share in the company also. Consequently, the property was put up for sale in 2019. GEACU is expected to benefit significantly from the sale of this investment.

**9.2.7 Policy and Procedure**

Members were reassured that the development of policies and procedures were also being put in place to manage the transparency and accountability of GEACU.

**9.2.8 Memberships**

The President Mr. Jones stated that GEACU continues to be active members of the Cooperative Credit Union League, (CCULTT) the Central Finance Facility (CFF) and the Trinidad and Tobago Credit Union Deposit Insurance Fund (TTCUIF).

**10.0. EDUCATION COMMITTEE**

The President Mr. Jones thanked the committee headed by Mr. Keon Paul for its work. Several initiatives were conducted during the 2019 period. For instance, there was Etiquette Training for members' children ages nine (9) to eighteen (18); A Home Gardening Workshop; Leadership Training for Mayaro Secondary School Students; Members Outreach at Galeota Point; Open House at Rio Claro; 2019 Bursary for SEA Students; The Credit Union Opening Ceremony and Members' Appreciation Day.

Ms. Tracey Elcock congratulated the Education Committee on its activities for 2019 and hoped that in future, education would be more customer-focused. She recommended that more member-focused activities using virtual options such as online seminars would appeal to the working-class members and in return provide positive marketing results for the Credit Union.

The motion to adopt the Board Report was moved by Mr. Gary Joseph and seconded by Mrs. Maura Paul and the motion being carried with fifty (50) members voting in favor, none against and one (1) abstention.

**11.0. CREDIT COMMITTEE REPORT**

The Credit Committee Chairperson, Ms. Dianne Baptiste, presented the report for the year ended December 31, 2019. She noted that the Credit Committee works in conjunction with the Loan Officers and the Board in the supervision and approval of loans, review and adherence of loan policy, member debt restructuring and/or counseling.

**11.1 Loans Approved**

It was reported that nine hundred and eleven (911) loans were approved in 2019 valued at forty-six million (\$46M), which represented a 17% increase over the 2018 figure. The loans approved were categorized as House Repairs, Mortgage Loans and Motor Vehicle Loans. It was also noted that forty-two (42) loans were not approved which totaled approximately \$4.8M.

**11.2 Loan Sales**

Several Loan Sales products were promoted in 2019. These included Mortgage Loans, Loans Within Shares and Unsecured Loans ranging from \$25K, \$43K and \$75K. It was noted that approximately 81% of the total loans granted were based on the loan sales.

**11.3 Loan Comparison**

A five (5) year comparison of loans from 2015 to 2019 showed that an average of 853 loans per year were approved over the last five (5) years for an average yearly value of \$47M with a loan disbursement of \$46M in 2019.

**11.4 2020 Loan Disbursement Update**

Ms. Baptiste noted that there has been a sharp decline in the disbursement of loans over thirty-eight (38%) percent when compared to the same period in 2019 ending November 2020.

**11.5 Questions Arising from the Credit Committee Report**

Member, Mrs. Delise Knight-Barnett asked if any support to members will be given such as tablets for children who are expected to do virtual classes. It was stated that support had been given to students in the community with the distribution of tablets and computers. This initiative was championed by the Education Committee.

Ms. Jochelle Fortune asked whether there had been an increase in delinquency on current loans. It was reported that in 2019 there was 3.5% delinquency on total loans over 90 days old which represented approximately \$4M.

The Credit Committee Chair, Ms. Baptiste, expressed thanks to the Loan officers, the Manager of the Credit Union, Ms. Yola Charles, the past manager, Mr. Ryan Moren; the Board and Supervisory Committees, as well as the members of GEACU for their support. Her Committee members, Mr. Mark Mitchell, Mrs. Althia La Pierre- Mitchell, Ms. Esther Noel and Mr. Krishendath Singh were especially thanked for their unfailing support and commitment.

It was asked if the Loan Policy could be revised to make it easier for members aged seventy (70) and above to access loans. The President, Mr. Jones, advised that this issue will be handled under General Business.

A motion to adopt the Credit Committee Report was moved by Mr. Carlon Leotaud and seconded by Ms. Alicia Casimir. The motion carried with forty-nine (49) members voting in favor, none against and one (1) abstention.

#### 12.0. **SUPERVISORY COMMITTEE REPORT**

Ms. Tricia Lynch presented the Supervisory Committee Report on behalf of the chair Ms. Nicole Perry, who asked to be excused from attending the Annual General Meeting. The main activities of the committee were highlighted, and this included attendance at Board Meetings, periodic cash counts, review of new member loan applications, journal entries, dormant accounts and disbursements.

This Committee also participated in training sessions hosted by the Credit Union software provider Micro Software Designs Limited, and this training enabled the members to perform their audit duties in a more effective manner.

The President, Mr. Jones, thanked the committee for its report. A motion to adopt the Supervisory Committee Report was moved by Ms. Jacqueline Roberts and seconded by Mr. Kwasi Alleyne. The motion carried fifty-one (51) members voting in favor, none against and one (1) abstention.

#### 13.0. **AUDITOR'S REPORT**

Mr. Favion Taylor, representative of I.A. Ali and Associates, presented the Auditors Report for the year ended December 31, 2019.

##### 13.1 **Adoption of the Auditor's Report**

A motion to adopt the Auditors Report was moved by Mr. Christopher Wint and seconded by Mrs. Christine Fields. The motion carried with forty-eight (48) voting in favor, none against and three (3) abstentions.

#### 14.0. **FINANCIAL STATEMENTS**

The Accountant, Mr. Anderson Nelson, with the support of the Manager, Ms. Yola Charles presented the Financial Statements as shown on pages 49 to 78 of the Annual Report, and invited questions from the members.

##### 14.1 **Key Highlights of the Report**

###### 14.1.1 **Statement of Financial Position**

It was reported that due to the required adjustments for IFRS9, the financial statements for 2017 and 2018 were restated. It was, however, noted that the comparison of financial performance would focus on 2018 and 2019.

Total assets grew in 2019 by approximately 11.5% from \$207M in 2018 to \$237M in 2019. This was attributed to an increase in loans to members by \$10.5M and increased investment income from the Unit Trust Corporation (UTC) and other institutions by \$1.3M.

It was also reported that due to an increase in members' shares and investments in 2019, a reciprocal increase in liabilities, equity and reserves also occurred. Total Liabilities Equity and Reserves also increased by 11.5%.

#### 14.1.2 **Statement of Comprehensive Income**

It was reported that Total Income in 2019 increased by 7.6% which was based on interest from loans, income from investments and administrative fees for selling products for agencies such as CUNA and UTC.

It was also noted that total expenditure increased year-on-year from \$3.7M in 2018 to \$4.8M in 2019 due to an increase in provisioning for credit loss in 2019 by \$792K and the retroactive payment of the Green Fund Levy from 2016 onwards of \$152K.

#### 14.1.3 **Statement of Changes in Equity**

It was reported that from the net income of \$7.9M in 2019, an undivided earning of \$6.3M was left after adjustments for 10% to reserves and the replenishment of the Education Fund Reserve. The remaining undivided earnings were reserved for distribution to the membership through the payment of dividends.

#### 14.2 **Questions Arising from the Financial Statements**

Mrs. Delise Knights-Barnett asked for an explanation on why receivables moved from \$800K to \$10M. Mr. Nelson explained that an investment of \$9M was made to the Unit Trust Corporation Corporate Fund but the investment was not completed until January of 2020. The accounting report for 2019 therefore reflected this into its accrued receivables. It was, however, noted that the funds are now assigned and are reflected under investments for the 2020 fiscal period.

Mrs. Maura Paul suggested that all acronyms, such as "IFRS" are spelt out in future accounting reports and this was agreed to.

#### **2020 Budget Statement**

Mr. Anderson Nelson, Accountant, presented the 2020 Budget as shown in the Annual Report/Brochure on page 79.

He noted that given the timing of the AGM, the budget reflected a period where expenses were for the most part already undertaken. He, however, reassured the membership that as would be reported in the next audited financial statements, it would be seen that actual expenditure for 2020 was reduced with the only exceptions being where new technology and facilities were required to serve the members during the COVID-19 Pandemic restrictions.

A motion to adopt the 2020 Budget was moved by Ms. Cyntra Singh seconded by Ms. Natasha Rodney. The motion carried with forty-eight (48) members voting in favor, none against and six (6) abstentions.

## 15.0. **NOMINATING COMMITTEE REPORT**

Seeing that the sequence of the items listed under Agenda on the Notice of the 44th AGM on page six (6) differed from the Agenda 2020 on page 2 of the brochure, a motion to accept this difference was moved by Ms. Cyntra Singh and seconded by Mr. Timothy Spann. The motion carried forty-nine (49) members voting in favor, none against and two (2) abstentions.

The Chairman of the Nominating Committee, Ms. Cyntra Singh, presented the report as shown on page 42 of the Annual Report/Brochure. She noted that all nominated members met all requirements of the Nominating Committee.

Nominations for the Board and Statutory Committees were as follows:

BOARD OF DIRECTORS	SUPERVISORY COMMITTEE	CREDIT COMMITTEE
Mrs. Christine Fields	Ms. Esther Noel	Ms. Dianne Baptiste
Mr. Christopher Wint	Mr. John Wildman	Mrs. Althia La Pierre- Mitchell
Ms. Jeadine Jack	Ms. Tricia Lynch	Mr. Krishendath Singh
Mr. Harricharan Narine		Mr. Mark Mitchell
Ms. Nancy Hunte		Ms. Patricia Beckles-Sandy
Ms. Summer Manswell -Edwards		Ms. Natasha Rodney

## 16.0. **ELECTIONS OF OFFICERS**

Mr. Dorwin Manzano, Past President of the UWI Credit Union and former Vice President of the Trinidad and Tobago Credit Deposit Insurance Fund, acted as Returning Officer for the elections.

He noted that the election process was supervised by officers of the Cooperative Division and a member of the Supervisory Committee.

Registration for the election was declared closed. **A credential report was presented which indicated eighty-two (82) members were present to participate.**

A video presentation was done to provide guidance on the electronic voting system being employed at the AGM after which members voted accordingly.

The President, Mr. Jones, noted that official correspondence from two (2) nominees, Mrs. Althia La Pierre Mitchell and Ms. Nancy Hunte, was submitted in which they requested to be excused from the meeting, but were willing to serve if members voted to appoint them to the relevant positions.

### 16.1 **Additional Nominations for Supervisory Committee**

#### 16.1.1 **Statement of Financial Position**

The Returning Officer stated that there were five (5) vacancies for the Supervisory Committee; however, only three (3) nominations were made which left an additional two (2) positions vacant. A call for additional nominations was made to the membership.

- Ms. Latifa Lambkin was nominated by Ms. Christiann La Foucade and seconded by Ms. Joshelle Fortune. The nomination was accepted by the member.
- Mr. Primcharan Sookram was nominated by Ms. Cyntra Singh and seconded by Mr. Anthony Sylvester. The nomination was accepted by the member.
- Mr. Cavell Alexander was nominated by Mr. Seon Casimir and seconded by Ms. Natasha Rodney. The nomination was accepted by the member.
- Mr. Ryan Moren was nominated by Ms. Rene Meyers, but was not logged on to accept the nomination and therefore was not added to the ballot.

A motion that Nominations ceased was moved by Mr. Riad Gajadhar and seconded by Mr. Kwasi Alleyne. The motion carried unanimously.

#### 16.2 **Additional Nominations for Credit Committee**

The Returning Officer stated that there were five (5) vacancies for the Credit Committee and exactly six (6) nominees. The request for additional nominees was made to ensure that a full complement of five (5) members and two (2) alternates could be established.

- Mr. Haroon Mohammed was nominated by Ms. Ms. Cyntra Singh and seconded by Mr. John Wildman. The nomination was accepted by the member.

A motion that Nominations ceased was moved by Ms. Cyntra Singh seconded by Mr. Timothy Spann. The motion carried unanimously.

#### 16.3 **Additional Nominations for Board of Directors**

The Returning Officer acknowledged that the nominee count for the Board of Directors was sufficient to conduct the election. However, a call on the floor for additional nominations was made to the membership.

- Mr. Gary Joseph was nominated by Ms. Luenda Burke and seconded by Mr. Anthony Sylvester. Mr. Gary Joseph accepted the nomination.
- Mr. Glen Holder was nominated by Mrs. Roxanne Leotaud and seconded by Mr. Krishendath Singh. Mr. Glen Holder was not logged on to accept the nomination and, therefore, was not added to the ballot.

A motion that Nominations ceased was moved by Mr. Riad Gajadhar and seconded by Ms. Meguella Simon. The motion carried with forty-nine (49) members voting in favor, four (4) against and two (2) abstentions.

#### 17.0 **ELECTION RESULTS**

The Returning Officer announced the election results as follows:



### 17.1 Board of Directors

NOMINEES	NO. OF VOTES
Gary Joseph	51
Nancy Hunte	51
Jeadine Jack	44
Christopher Wint	41
Summer Manswell-Edwards	36 – 1st alt
Christine Fields	19 – 2nd alt
Harricharan Narine	13

Elected to the Board were:

Mr. Gary Joseph  
 Ms. Nancy Hunte  
 Ms. Jeadine Jack  
 Mr. Christopher Wint  
 Ms. Summer Manswell-Richards – 1st Alternate  
 Ms. Christine Fields – 2nd Alternate

### 17.2 Supervisory Committee

NOMINEES	NO. OF VOTES
Tricia Lynch	64
Esther Noel	55
Primcharan Sookram	45
Cavell Alexander	43
Latifa Lambkin	43
John Wildman	37 – 1st alt

Elected to the Supervisory Committee were:

Ms. Tricia Lynch  
 Ms. Esther Noel  
 Mr. Primcharan Sookram  
 Mr. Cavell Alexander  
 Ms. Latifa Lambkin  
 Mr. John Wildman – 1st Alternate

### 17.3 Credit Committee

NOMINEES	NO. OF VOTES
Dianne Baptiste	52
Althia La Pierre-Mitchell	51
Natasha Rodney	50
Mark Mitchell	46
Krishendath Singh	39
Patricia Beckles-Sandy	37 – 1st alt
Haroon Mohammed	29 – 2nd alt

Elected to the Credit Committee were:

Ms. Dianne Baptiste  
 Ms. Althia La Pierre-Mitchell  
 Ms. Natasha Rodney  
 Mr. Mark Mitchell  
 Mr. Krishendath Singh  
 Ms. Patricia Beckles-Sandy – 1st Alternate  
 Mr. Haroon Mohammed – 2nd Alternate

The Returning Officer reported that there was a total of 69 votes cast and 2 spoilt/incomplete ballots. A motion for the destruction of the electronic ballots was moved by Ms. Tracey Elcock and seconded by Mr. Mr. Krishendath Singh. The motion carried with sixty-five (65) members voting in favor, none against and three (3) abstentions.

The President, Mr. Jones, thanked the Returning Officer for his support and conducting of the elections.

## 18.0. RESOLUTIONS

### 18.1 Appointment of Auditors

The President Mr. Jones presented the following resolution to the meeting:

**WHEREAS** the Commission 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 the firm I.A. Ali and Associates be retained as our External Auditors for the Financial Year ended December 31, 2020.

This was seconded by Mr. Krishendath Singh. Fifty-seven (57) members voted in favor, one (1) against and no abstentions. The motion was carried favorably.

## 18.2 Dividend

The President, Mr. Jones, presented the following resolution to the meeting:

**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 Societies Act 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.

This was seconded by Ms. Cyntra Singh; sixty (61) members voted in favor, none against and one (1) abstention. The motion was carried favorably.

## 18.3 Honoraria

The President, Mr. Jones, presented the following resolution to the meeting:

**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 in its operation during the Financial Year;

**BE IT RESOLVED** that Honoraria of \$90,000 be paid to Board and Committee Members for the Financial year ended December 31, 2019.

This was seconded by Mr. Kwasi Alleyne; fifty-four (54) members voted in favor, and 4 against and no abstentions. The motion carried favorably.

## 18.4 Amendment Bye Law No. 1

The President, Mr. Jones, presented the following resolution to the meeting:

**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 of the 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. A "Delinquent Member" is a member who is in default of payments of money when due.

- f. A member in "Good Financial Standing" is a member who is neither delinquent nor inactive.
- g. "Meeting of the Society" means a General Meeting or any meeting of the Board or Credit, Supervisory or Education Committees, whether in person, virtual or hybrid as indicated in the Notice of the meeting.

This was seconded by Mr. Primcharan Sookram; Sixty-three (63) members voted in favor, none against and four (4) abstentions. The motion was carried favorably.

#### 18.5 **Amendment Bye Law No.5: Nomination of Beneficiary**

The President, Mr. Jones presented the following resolution to the meeting:

**WHEREAS** Bye Law No. 5. Nomination of Beneficiary read 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 in 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.

This was seconded by Mr. Ashton Wharwood; Sixty-one (61) members voted in favor, none against and two (2) abstentions. The motion carried favorably.

#### 18.6 **Amendment of Bye Law No. 14 Financial Year**

The President, Mr. Jones presented the following resolution to the meeting:

**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 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.

This was seconded by Mr. Timothy Spann; Sixty-two (62) members voted in favor, none against and two (2) abstentions. The motion carried favorably.

18.7 **Amendment Bye Law No.31: Nominating Committee**

The President, Mr. Jones presented the following resolution to the 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. The Nominating Committee shall be comprised of no fewer than three (3) representatives from different members who are not themselves nominees for the election under consideration. The Nominating Committee shall invite members in good financial standing to submit names of any members of their credit union who are willing to be considered for election to the Board of Directors, Supervisory and Credit Committee. The Nominating Committee shall submit a report to the Board of Directors with respect to its deliberations and thereafter make appropriate recommendation to the Annual General Meeting regarding same. No nominations shall be received after same was closed by the Nominating Committee; however, the Nominating Committee shall have the power to extend the period of Nominations in the event that adequate nominations were not received, even to the extent of inviting nominations from the floor at the Annual General Meeting. The Nominating Committee shall be responsible for the necessary orientation and training of prospective Officers.

The President commented that training of prospective Committee members is extremely critical so that persons can serve immediately.

This was seconded by Ms. Azria Moren. Sixty (60) members voted in favor, five (5) against and three (3) abstentions. the motion carried favorably.

**Questions Arising from the Resolutions:**

Mr. John Wildman asked whether a special meeting should be called to change the Bye Laws. The President, Mr. Jones, stated that any General Meetings of members can be used to amend Bye Laws, especially where stated on the Agenda for the meeting.

Ms. Luenda Burke asked what defines an 'inactive member'. The President stated that such a member is one who has not conducted any business with their account for a period of one (1) year.

19.0. **DOOR PRIZES**

Winners of door prizes were randomly selected from amongst members present at the meeting. They were: -

Mrs. Maura Wendy Paul  
Ms. Abigail Marcano  
Ms. Phaedra Mohammed  
Ms. Simone Fields

Ms. Malicke Mcknight  
Ms. Tricia Persad  
Mrs. Bernadine Gangadeen  
Ms. Jemme Thomas-Ellis  
Ms. Natasha Rodney  
Mr. Vernon Paul

20.0. **OTHER BUSINESS**

- 20.1 Ms. Meguella Simon stated her agreement with the training of prospective committee members and the importance for communication to be improved with the membership. She continued that this would avoid constant rotation of the same members on the Committees and Board, and groom new persons to fill these roles and, hence, ensure continuity of the highest standard.
- 20.2 Mrs. Delise Knights-Barnett asked what measures could be put in place to reduce bias and promote transparency in the selection of persons by the Nominating Committee. The President, Mr. Jones, stated that a person was selected primarily from members who were in good standing, with comprehensive vetting conducted.
- 20.3 Mr. John Wildman stated that no discussions were entertained for the Bye Law Amendments. The President, Mr. Jones, stated that the reason for that was because most of the Bye Laws were based on Legal changes or based on an accommodation of the unavoidable changes in the conduct of the Society's matters such as virtual meetings. The President, Mr. Jones, apologized if it appeared that no accommodation was made for extensive discussion.
- 20.4 Ms. Patricia Beckles asked whether other schools were included in the Credit Union's outreach in the area apart from Mayaro Government Primary and Ortoire R.C Primary. The President, Mr. Jones, responded that based on the donation policy of the Credit Union, there were times where donations were made to schools based on their needs. He also mentioned that in 2020 information was sent out to all SEA students in the area who were members so that they could benefit from initiatives by the Credit Union. This was not specific to any one school. He also stated that due to limited resources the Credit Union may not be able to impact all schools, but efforts continue to be made to support as many in the area.
- 20.5 Mr. Vernon Gabriel enquired about the status of the proposed carpark on the Manzanilla Roadside of the GEACU's property. As outlined by President Jones, there are no plans to take on the project at this time, but it can be part of the agenda of the new Building Committee for the new year. Current parking arrangements are being utilized in the most efficient way. Previous proposals for the new carpark would have incurred significant costs due to the undulating characteristics of the land identified for development. The Credit Union Management saw it as a better prospect to utilize available funds for other urgent upgrades, such as the procurement of a generator.
- 20.6 Ms. Meguella Simon commented that communication between the Credit Union and the membership needed improvement. She referenced the placement of notices in the print

media as not being the best means to reach the membership. The President, Mr. Jones, stated that the website and social media platforms such as Facebook and Instagram are being used. In addition, he cited that a new text-blasting service was being engaged to send important notices directly to members. This feature will, however, require members to update their contact details with the Credit Union.

20.7 Mr. Gary Joseph congratulated the Credit Union for the successful conduct of the Virtual AGM.

21.0. **VOTE OF THANKS**

21.1 Ms. Cyntra Singh thanked the outgoing members of the Board and Committees for their service and hard work, the President for the effective conduct of the meeting, the organizing committee of the AGM, Management, Staff and Members for their support during the period under review. The representatives of the Cooperative Division, the Auditors, Returning Officer, and the members were all lauded for their attendance. She also wished the incoming Board and Committee members success in their new term and encouraged everyone to keep building the Credit Union.

22.0. **CLOSE OF MEETING**

22.1 There being no further business to discuss, the Chairman thanked the members for attending and adjourned the meeting at 12:36 p.m.

Submitted By



**Cyntra Singh (Ms)**  
SECRETARY



## MEMBERS OF STAFF

Yola Charles–Manager; Tricia Persad–Loans Team Lead; Anderson Nelson–Accounts Team Lead; Tricia King-Balkissoon–Accounting Assistant; Keishel Beckles–Loans Officer; Roxanne Leotaud–Loans Officer; Malicke McKnight–Teller; Jenna Nedd–Teller; Brenda-Joy Pierre–Customer Service Representative; Christiann La Foucade–Intern; Petra Charles–Collections Officer; Bernadine Gangadeen–Administrative Assistant.



# BOARD OF DIRECTORS



**Mr. Noel Jones**  
**PRESIDENT**



**Mr. Riad Gajadhar**  
**VICE PRESIDENT**



**Ms. Cyntra Singh**  
**SECRETARY**



**Ms. Jeadine Williams**  
**ASSISTANT SECRETARY**



**Mr. Anthony Sylvester**  
**DIRECTOR**



**Mr. Christopher Wint**  
**DIRECTOR**



**Mr. Gary Joseph**  
**DIRECTOR**



**Mr. Kwasi Alleyne**  
**DIRECTOR**



**Mr. Lerry Brereton**  
**DIRECTOR**



**Mrs. Maura Paul**  
**DIRECTOR**



**Ms. Nancy Hunte**  
**DIRECTOR**



**Mr. Seon Casimir**  
**DIRECTOR**

FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2020

**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, 2020 to December 31, 2020.

The year started with the uncertainty that there was an outbreak of a virus in Asia. Very soon there was grief, loss, fear, setback, anxiety and disappointment. We rallied around this as a Credit Union, a nation and a global citizen and hopefully we are looking at the end of an era that we would all like to forget.

The Board of Directors for 2019 served throughout 2020 as the Annual General Meeting was held on December 5, 2020. From April, 2020 all meetings were held virtually via Zoom. Details of meeting attendance for the year are as follows:

NAME	POSITION	PRESENT	EXCUSED/ABSENT
Mr. Noel Jones	President	11	0
Mr. Riad Gajadhar	Vice President	9	2
Ms. Jacqueline Roberts	Secretary	8	2
Ms. Cyntra Singh	Asst. Secretary	11	0
Mr. Seon Casimir	Director	10	1
Ms. Natasha Rodney	Director	8	2
Ms. Nancy Hunte	Director	8	3
Mr. Kwasi Alleyne	Director	11	0
Mrs. Maura Paul	Director	10	1
Mr. Anthony Sylvester	Director	8	1
Mr. Lerry Brereton	Director	7	4
Mr. Christopher Wint	Director	8	3

Following the Forty-fourth (44th) Annual General Meeting and the subsequent Election of the New Executive, the Table below outlines the Board of Directors, their positions and their attendance at the Board of Directors meeting for December, 2020.

NAME	POSITION	PRESENT	EXCUSED/ABSENT
Mr. Noel Jones	President	1	0
Mr. Riad Gajadhar	Vice President	1	0
Ms Cyntra Singh	Secretary	1	0
Ms. Jeadine Williams	Asst. Secretary	1	0
Mr. Seon Casimir	Director	1	0
Mr. Gary Joseph	Director	1	0
Ms. Nancy Hunte	Director	1	0
Mr. Kwasi Alleyne	Director	1	0
Mrs. Maura Paul	Director	1	0
Mr. Anthony Sylvester	Director	1	0
Mr. Lerry Brereton	Director	1	0
Mr. Christopher Wint	Director	1	0

The outgoing Directors from this term are Mrs. Maura Paul, Mr. Kwasi Alleyne, Ms. Cyntra Singh and Mr. Lerry Brereton. All but Ms. Cyntra Singh are eligible for re-election, as she has served three consecutive terms.

## BOARD SUB COMMITTEES

Following the AGM on December 5, 2020, the Board appointed several subcommittees as follows:

	Executive	Policy	HR	Marketing	Finance & Investment	Building	Delinquency	Education	Nomination Committee
Noel Jones	1	1	1		1				4
Riad Gajadhar	1		1		1				3
Jeadine Jack	1		1				1		4
Cyntra Singh	1		1					1	3
Seon Casimir						1		1	3
Lerry Brereton						1			1
Nancy Hunte		1						1	2
Anthony Sylvester						1		1	2
Gary Joseph					1		1		3
Maura Paul		1							1
Christopher Wint		1		1	1				3
Kwasi Alleyne				1		1	1		3
Lloydris Baptiste								1	1
Jacqueline Roberts								1	1
Jude Moore					1				

## ECONOMIC SUMMARY/CLIMATE

The outbreak of the novel coronavirus (COVID-19) pandemic in early 2020 plunged the world into deep economic recession. Businesses were closed in many sectors as the authorities had to institute containment measures to reduce the spread of the virus. Our borders were closed, and only businesses considered essential services remained open. The impact of these decisions stagnated economic activity in all sectors and tightened financial conditions. Equity markets declined and investors naturally became more pessimistic and moved away from risky assets to perceived risk-free assets. GEACU faced our fair share of challenges as we operated through these changes. We modified our work environment and schedules and made special work arrangements so that staff and members safety could be preserved while maintaining our service to members. We continue to monitor changes within the community closely and will continue to make changes with staff safety and service to members being of paramount importance.

## OVERVIEW OF 2020 FINANCIAL PERFORMANCE

### Membership

Membership increased from **8,122** to **8459** in the period January 1st 2020 to December 31, 2020 - an increase of 4%.

**Shares and Loans**

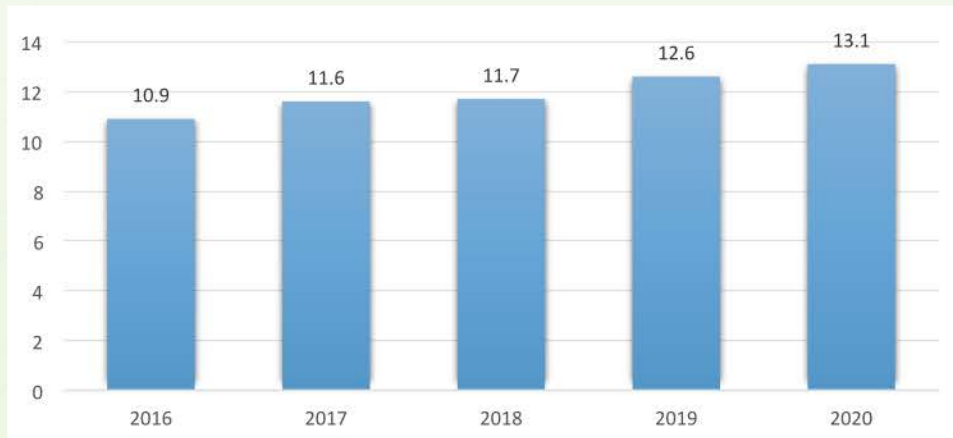
Members Shares increased from **\$207.8 million** to **\$220.7 million** in the period January 1st 2020 to December 31, 2020 - an increase of **6%**. The Credit/Loan Portfolio closed **at \$136.7 million**. This represents a decrease of **2.8%** and **\$140.2 million** from the reported balance as at December 31, 2019. The main contributor to the decrease was the global pandemic, as members’ financial status changed either through unemployment or receiving salary reductions, so they opted to take share withdrawals rather than loans.

Growth in Shares and Loans



The change in environment due to Covid-19 played a role in compressing the Loan Portfolio as some members financial status changed or appetite to borrow lessened due to the economic uncertainty. Nevertheless, our revenue increased by 4% from \$12.6 million in 2019 to \$13.1 million in 2020 of which loans represented 83% of total revenue.

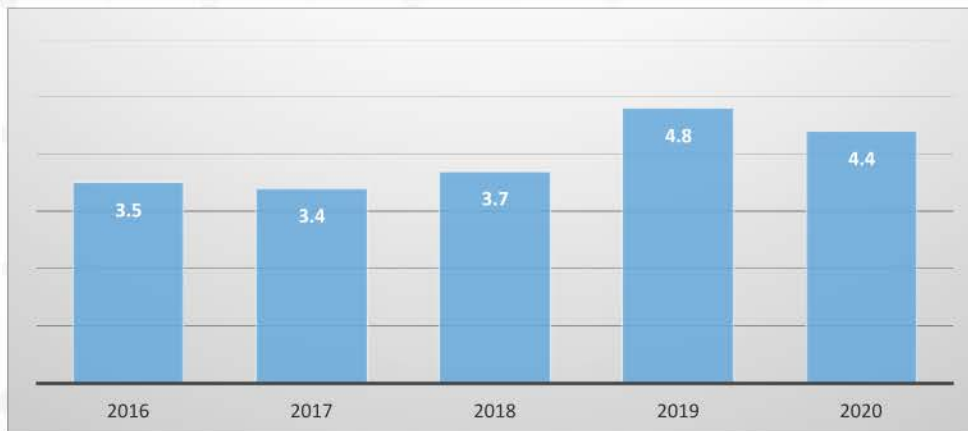
Total Revenue in TT\$ Millions



### Expenses

We remained prudent with our operating cost where a reduction by 8% from \$4.8 million in 2019 to 4.4 million in 2020 was realized.

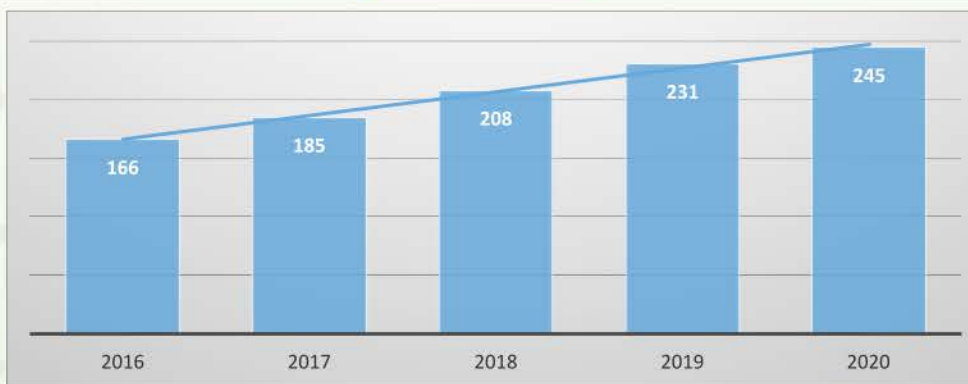
Expenditure in TT\$ Millions



### Assets

Assets grew from **\$231.2 million** to **\$245.5** in the period January 1, 2020 to December 31, 2020, an increase of **6%**. Increases to Investments accounted for this change.

Assets in TT\$ Million

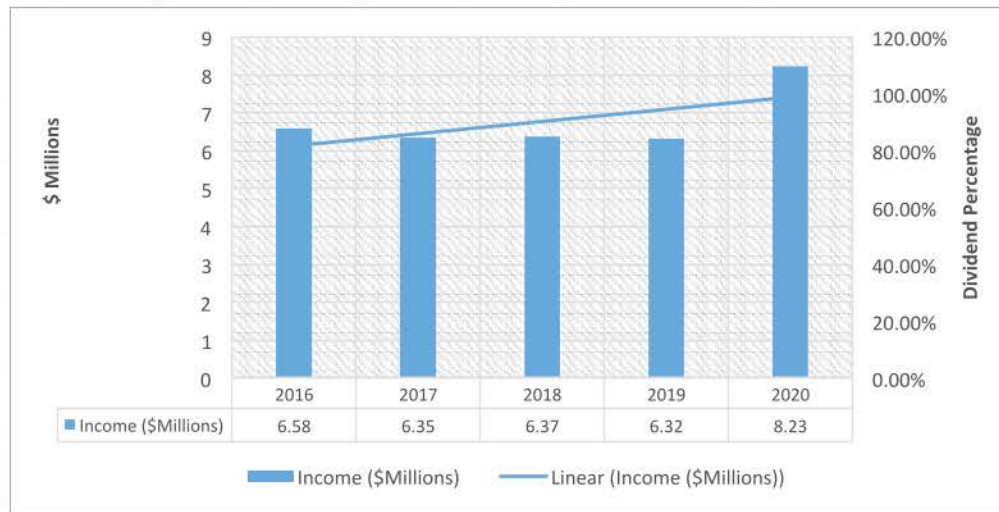


### Undivided Earnings

Due to the management of Income, our loan portfolio and delinquency, the Credit Union has experienced an increase in undivided earnings from \$6,329,298 million in 2019 to \$8,234,401 million in 2020.

This commendable performance was the result of teamwork displayed by the GEACU family, culminating in the successful execution of our Annual Plan.

Undivided Earnings



Our strong performance displays continuous growth across the key business areas. This has been as a result of proactive action to successfully operate in a changing environment.

Astute Performance Management of the business in all areas yielded good annual results; however, cost increases are expected in the future as we strive to meet the requirements of a growing business in a rapidly changing environment while we continue to satisfy members’ needs.

We are recommending for your approval a dividend of 3.5 % for the 2020 Financial Year. The recommended Dividend payment maintains a consistent track record of paying a Dividend to members for every year of GEACU’s 45-year history.

**EDUCATION AND TRAINING**

Following the Annual General Meeting, the Board appointed an Education Committee in accordance with our Bye Laws. Members of the Committee are Ms. Jacqueline Roberts Ms. Cyntra Singh, Ms. Nancy Hunte, Ms. Lloydris Baptiste and Mr. Anthony Sylvester. Mr. Seon Casimir was also coopted to serve on the committee. This Committee commenced work in late December 2020. It should be noted that the previous. Committee served until the AGM.

Both committees could not take on public activities because of the public health restrictions. Nevertheless, several activities were undertaken with the support of the staff. Activities completed were: Open house for Credit Union week. SEA Awards, Distribution of Laptops and tablets to Students. A virtual new member orientation scheduled for the last quarter was rescheduled to the new term.

Human Resource Development continues to be an integral part of our Management activities. During the year we were restricted to hosting programmes internally or via the online platform. Programs were geared towards improving efficiency in our respective areas of responsibility. The Manager conducted several inhouse programmes with her staff to improve knowledge and competence in their respective

functional areas. We also participated in online programmes and webinars run by the Caribbean Confederation of Credit Unions, the Credit Union League and the Cipriani Labour College.

### **Laptops and Tablets**

Guaymay offered assistance to children in need of devices to pursue their education online. We distributed laptops and tablets to members and/or children of members based on a criterion set out by Guaymay. We trust that these devices will go a long way in assisting these students with their online education.

### **SEA Awards**

GEACU continued this award which commenced in 2019, with a distribution to students who were successful in the recent 2020 SEA examinations. This year we changed the process to make those eligible from members only. The Criterion was based on Merit and need.

## **COMPLIANCE**

During the year we continued our work with meeting the requirements for the Financial Intelligence Unit (FIU) and Anti Money Laundering (AML) Acts and indeed our own Compliance Programme. Education and Training Sessions were limited to online as face to face could not be done during this period.

We continued with account reactivations and updates throughout the year and also introduced new software to improve the efficiency of the Compliance due diligence process. We urge members to continue to support the staff in meeting these statutory requirements.

## **POLICY AND PROCEDURES**

To ensure accountability of all stakeholders, improve compliance with good financial management practices and improve operational effectiveness, we completed several new policies and procedures for 2020. Our aim is to ensure the completion of a policy manual on all areas of operations. This policy and procedure manual will provide a roadmap for day-to-day operations. This will be used along with training to give guidance for decision-making and streamline internal processes.

## **IMPROVED MEMBER ONLINE EXPERIENCE**

Last year we spoke of the rapidly changing relationship between businesses and consumers and how this has driven the need for our Credit Union to improve our member online access capability. The existing pandemic hastened our efforts to continue on this journey. During this period of review, we developed a new website, introduced an App to enhance members online access to their accounts and broaden our social media presence via Facebook, Instagram and LinkedIn.

An increasing number of members are accessing these facilities, and GEACU will continue to improve the platform for online transactions over the longer term. As we progress and test these services, we will be implementing additional functionalities in accordance with the system's capability to make this a more rewarding experience for our members. While this is a welcome change for some members, we are aware that many members still prefer to come to the office, and we will be continuing to also improve that service to you.

Guaymay launched our new website in August 2020 in keeping with our goal to improve member online access to information and services, and to extend the lines of communication with all stakeholders. It

also assists to establish our Credit Union as many people today expect serious business owners to have a real-time online presence. We have an obligation to keep this informative and updated so that it adds credibility to our business and strengthens our brand.

At Guaymay, our members are our number one priority. Our objective is to surpass members' needs and expectations. We are in the process of introducing an additional payment system that provides thirty-three (33) additional payment options throughout the country via the Sure Pay platform. This will be implemented during the second quarter of 2021.

### **BUILDING COMMITTEE**

Our plans for developing the upper floor have been rescheduled to 2021. This includes additional offices, a boardroom and other amenities to improve the working environment.

### **DELINQUENCY**

GEACU Management team continued to work diligently to recover delinquent debt and to work with our members who are experiencing challenges in loan repayment. Loan Payment Deferrals and Debt Consolidation Loans featured prominently as key mechanisms to assist legitimate claims for staving off delinquencies. Further strategies that were employed included debt rescheduling and the realization of collateral (in extreme cases). In spite of all these challenges, the delinquency figure on December 31, 2020 stood at 3.3%.

### **Moratorium**

In response to the adverse social and economic impact of the Pandemic, the Credit Union provided a Moratorium as an option to our members with outstanding loans, who have had a substantial loss of income due to business closure or loss of work or wages. The Moratorium was in effect from the Month of April, 2020. One Hundred and forty-nine (149) members requested the Moratorium, with one hundred and twenty-one (121) accommodated based on applications received in accordance with the established criterion.

### **Liquidity Support**

The Government offered liquidity relief to displaced workers, sole traders and owners of small and micro enterprises, who are members of Credit Unions, in an effort to stave off the attendant social and economic fallout from the decline in economic activity. Guaymay signed up for this facility via the Credit Union League of Trinidad and Tobago. This facility did not find favour with members, a few inquired, but no one took up the facility. Consequently, we developed and implemented loan products to members tailored to suit our members changing needs.

### **FINANCE AND INVESTMENT COMMITTEE**

During this period of review, the following persons were appointed to the Finance and Investment Committee: Mr. Riad Gajadhar (Chairman), Mr. Noel Jones; Mr. Jude Moore; Ms. Yola Charles and Mr. Christopher Wint.

The value of the Investment Portfolio increased by 46 % (\$13million) year-on-year. The increase was due to investing from Cash and Cash Equivalents into longer term investments at a higher return. The equity portfolio was negatively impacted by the effect of the pandemic on the equity market, but this is expected to improve as the economy returns to normal. Details of all investments are included in the Financial Statements that accompany these Reports.



The Committee generated several Loan Sales in 2020, by monitoring the market and making changes to remain competitive. Details of the Loan Sales are captured in the Credit Committee Report.

#### **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 participate in their Training and Social activities annually.

#### **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 of the Credit Union will receive protection of 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 Unions Directors, Committee Members and Staff. These programmes are geared to improve competence in respective functional areas. President Mr. Noel Jones is the Vice President of the Board of Directors of TTCUDIF.

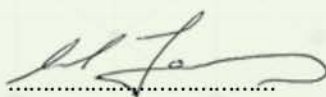
#### **Central Financial Facilities (CFF)**

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

### **ACKNOWLEDGEMENT**

On behalf of the Board of Directors, I extend heartfelt thanks to the Manager and his Staff; and all Board and Committee Members who played significant roles in making 2020 a success despite the challenges encountered by the prevailing pandemic. 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 acknowledge the confidence you have placed in our ability to manage your Investments. We appreciate your feedback, ideas and suggestions, and we vow to continue to meet or exceed your expectations. Thanks also to the CCULTT; TTCUDIF; CFF; CUNA Caribbean; MSD and the Co-operative Development Division and other external Stakeholders for giving us your support.

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

## MEMBERS OF THE CREDIT COMMITTEE

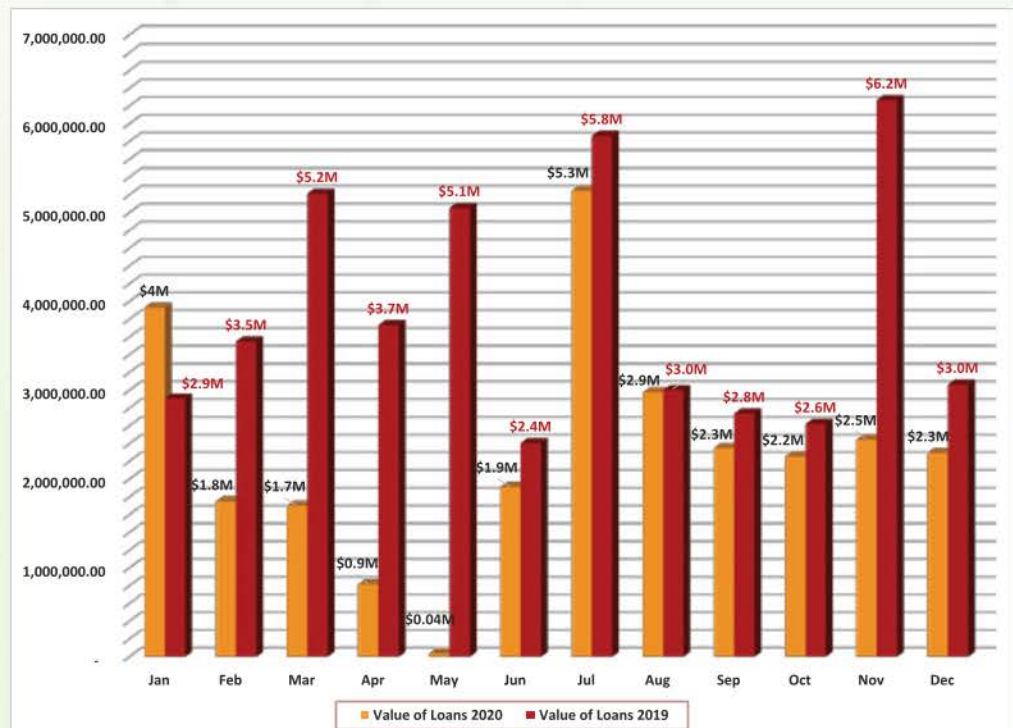
<b>Dianne Baptiste</b>	– Chairperson	<b>Natasha Rodney</b>	– Member
<b>Althea La Pierre-Mitchell</b>	– Secretary	<b>Krishendath Singh</b>	– Member
<b>Mark Mitchell</b>	– Member		

## INTRODUCTION

The Credit Committee is pleased to present this report which summarizes its activities for the financial year ended 31st December 2020. As per our bye-laws, the main function of the committee is the supervision of loans. In so doing, we ensured as reasonably possible that loans were processed in keeping with the guidelines outlined in the loan policy, loan sale criteria and the characteristics of good lending. As we all know, the year 2020 was marred with the effects of the Covid 19 Pandemic worldwide and this has impacted not only our local economy but also our Credit Union to some extent.

We started the year 2020 forecasting a monthly approval of \$M3.9 in loans, and ended the year with an average monthly approval of \$M2.3. The decline in loans approved commenced in March 2020 when the COVID 19 Virus reached our shores in Trinidad and Tobago. Our worst months were March, April and May when the requests for loans declined significantly and the Committee began to work from home. The fallout of COVID impacted some of our members negatively and we saw an increase in the request to consolidate loans and to use shares to repay existing loans. Several members also made requests for moratorium to assist with the financial challenges that they were facing in most cases, due to job loss. This pattern continued to the end of 2020 and in spite of the loan sales, we were unable to achieve the projected target of \$M60. This impact is reflected in the first chart below (Fig1), where we see a month on month decrease in the value of loans approved for our members compared to 2019.

**Figure 1:**  
Month on Month  
Loan Comparison



## Loans Approved

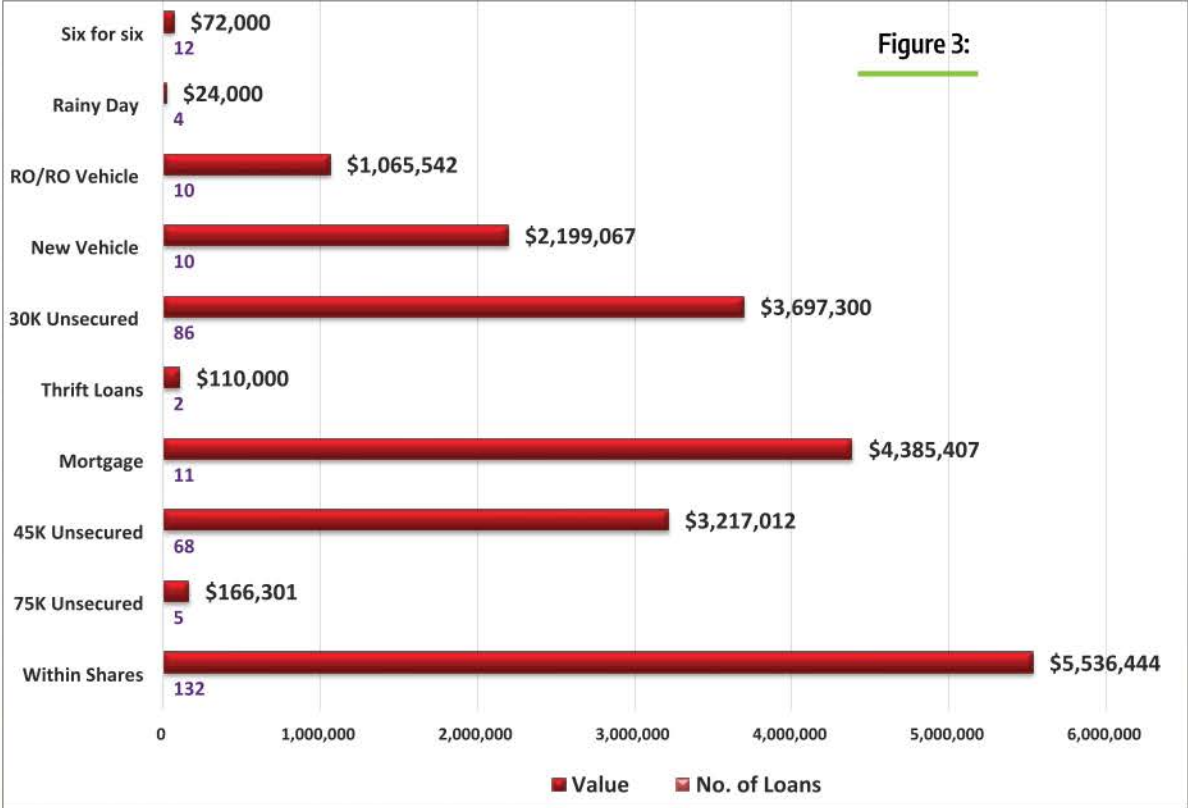
For the year 2020, the Credit Committee approved 580 loans down from 911 in 2019. The value of these approved loans totalled \$27,722,080 which is a 40% decrease over the 2019 value of \$46,434,297. Figure 2 outlines the various categories of loans approved in 2020 and compares this to 2019. As we would have seen in 2019, the main purpose of borrowing continued to be for house repairs, followed by mortgage, investment and vehicle purchase.

**Figure 2:**  
Loans approved by Categories

CATEGORIES	2020		2019		Variance	
	No.of Loans	Value \$	No.of Loans	Value\$	No.of Loans	Value\$
Land & Agriculture	12	1,317,300	4	113,800	8	1,203,500
Legal Fees	1	13,000	1	38,850	-	(25,850)
Medical Expenses	9	197,000	14	295,138	(5)	(98,138)
Education	10	166,700	18	270,700	(8)	(104,000)
Aid To Relatives	40	794,000	42	1,112,212	(2)	(318,212)
Investment	64	2,910,600	94	3,152,635	(30)	(242,035)
Furniture & Appliances	21	366,136	54	951,678	(33)	(585,542)
Vacation	4	91,000	51	1,439,100	(47)	(1,348,100)
Debt Consolidation	28	2,431,021	45	3,111,226	(17)	(680,205)
Motor Vehicle Repairs	14	230,700	51	936,045	(37)	(705,345)
Motor Vehicle Purchase	31	2,814,881	55	4,483,925	(24)	(1,669,044)
Vessel	0	-	1	43,000	(1)	(43,000)
Ceremonies	8	75,500	29	681,649	(21)	(606,149)
Insurance	3	14,730	6	78,307	(3)	(63,577)
Housing/Land Purchase	1	175,000	1	40,000	-	135,000
House Repairs	332	11,888,170	405	13,264,110	(73)	(1,375,940)
Mortgage Loan Sale	11	4,385,407	22	12,374,343	(11)	(7,988,936)
New Vehicle Loan Sale	10	2,199,067	18	4,047,580	(8)	(1,848,512)
Cancelled loans	-19	(2,348,132)	-	-	(19)	(2,348,132)
<b>TOTAL</b>	<b>580</b>	<b>27,722,080</b>	<b>911</b>	<b>46,434,297</b>	<b>(331)</b>	<b>(18,712,217)</b>

## Loan Sales

Loan sales continued throughout 2020 thereby giving members incentives to borrow. However, from the chart below (Fig 3), we see that although these products were very attractive, members borrowing appetite favoured the Loans within Shares product. The mortgage and new vehicle loan sales continued at an attractive interest rate of 0.5% per month, and the unsecured products were offered at a slightly higher rate because of the greater risk exposure.



**Figure 4: Loans Approved - Last Five Years**



An average of 757 loans per year were approved over the last 5 years for an average yearly value of \$43,691,890. Again we note the steep decline in 2020 when compared to the previous three years.

### Loans Not Approved

A total of 27 loans totalling \$3,215,355 were not approved during 2020. 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 about the loan. In processing all loans, we consider our responsibility to safeguard the interest of all our members from undue risk. Reasons for non approval may include members not meeting the criteria of the loan sales and the loan policy. Some of these include unfavourable debt service ratio, inability to repay the loan, unfavourable credit rating and insufficient information provided by the member.

**Figure 5: Loans Not Approved, 2020**

Month	Amount	Value
January	5	150,000.00
February	1	10,000.00
March	4	812,600.00
April	3	273,686.27
May	0	-
June	2	39,000.00
July	5	250,000.00
August	4	1,184,069.00
September	0	-
October	1	400,000.00
November	0	-
December	2	96,000.00
<b>Total</b>	<b>27</b>	<b>3,215,355.27</b>

### Delinquency

While supervising loans, the Credit Committee took into consideration the risks involved using the 5C's of lending ie: Character, Collateral, Capacity, Capital and Conditions. In spite of these, some loans may become delinquent. As at this reporting period, our delinquency stood at \$4.5 million which is 3.3% of the loan portfolio.

### Other

Because of the pandemic, we were unable to conduct face to face interviews with members. However, the manager and staff were able to provide us with as much information as possible to allow us to make informed decisions while processing the applications.

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

### ATTENDANCE AT MEETINGS

Our meetings were held weekly at the office. However, during the months of March to June 2020, all meetings were conducted online because of the pandemic.

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:

- Dianne Baptiste – Chairman
- Althia La Pierre Mitchell – Secretary
- Mark Mitchell
- Michael K. Singh
- Esther Noel – January 1st to December 5th, 2020.
- Natasha Rodney – December 5th to December 31st, 2020.

**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 2021 and beyond.

For and on behalf of the Credit Committee



.....  
**DIANNE BAPTISTE**  
CHAIRMAN

## MEMBERS OF THE SUPERVISORY COMMITTEE

<b>Tricia Lynch</b>	– Chairperson	⋮	<b>Primcharan Sookram</b>	– Member
<b>Latifa Lambkin</b>	– Secretary	⋮	<b>Cavell Alexander</b>	– Member
<b>Esther Noel</b>	– Member	⋮		

### INTRODUCTION

The following report summarizes the activities of the Supervisory Committee for the year ended December 31, 2020.

### THE COMMITTEE

It should be noted that the term of the Committee elected in 2019 was extended due to the impacts of the Coronavirus pandemic. The Members listed below 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 Ms. Nicole Perry was elected Chairman, and Ms. Tricia Lynch, Secretary. This Committee's service ended at the Annual General Meeting held in the last month of the year.

On Saturday, December 5, 2020, the 44th Annual General Meeting was convened and the new Committee was elected. The Members are:

**Ms. Esther Noel**  
**Mr. Primcharan Sookram**  
**Ms. Latifa Lambkin**  
**Mr. Cavell Alexander**  
**Ms. Tricia Lynch**

The election of the chairperson and the secretary was held at the first meeting of the Committee. Ms. Tricia Lynch was nominated and voted as the Chairperson, and Ms. Latifa Lambkin as the Secretary.

### MAIN ACTIVITIES OF THE COMMITTEE

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

The Action items completed were:

- Attendance at all Board meetings on the invitation of the Board
- Review of Member loans approved / not approved
- Review of Employee loan files
- Periodic Cash Counts
- Review of updated member records and member reactivations

### **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 reviews/meetings.

#### **Loans**

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

#### **Employee Loans**

Staff loan files were reviewed and found to be in compliance with approved loan requirements and policies.

#### **Cash Counts**

Two impromptu observations of Cash Counts were conducted by the outgoing 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 incoming Committee also observed a count of the tellers' cash at the close of the financial year – December 30, 2020 and no issues were found. It should be noted that improvements were made to the procedure that made the review process more transparent and much easier to conduct.

#### **Member Updates and Reactivations**

A sample of member updates and reactivations was reviewed. On the basis of the records audited we can report that no issues were observed.

#### **Other Observations**

The advent of the Coronavirus has brought many challenges to the operations of the Credit Union and the Committee is pleased to see the agility that the business displayed in responding to the changes in both the socio-economic environment and the needs of its members. The improvements made by the implementation of virtual and online avenues of access should bring the Credit Union closer to and more in tune with its stakeholders, and thereby better inform the direction the business should take in the future.



## CONCLUSION

The Committee welcomes the new Manager, Ms. Yola Charles, who took up the mantle just as the pandemic arrived, and has proven her mettle throughout this difficult period.

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.

For and on behalf of the Nominations Committee



.....  
**TRICIA LYNCH**  
CHAIRPERSON  
Supervisory Committee

FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2020

## MEMBERS OF THE NOMINATIONS COMMITTEE

<b>Gary Joseph</b>	–	Member	⋮	<b>Seon Casimir</b>	–	Member
<b>Jeadine Jack</b>	–	Secretary	⋮	<b>Lerry Brereton</b>	–	Member

### APPOINTMENT

In accordance with Bye Laws 31, the Board of Directors appointed the following Persons to invite members in 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 of Directors, Credit and Supervisory Committees.

Nomination Committee members:

**Gary Joseph**  
**Seon Casimir**  
**Jeadine Jack**

### NOTICES

Notices were published the news media inviting members to submit nomination forms for consideration. Nominations closing date was set at March 5th, 2021 and later extended to March 27th 2021.

### Vacancies

- Board of Directors** – four (4) members and two (2) alternates
- Credit Committee** – five (5) members and two (2) alternates
- Supervisory Committee** – five (5) members and two (2) alternates

Election of officers will be held at the 45th Annual General Meeting.

### NOMINATIONS

The following nominations were received:

#### BOARD OF DIRECTORS

#	NOMINEES	NOMINATED BY	SECONDED BY
1	Christine Fields	Seon Casimir	Dave Ramsamooj
2	Marvin Durham	Seon Casimir	Keishel Beckles
3	Ryan Moren	Keishel Beckles	Roxanne Leotaud
4	Nicole Perry	Jennifer Williams	Bernadine Gangadeen
5	Jude Moore	Noel Jones	Gary Joseph

### SUPERVISORY COMMITTEE

#	NOMINEES	NOMINATED BY	SECONDED BY
1	Dianne Baptiste	Althia La Pierre-Mitchell	Krishendath Singh
2	Esther Noel	Keishel Beckles	Bernadine Gangadeen
3	Cavell Alexander	Khadesha Alexander	Anderson Nelson

### CREDIT COMMITTEE

#	NOMINEES	NOMINATED BY	SECONDED BY
1	Cyntra Singh	Bernadine Gangadeen	Brenda-Joy Pierre
2	Mark Mitchell	Roxanne Leotaud	Keishel Beckles
3	Latifa Lambkin	Keishel Beckles	Mark Mitchell
4	Natasha Rodney	Cyntra Singh	Chrisiann La Foucade

### FINDINGS AND RECOMMENDATIONS

The candidates nominated have satisfied the requirements of our bye-laws, i.e.

- The nominees are all in good financial standing;
- Each candidate is a member of the Guaymay Energy Alliance Credit Union Co-operative Society.
- That all of the candidates are not in anyway statute-barred.

The nominations submitted by the closing date were not sufficiently filled in all positions on the credit and supervisory committees. Additional Nominations are recommended from members at the Annual General Meeting to fill all vacant positions for the next term.

The above nominations are submitted for your consideration.



.....  
**GARY JOSEPH**  
 CHAIRPERSON  
 April 20, 2021

ANNUAL REPORT 2020



# AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020



**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

CONTENTS	PAGES
STATEMENT OF MANAGEMENT RESPONSIBILITIES	2
INDEPENDENT AUDITOR'S REPORT	3 - 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF CHANGES OF MEMBERS' EQUITY & RESERVES	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 to 32

xxxxoooOOOOooooxxxx



**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, 2020, 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 utilized 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 authorized for issue, if later.

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



Manager

March 15, 2021

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

868-630-4228

info@geacutt.com

www.geacutt.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 "Credit Union"), which comprise the statement of financial position as at December 31, 2020, 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, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *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 2020 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 2020 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate it with those charges with governance.

3

#### Member of:

Association of  
Certified Fraud Examiners

Association of  
Chartered Certified Accountants

Institute of Chartered Accountants  
of Trinidad & Tobago



**I.AALI & ASSOCIATES**

Chartered Accountants

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

#### Independent Auditor's Report (continued)

To the members of  
**Guamay 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.

4

**Member of:**

Association of  
 Certified Fraud Examiners

Association of  
 Chartered Certified Accountants

Institute of Chartered Accountants  
 of Trinidad & Tobago



**Independent Auditor's Report (continued)**

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

**Auditor's Responsibilities for the Audit of the Financial Statements (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  
Cunupia  
Trinidad  
March 15, 2021

**Member of:**

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020**

	ASSETS	Notes	2020 \$	2019 \$
<b>Assets</b>				
Property, plant and equipment		5	9,911,127	9,848,588
Receivables and prepayments		6	875,824	10,096,218
Members' loans		7	133,035,340	136,753,614
Loan to AECUS and Ashley Limited		8	288,488	333,441
Investment securities:				
- measured at fair value through other comprehensive income		10(a)	17,169,219	18,746,054
- measured at amortised cost		10(b)	24,906,128	10,062,000
Cash and short term funds		9	59,303,379	45,387,838
<b>Total Assets</b>			<b>245,489,505</b>	<b>231,227,753</b>
<b>LIABILITIES AND MEMBERS' EQUITY &amp; RESERVES</b>				
<b>Liabilities</b>				
Payables and accruals		11	965,035	879,780
Members' shares			220,752,078	207,775,975
Members' deposits			1,564,604	1,522,795
<b>Total Liabilities</b>			<b>223,281,717</b>	<b>210,178,550</b>
<b>Members' Equity &amp; Reserves</b>				
Reserve fund			12,104,295	11,228,028
Education fund			150,000	150,000
Investment re-measurement reserve			1,719,092	3,341,877
Undivided earnings			8,234,401	6,329,298
<b>Total Members' Equity &amp; Reserves</b>			<b>22,207,788</b>	<b>21,049,203</b>
<b>Total Liabilities and Members' Equity &amp; Reserves</b>			<b>245,489,505</b>	<b>231,227,753</b>

On March 15, 2021, 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, 2020**

	<u>Notes</u>	<u>2020</u> \$	<u>2019</u> \$
<b>Income</b>			
Interest on loans		10,888,365	10,802,938
Income from investments		1,972,083	1,676,135
Other income	12	264,316	152,941
<b>Total income</b>		<b>13,124,764</b>	<b>12,632,014</b>
<b>Expenditure</b>			
Annual general meeting		112,689	105,415
Bad debts		129,996	-
Bank interest & charges		21,491	24,935
Board and committee		222,099	331,370
CUNA insurance		247,202	288,593
Depreciation		337,085	307,442
Donations		7,810	24,046
Electricity		27,508	26,225
Expected credit losses		423,509	792,095
Green fund levy		47,230	152,333
Insurances		40,127	38,805
League and membership dues		183,029	154,048
Legal and professional		250,204	185,868
Marketing and advertising		30,908	60,233
Office	13	108,291	116,686
Personnel	14	1,893,566	1,799,995
Repairs & maintenance		87,422	114,295
Security		92,542	91,935
Telephone		129,753	108,291
Travelling & courier		33,037	63,038
<b>Total expenditure</b>		<b>4,425,498</b>	<b>4,785,648</b>
<b>Net surplus attributable to members for the year</b>		<b>8,699,266</b>	<b>7,846,366</b>
<b>Other comprehensive income:</b>			
Unrealised (loss)/gain on investments at fair value through other comprehensive income		(1,622,785)	660,707
Other comprehensive income for the year		<b>(1,622,785)</b>	<b>660,707</b>
<b>Total comprehensive income for the year</b>		<b>7,076,481</b>	<b>8,507,073</b>

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, 2020**

	Reserve Fund \$	Education Fund \$	Investment Re-measurement Reserve \$	Undivided Earnings \$	Total \$
<b>Year ended December 31, 2020</b>					
Balance at January 1, 2020	11,228,028	150,000	3,341,877	6,329,298	21,049,203
Membership fees	6,340	-	-	-	6,340
Total comprehensive income for the year	-	-	(1,622,785)	8,699,266	7,076,481
Dividends paid	-	-	-	(5,777,372)	(5,777,372)
Honoraria	-	-	-	(90,000)	(90,000)
Education expenses	-	(56,864)	-	-	(56,864)
<u>Transfers from undivided earnings</u>					
(i) Reserve fund	869,927	-	-	(869,927)	-
(ii) Education fund	-	56,864	-	(56,864)	-
<b>Balance at December 31, 2020</b>	<b>12,104,295</b>	<b>150,000</b>	<b>1,719,092</b>	<b>8,234,401</b>	<b>22,207,788</b>
<b>Year ended December 31, 2019</b>					
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) Reserve fund	784,637	-	-	(784,637)	-
(ii) Education fund	-	113,628	-	(113,628)	-
<b>Balance at December 31, 2019</b>	<b>11,228,028</b>	<b>150,000</b>	<b>3,341,877</b>	<b>6,329,298</b>	<b>21,049,203</b>

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, 2020**

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Cash flows from operating activities</b>		
Net surplus attributable to members for the year	8,699,266	7,846,366
Adjustments to reconcile net surplus to net cash generated from/(used in) operating activities:		
Expected credit loss provision	423,509	792,095
Depreciation	337,085	307,442
Unrealised (loss)/gain on financial assets at fair value through other comprehensive income	<u>(1,622,785)</u>	<u>660,707</u>
Operating surplus before working capital changes	7,837,075	9,606,610
Decrease/(increase) in members' loans	3,294,765	(11,268,450)
Decrease in loan to AECUS and Ashley Limited	44,953	-
Decrease/(increase) in receivables and prepayments	9,220,394	(9,232,160)
Increase in members' deposits	41,809	219,309
Increase in payables and accruals	<u>85,255</u>	<u>113,619</u>
Net cash generated from/(used in) operating activities	<u>20,524,251</u>	<u>(10,561,072)</u>
<b>Cash flows from investing activities</b>		
Net change in investments	(13,267,293)	(765,387)
Additions to property, plant and equipment	<u>(399,623)</u>	<u>(226,575)</u>
Net cash used in investing activities	<u>(13,666,916)</u>	<u>(991,962)</u>
<b>Cash flows from financing activities</b>		
Membership fees	6,340	224
Honoraria	(90,000)	(90,000)
Education fund	(56,864)	(113,628)
Dividends paid	(5,777,372)	(6,895,641)
Net increase in members' shares	<u>12,976,103</u>	<u>21,858,303</u>
Net cash generated from financing activities	<u>7,058,207</u>	<u>14,759,259</u>
<b>Net increase in cash and cash equivalents</b>	<b>13,915,542</b>	<b>3,206,225</b>
<b>Cash and cash equivalents</b>		
<b>at beginning of year</b>	<u>45,387,838</u>	<u>42,181,613</u>
<b>Cash and cash equivalents at end of year</b>	<u>59,303,379</u>	<u>45,387,838</u>
<b>Cash and cash equivalents</b>		
Cash and short term funds	<u>59,303,379</u>	<u>45,387,838</u>
<b>Total cash and cash equivalents</b>	<u>59,303,379</u>	<u>45,387,838</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, 2020**

---

**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 Credit Union'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.

**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. New accounting standards and interpretations not yet adopted**

A number of amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2020, and have not been applied or early adopted in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Credit Union.

**d. 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.

## **GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**

---

---

### **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

#### **e. Property, plant and equipment**

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the 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 reducing balance basis at rates estimated to write-off the assets over their expected useful lives.

Current rates of depreciation are:

Building	-	2%
Office furniture, fittings and equipment	-	10% - 33.3%

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

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

#### **f. 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.

#### **g. 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.

---

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

---

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****h. 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.

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.



## **GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**

---

### **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

#### **h. Financial assets (continued)**

##### **Impairment of financial assets (continued)**

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.

##### **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.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**i. 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.

**j. 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.

**k. 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 loan losses.

Provision for loan losses 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.

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 provision for loan losses, 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.

---

## **GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**

---

### **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

#### **l. 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.

#### **m. Members' deposits**

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

#### **n. Members' shares**

According to the Bye-Laws of Guaymay Energy Alliance Credit Union Co-operative Society Limited, the capital of the Credit Union may be composed of an unlimited number of shares the value of which, can be determined by the Board from time to time. In accordance with International Financial Reporting Interpretation (IFRIC) Interpretation 2, redeemable shares have been treated as liabilities.

#### **o. Dividends**

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

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

#### **p. Accounts payable**

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

#### **q. Provisions**

Provisions are recognized when the 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.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

---

---

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**r. Comparative figures**

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

**s. Reserve Fund**

Section 47(2) of the Co-operatives Societies Act 1971 requires that at least 10% of the net surplus of the 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.

**t. Education Fund**

In accordance with Bye-Law 27 of the Credit Union, the education fund shall be administered 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, 2020

### 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:

	2020	
Financial Assets	Carrying Value	Fair Value
	\$	\$
Cash and short term funds	59,303,379	59,303,379
Investment securities	42,075,347	42,075,347
Receivables and prepayments	875,824	875,824
Members' loans	133,035,340	133,035,340
Loan to AECUS and Ashley Limited	288,488	288,488
	<u>235,578,378</u>	<u>235,578,378</u>
Financial Liabilities	\$	\$
Payables and accruals	965,035	965,035
Members' deposits	1,564,604	1,564,604
Members' shares	220,752,078	220,752,078
	<u>223,281,717</u>	<u>223,281,717</u>
	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>

---

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

---

**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, 2020**

---

### **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, 2020**

---

**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, 2020**

---

### **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, 2020**

---

**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, 2020**

---

---

### **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, 2020**

---

**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, 2020**

---

#### **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.

(iii) Expected credit losses

Loans and investments accounted for at amortised cost are evaluated for impairment on a basis described in notes (2h – k).

(iv) Financial asset and liability classification

The Credit Union's accounting policies provide scope of assets and liabilities to be designated on inception into different accounting categories. In classifying financial assets and liabilities as "fair value through profit or loss", the Credit Union has determined that it meets the description of trading assets and liabilities.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**5. PROPERTY, PLANT AND EQUIPMENT**

	Land & Building	Office Furniture, Fittings and Equipment	Total
	\$	\$	\$
<b>Year ended December 31, 2020</b>			
Cost	9,371,575	1,597,030	10,968,605
Accumulated depreciation	(442,269)	(615,209)	(1,057,478)
<b>Net Book Amount</b>	<b>8,929,306</b>	<b>981,821</b>	<b>9,911,127</b>
<b>Net Book Amount</b>			
January 1, 2020	9,074,830	773,759	9,848,588
Additions	-	399,623	399,623
Depreciation charge	(145,524)	(191,561)	(337,085)
<b>December 31, 2020</b>	<b>8,929,306</b>	<b>981,821</b>	<b>9,911,127</b>
<b>Year ended December 31, 2019</b>			
Cost	9,371,575	1,197,407	10,568,982
Accumulated depreciation	(296,745)	(423,648)	(720,393)
<b>Net Book Amount</b>	<b>9,074,830</b>	<b>773,759</b>	<b>9,848,588</b>
<b>Net Book Amount</b>			
January 1, 2019	9,223,324	706,131	9,929,455
Additions	-	226,575	226,575
Depreciation charge	(148,495)	(158,947)	(307,442)
<b>December 31, 2019</b>	<b>9,074,830</b>	<b>773,759</b>	<b>9,848,588</b>

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>6. RECEIVABLES AND PREPAYMENTS</b>		
Accrued interest	741,757	832,592
Other receivables	<u>134,067</u>	<u>9,263,626</u>
	<b><u>875,824</u></b>	<b><u>10,096,218</u></b>
<b>7. MEMBERS' LOANS</b>		
<b>a) Credit Concentration</b>		
Personal	38,755,331	38,052,101
Mortgage	83,607,065	83,438,143
Consumer	2,737	2,737
Special	7,417,300	9,410,432
Christmas	344	344
Staff special	977,286	1,292,724
Promotion	5,988,455	8,004,183
School	-	58,993
	<u>136,748,518</u>	<u>140,259,655</u>
Less: Expected credit losses on loans	<u>(3,713,178)</u>	<u>(3,506,041)</u>
<b>Total loans net of expected credit losses</b>	<b><u>133,035,340</u></b>	<b><u>136,753,614</u></b>
<b>b) Analysis of movement in expected credit losses on loans</b>		
Balance at beginning of the year	3,506,041	4,368,863
Current year expected credit losses	207,137	792,095
Loans written off against provision	-	<u>(1,654,917)</u>
<b>Balance at end of the year</b>	<b><u>3,713,178</u></b>	<b><u>3,506,041</u></b>
<b>c) Aging of loans to members</b>		
Principal neither past due nor impaired	128,935,971	123,182,184
Principal which is past due but not impaired	2,656,489	11,219,010
Principal which is impaired	<u>5,156,058</u>	<u>5,858,461</u>
Total gross loans	136,748,518	140,259,655
Less: Expected credit losses on loans	<u>(3,713,178)</u>	<u>(3,506,041)</u>
<b>Total loans net of expected credit losses</b>	<b><u>133,035,340</u></b>	<b><u>136,753,614</u></b>

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**7. MEMBERS' LOANS (continued)**

**c) Aging of loans to members**

The table below shows the stage classification of loans to members and related expected credit losses in accordance with IFRS 9.

	Stage 1	Stage 2	Stage 3	Total
Principal loans	128,935,971	2,656,489	5,156,058	136,748,518
Expected credit losses	(2,059,384)	(174,464)	(1,479,330)	(3,713,178)
	<b>126,876,587</b>	<b>2,482,025</b>	<b>3,676,728</b>	<b>133,035,340</b>

**8. LOAN TO AECUS AND ASHLEY LIMITED**

	2020 \$	2019 \$
Opening balance	333,441	333,441
Loan repayments received	(44,953)	-
Closing balance	<b>288,488</b>	<b>333,441</b>

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

**9. CASH AND SHORT TERM FUNDS**

	2020 \$	2019 \$
Cash in hand	20,000	5,944
Republic Bank Limited	15,706,312	8,931,231
Guardian Asset Management	458,607	5,392,031
T & T Unit Trust Corporation	38,055,631	31,058,631
Savinvest Structured Investment Fund	5,062,829	-
	<b>59,303,379</b>	<b>45,387,838</b>



**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>10(a) INVESTMENT SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>		
<b>Equity Instruments</b>		
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	2,171,122	2,245,292
Trinidad & Tobago NGL Limited	3,203,786	4,515,454
Massy Holdings Limited	451,326	451,400
CLICO Investment Fund	583,275	658,350
Guardian Holdings Limited	689,700	714,450
One Caribbean Media Limited	118,580	208,250
T & T Unit Trust Corporation - Growth and Income Fund (1st Scheme)	9,536,650	9,525,728
AECUS and Ashley Limited (50% Investment in Joint Venture at cost)	343,300	343,300
JMMB Bank (Trinidad and Tobago) Limited	36,480	48,830
	<u>17,169,219</u>	<u>18,746,054</u>
<b>10(b) INVESTMENT SECURITIES MEASURED AT AMORTISED COST</b>		
<b>Bonds</b>		
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%)	3,977,000	3,976,000
Government of the Republic of Trinidad and Tobago - GORTT (5.74%)	5,059,500	-
Bourse Securities Repurchase Agreement	5,000,000	-
National Maintenance Training and Security Co. Limited 5.2% Fixed Rate Loan	5,000,000	-
	<u>25,122,500</u>	<u>10,062,000</u>
Less: Expected credit losses on investments	<u>(216,372)</u>	<u>-</u>
	<u>24,906,128</u>	<u>10,062,000</u>
<b>11. PAYABLES AND ACCRUALS</b>		
Accounts payable	214,099	151,039
Accrued expenses	750,936	728,741
	<u>965,035</u>	<u>879,780</u>

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u> \$	<u>2019</u> \$
<b>12. OTHER INCOME</b>		
Commissions and other	264,316	152,941
<b>13. OFFICE EXPENSES</b>		
Stationery, stamps and printing	52,867	63,225
Office and general expenses	50,424	39,672
Seminars and functions	5,000	13,789
	<u>108,291</u>	<u>116,686</u>
<b>14. PERSONNEL COSTS</b>		
Salaries & NIS	1,702,507	1,589,513
Pension	106,977	122,379
Travelling	3,869	14,620
Staff welfare and training	80,213	73,483
	<u>1,893,566</u>	<u>1,799,995</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, 2020**

**15. RELATED PARTY TRANSACTIONS (continued)**

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

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Statement of Financial Position</b>		
<u>Members' Loan</u>		
- Board of Directors	3,286,599	3,193,018
- Supervisory Committee	375,240	118,137
- Credit Committee	361,040	290,520
- Education Committee	100,105	91,835
	<u>4,122,984</u>	<u>3,693,511</u>
<b>Statement of Financial Position</b>		
<u>Members' Shares and Deposits</u>		
- Board of Directors	3,590,614	3,440,094
- Supervisory Committee	363,965	348,381
- Credit Committee	1,489,733	1,570,336
- Education Committee	311,756	278,660
	<u>5,756,068</u>	<u>5,637,472</u>
<b>Statement of Comprehensive Income</b>		
Directors and Committee members expenses	222,099	331,370
Key Management Compensation	477,808	465,331

**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, 2020**

---

**16. FAIR VALUE MEASUREMENTS (CONTD)**

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, 2020.

**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 Credit Union has no contingent liabilities and capital commitments as at year end.

**19. SUBSEQUENT EVENTS**

Since year-end, the spread of COVID-19 has severely impacted many economies around the globe. In many countries, businesses are being forced to cease or limit operations for indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and temporary closures of non-essential business services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilize businesses and economic conditions.

As a result, management has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended have not been adjusted to reflect their potential impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of the government and central bank's responses, remain unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their potential impact on the financial position and results of the Credit Union's operations for the foreseeable future.

Other than the above, there were no significant events that occurred after the Statement of Financial Position date affecting the financial performance, position or changes therein for the reporting period in the financial statements.

# BUDGET FOR 2021

Income	2021	2020	2021 vs 2020
Loan Interest	\$ 10,900,000.00	\$ 10,888,365.00	\$ 11,635.00
Investment Income	\$ 2,169,291.30	\$ 1,972,083.00	\$ 197,208.30
Other Income	\$ 290,747.60	\$ 264,316.00	\$ 26,431.60
<b>Total</b>	<b>\$ 13,360,038.90</b>	<b>\$ 13,124,764.00</b>	<b>\$ 235,274.90</b>

Expenditure	2021	2020 Actual Expenses	2020 Actual vs 2021 Budget
Annual General Meeting	\$ 100,894.34	\$ 112,689.00	\$ (11,794.66)
Bad Debts	\$ -	\$ 129,996.00	\$ (129,996.00)
Legal and Professional	\$ 217,000.00	\$ 250,204.00	\$ (33,204.00)
Expected Credit Loss (IFRS 9)	\$ 600,000.00	\$ 423,509.00	\$ 176,491.00
Bank Interest & Charges	\$ 46,425.00	\$ 21,491.00	\$ 24,934.00
Board and Committee	\$ 312,400.00	\$ 222,099.00	\$ 90,301.00
Depreciation	\$ 333,000.80	\$ 337,085.00	\$ (4,084.20)
Donation	\$ 30,000.00	\$ 7,810.00	\$ 22,190.00
Utilities	\$ 189,889.50	\$ 157,261.00	\$ 32,628.50
Insurances	\$ 335,594.52	\$ 287,329.00	\$ 48,265.52
League Dues and Membership	\$ 161,503.63	\$ 183,029.00	\$ (21,525.37)
Green Fund Levy	\$ 40,080.12	\$ 47,230.00	\$ (7,149.88)
Marketing and Advertising	\$ 60,000.00	\$ 30,908.00	\$ 29,092.00
Office Expenses	\$ 88,540.00	\$ 108,291.00	\$ (19,751.00)
Personnel	\$ 2,008,903.81	\$ 1,893,566.00	\$ 115,337.81
Repairs & Maintenance	\$ 104,000.00	\$ 87,422.00	\$ 16,578.00
Security	\$ 102,600.00	\$ 92,542.00	\$ 10,058.00
Travelling & Courier	\$ 34,200.00	\$ 33,037.00	\$ 1,163.00
<b>Total</b>	<b>\$ 4,765,031.72</b>	<b>\$ 4,425,498.00</b>	<b>\$ 339,533.72</b>

Capital Expenditure	2021	2020 Actual Expenses	2020 Actual vs 2021 Budget
I.T and Infrastructure	\$ 199,033.00	\$ 91,970.00	\$ 107,063.00
Furniture & Equipment	\$ 51,000.00	\$ 169,658.00	\$ (118,658.00)
<b>Total</b>	<b>\$ 250,033.00</b>	<b>\$ 261,628.00</b>	<b>\$ (11,595.00)</b>

# BYE-LAW AMENDMENTS

---

## **WHEREAS** Bye Law No. 5 c and 5d): 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.
- d. If a member dies interstate without having made any nomination, the Board of Directors may without a grant of letters of Administration pay a sum not exceeding Five Thousand Dollars (\$5,000.00) to such person or persons as may appear to them, on sufficient evidence, to entitle to receive the same. If such member being illegitimate is not survived by a mother, father, spouse or lawful issue, or any Person who under the provisions of the Matrimonial and the Property Act, 1972, the Distribution of Estates Act 2000, the Married Women's Act of 1980 or any other applicable law, is entitled to the said sum. The Board of Directors shall deal with it as the Administrator General may direct.

**AND WHEREAS THE** Co-operative 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 and 5 d) to read as follows:

- i. 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.
- ii. If a member dies interstate without having made any nomination, the Board of Directors may without a grant of letters of Administration 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. If such member being illegitimate is not survived by a mother, father, spouse or lawful issue, or any Person who under the provisions of the Matrimonial and the Property Act, 1972, the Distribution of Estates Act 2000, the Married Women's Act of 1980 or any other applicable law, is entitled to the said sum. The Board of Directors shall deal with it as the Administrator General may direct.

## RESOLUTIONS

The Board hereby proposes the following Resolutions for approval at this 45th 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, 2021.

.....

### DIVIDEND

**WHEREAS** the Credit Union has realized a Net Surplus for the Financial year ended December 31, 2020;

**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 3.5% payable in Cash be paid to Members in good standing for the Financial Year January 1, 2020 to December 31, 2020.

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

.....

### HONORARIA

**WHEREAS** during 2020 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, 2020.

.....

### **RESOLUTION TO WRITE-OFF BAD DEBTS**

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

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

**AND WHEAREAS** efforts to recover Twelve [12] Loans in the Sum of \$664,927.07 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 Twelve [12] Loans in the Sum of \$664,927.07 be Written-off during the 2021 Financial Year.







#3 Peter Hill Road, Mayaro  
Telephone: [868] 630-4228 Fax: [868] 630-5593  
[www.geacutt.com](http://www.geacutt.com)

