

# Building Resilience Securing our Future



**ANNUAL REPORT**

**2021**

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**On behalf of the Board of Directors**



Nicole Perry (Ms.)  
Secretary

# CREDIT UNION PRAYER

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## 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;*

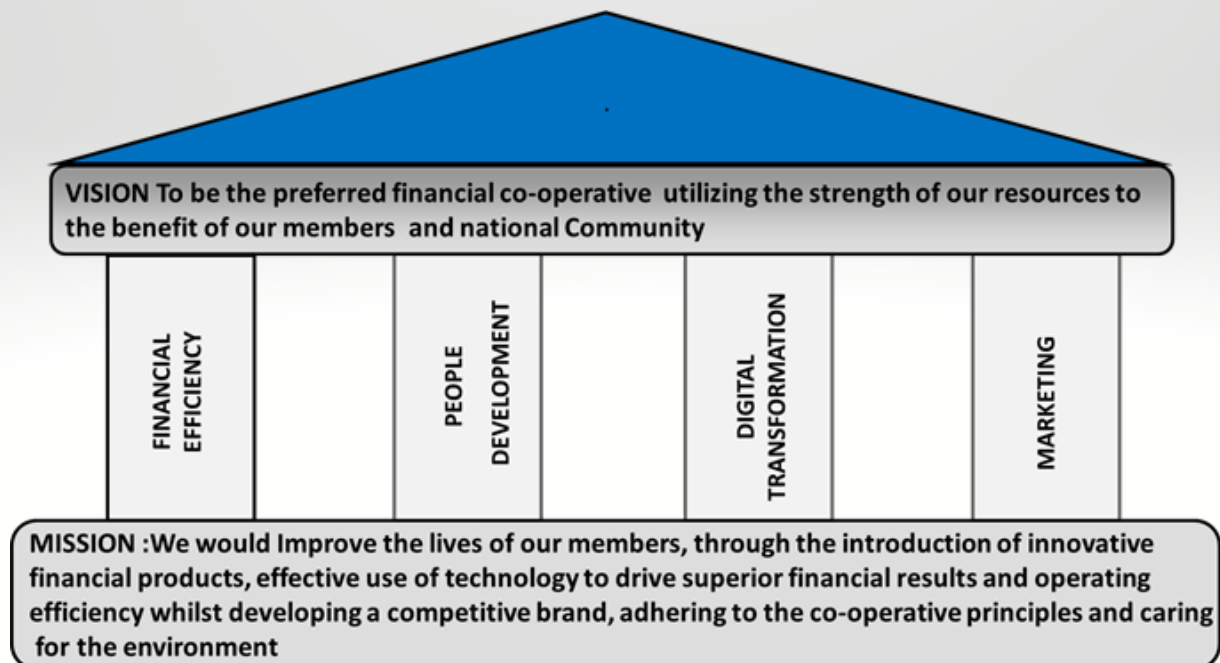
*For it is in giving that we receive;*

*It is in pardoning that we are pardoned;*

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

**AMEN**

# GEACU's Vision, Mission & Strategic Pillars



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: 46TH ANNUAL GENERAL MEETING

Notice is hereby given that the 46<sup>th</sup> Annual General Meeting of Guaymay Energy Alliance Credit Union Cooperative Society Limited will be held **VIRTUALLY** on Saturday, April 23, 2022 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 45<sup>th</sup> Annual General Meeting
2. Matters arising from the Minutes of the 45<sup>th</sup> 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, 2022
5. Nominating Committee Report
6. Election of Officers for the new term:
  - a. Supervisory Committee
  - b. Board of Directors
  - c. Credit Committee
7. Resolutions
8. To conduct general business

On behalf of the Board of Directors



Nicole Perry (Ms.)  
Secretary  
April 6, 2022

## NOTES

- The AGM will be online with digital presentations, all members who wish to participate must register by Tuesday April 19th, 2022 at 9:00 pm.
- Register via the AGM registration portal on our website at [www.geacutt.com](http://www.geacutt.com)
- Only registered members will be emailed a link, with accompanying instructions to access the virtual meeting.

# MINUTES

## 45th ANNUAL GENERAL MEETING

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The Annual General Meeting of Guaymay Energy Alliance Credit Union as held on Saturday, 29th May 2021 via Zoom Video Conferencing.

### 1.0 CALL TO ORDER

#### 1.1 Credential Report

A Credential Report, undertaken at 9:00 a.m., revealed that 75 Members were in attendance which met the quorum required to start the meeting

### 2.0 START OF MEETING

The President, Mr. Noel Jones called the meeting to order at 9:05 a.m. with the rendition of the National Anthem followed by the recitation of the Credit Union Prayer. A one-minute silence was also observed for departed members.

### 3.0 NOTICE CONVENING THE MEETING

The Notice and Agenda of the Annual General Meeting were read by Secretary, Miss Cyntra Singh.

### 4.0 ANNUAL REPORT /BROCHURE

The Annual Report / Brochure was taken as read on the motion by the President and seconded by Khadesha Alexander and accepted by 81 members; 8 voted against and 1 abstained.

### 5.0 ADOPTION OF STANDING ORDERS

The Standing Orders, as stated on page 5, were presented by Vice President, Mr. Riad Gajadhar and was adopted on the motion by Mr. Riad Gajadhar and seconded by Mr. Keon Paul where 77 voted for the motion and 1 voted against and 1 abstained.

### 6.0 ACKNOWLEDGEMENT OF GUESTS

The Chairman acknowledged the following specially invited guests:

#### **Moderators (Rose IT Services):**

- Omar Romero
- Candis Sarwan
- Abigail Ramdeen
- Matthew Haddaway
- Sarah Low
- Nicholas Sinanansingh

#### **Ministry of Youth Development Services – Co-operative Development Division**

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

**The Cooperative Credit Union League of Trinidad and Tobago**  
**CUNA**  
**CUNA**  
**Trinidad and Tobago Deposit Insurance Fund**  
**I.A Ali and Associates – Auditors**  
**UWI Credit Union**  
**The Roving Assistant Minute Taker**  
**Virtual DJ**  
**Returning Officer**

Ms. Dianne Joseph  
Ms. Jasmine Paul-Des Vignes  
Ms. Rhea McComie  
Dr. Anthony Elias  
Mr. Favion Taylor  
Mr. Dorwin Manzano  
Ms. Tennille Alonzo  
Mr. Blaine Edwards  
Ms. Narissa Bhagoutie

## **7.0 CONFIRMATION OF THE MINUTES OF THE 44th ANNUAL GENERAL MEETING HELD ON December 05th, 2020**

The Minutes were taken as read. No omissions or corrections were offered.

The motion to adopt the minutes of the 44th AGM held on December 5th, 2020, was moved by Ms. Jacqueline Roberts and seconded by Ms. Roxanne Leotaud where seventy-eight (78) members voted yes; two (2) voted no and eight (8) abstained.

## **7.1 MATTERS ARISING FROM THE MINUTES OF THE 44TH ANNUAL GENERAL MEETING HELD ON December 05th, 2020.**

It was noted that there were no matters arising from the minutes for which the Board was expected to report on.

### **7.1.1 Member Questions/Comments:**

Ms. Tracey Elcock requested a change from 'Customer-focused' to 'Member-focused' on page 10 of the Education Committee report. She noted that members are not referred to as customers as they are not. The comment was well noted by the President.

## **8.0 BOARD REPORT**

The President presented the Board of Directors' Report on pages 25 – 32 of the AGM brochure to the members. It was noted that the report included a review of the period January 1st, 2020, to December 2020.

### **Key Highlights of the Board Report**

#### **8.1 Board and Sub-committees**

It was noted that the Board of 2019 served throughout 2020 until the AGM that was held on December 5th, 2020. It was reported that six (6) Sub-Committees were appointed by the new Board. It was also noted that of three outgoing members of the Board: Mrs. Maura Paul, Ms. Cyntra Singh and Mr. Lerry Brereton. It was noted that all but Ms. Cyntra Singh were eligible for re-election based on the guidance of the Byelaws which state that members cannot serve on the Board for more than 3 terms consecutively.

### **8.1.2 Economic Climate**

The President noted that the year 2020, was uniquely challenging as a result of the Novel Coronavirus pandemic. He noted that economic activity was all but stalled as the borders were closed, and only essential business services were allowed to operate for a significant period. He noted that several changes to the work environment including the creation of special work conditions were instituted at the GEACU to ensure workers' safety while maintaining member service. Special recognition and appreciation were made to the management and staff of GEACU for their resilience in managing member's affairs during the height of the pandemic.

## **8.2 Financial Performance**

The President noted that despite the setbacks of the financial period that membership grew by 4%; from 8,122 to 8,459 persons. He stated that the membership growth was a result of GEACU's branding exercise paying dividends.

### **8.2.1 Shares and Loans**

It was also noted that shares increased by 6% from \$207.8M to \$220.7M. The Loan portfolio, however, closed at a modest decrease by 2.8%; from \$140.2M to 136.7M which was noted as being due to the overall financial climate and fewer demands for loans.

### **8.2.3 Assets and Expenditure**

Total Revenue was reported to increase from 12.6M to 13.1M. This was noted to be in part due to the reduction of expenditure by 8% from \$4.8M in 2019 to \$4.4M in 2020; primarily because of reduced activity. Assets grew from \$231.2M to \$245.5M; an increase of 6% which was based on increased investments for the period.

### **8.2.4 Undivided Earnings**

The President reported that undivided earnings increased from \$6.329M in 2019 to \$8.23M in 2020 which he noted was due to the management of income, the loan portfolio and delinquency. He also noted that there was a loss due to the fall in the equity markets during the year.

## **9.0 GEACU ACTIVITIES IN 2020**

### **9.1.1 Education and Training**

The Education Committee was appointed by the Board and work commenced late December 2020 following the AGM. The members of the committee were named; Ms. Jacqueline Roberts, Ms. Cyntra Singh, Ms. Nancy Hunte, Ms. Lloydris Baptiste and Mr. Anthony Sylvester. It was noted that Mr. Seon Casimir was also co-opted to serve on the committee as a general member. Despite not being able to hold public activities because of health restrictions, it was noted that the committee continued to host activities with the assistance of staff such as Open house for Credit Union week, SEA awards, and laptop and tablet distribution to students. A virtual membership orientation was also scheduled for the last quarter but would instead be held in the new term.

The President also noted that Human Resource development remained a key element of management and as such many internal programs or virtual meetings focused on improving efficiency, knowledge and competency were also conducted. Participation in external online programs such as webinars run by the Caribbean Confederation of Credit Unions, the Credit Union League and Cipriani Labour College was also a feature of this development thrust.

## **9.1.2 Compliance**

The President also noted that the GEACU continued to meet the relevant requirements of the Financial Intelligence Unit (FIU), the Anti-Money Laundering (AML) Act and the internal Compliance Programme. He stated that training was primarily done online during the period due to the health restrictions on face-to-face meetings.

It was also reported that in keeping with the compliance due diligence process that account updates, reactivations and the implementation of new software were all done within the reporting period. Members were also asked to cooperate with staff as they continue tasks related to maintaining these statutory requirements.

## **9.1.3 Policy and Procedures**

It was reported that new policies and procedures were developed in 2020 to improve operational effectiveness, improve compliance and ensure good financial practices. The President thanked the Manager, Ms. Yola Charles who led the charge with staff policies which allowed for better streamlining of the operations and business continuity.

## **9.1.4 Improved Member Online Experience**

It was noted that improvements in members' online experience were also completed. It was noted that the rapidly changing dynamic of business and consumers has made it necessary to improve online access. It was reported that the GEACU developed a new website, introduced a mobile application for enhanced access to member accounts; and increased its social media presence via Facebook, Instagram and LinkedIn.

The President however stated that greater uptake by members of the new online access platforms would be desirable as this may be the better way to interact with the Credit Union in the foreseeable future. The President acknowledged that they were aware that some members may be challenged in adapting to the new systems and platforms and that it was the intention of the GEACU to reach out to those persons in keeping with the desire to adequately serve members. It was noted that less than 20% of members utilize these facilities notwithstanding a notable uptick in 2020.

It was also stated that the new website which was launched in August 2020; is very active and provides facilities such as a new member portal that would house new member resources such as Q&A; new member orientation and other presentations.

The President also reported that the SurePay facility was being introduced which would increase the availability of payment options for members. This he noted would add to the online banking or bank deposits at Republic Bank locations. He also encouraged members to ensure that relevant information about their accounts is included when deposits are made to ensure the efficient application of funds to their accounts.

#### **9.15 Building Committee**

It was noted that the building committee postponed much of its planned work to 2021. It was reported that the standby generator was currently operational and licensed.

#### **9.16 Delinquency**

The President stated that delinquency was of keen focus during the year and that as of December 31st, 2020; it stood at 3.3% which was within the WOCCU standard of delinquent accounts beyond 90 days.

#### **9.17 Moratorium**

The President noted that the GEACU provided a loan moratorium for members who were financially challenged during the height of the pandemic and the economic restrictions present at the time. This he stated was provided with specific conditions and criteria which resulted in the approval and one hundred and forty-nine members (149). Approximated one hundred and twenty-one (121) were also accommodated in some way based on their applications.

#### **9.18 Liquidity Support**

The President reported that the GEACU applied for liquidity relief offered by the Government of the Republic of Trinidad and Tobago (GoRTT) to support a range of economic players inclusive of members of Credit Unions. This application he stated was made via the Credit Union League of Trinidad and Tobago, however, no one took up the facility. It was also reported that a Rainy-day loan was implemented, which was a staff suggestion approved by the board.

#### **9.19 Finance and Investment Committee**

The President reported that the Board appointed Mr. Riad Gajadhar (Chairman), Mr. Jude Moore, Ms. Yola Charles, Mr. Christopher Wint and himself to the Finance and Investment Committee where they evaluated opportunities for investment. He noted that the investment portfolio subsequently increased by 46% or \$13M year on year. The strategy used was to reallocate cash and cash equivalents into longer-term investments with a higher return. It was also noted that while the equity market was negatively impacted by the pandemic; it was expected to rebound as the economy improves.

It was also reported that the Guesthouse in Tobago was still up for sale.

## **9.10 GEACU Memberships**

It was reported that the GEACU membership at the Co-operative Credit Union League of Trinidad and Tobago (CCULTT); The Trinidad and Tobago Credit Union Deposit Insurance Fund (TTCUDIF) and The Central Financial Facility (CFF) was still in effect in the year 2020.

## **9.11 Acknowledgements**

Special acknowledgment to the members of staff, Board and Committee Members for their role in making 2020 a success despite the challenges encountered. He also thanked the members, stakeholders and external stakeholders for their support. Special thanks were also given to the staff of BPTT.

## **9.12 Questions Arising from the Board Report:**

Ms. Tracey Elcock thanked the President for presenting the report and thanked the Directors for their service. She asked for an explanation regarding the missing photo of Mr. Christopher Wint in the AGM Brochure, especially for those new or unfamiliar with the process. She also asked for clarification on the mismatch of the number of meetings and the attendance recorded.

The President explained that the missing photo was due to the difficulty in coordinating the photography sessions with the GEACU branded shirt. He offered an apology to Mr. Wint as well.

He also stated that a total of eleven (11) sessions were conducted and there was in fact an error with Mr. Anthony Sylvester's record which would be corrected.

## **9.13 Adoption on of Board Report**

The motion to adopt the Board report was moved by the President and seconded by Mr. Carlon Leotaud where 80 voted in favour and three abstained.

## **10.0 Credit Committee Report**

The Credit Committee Chairperson, Ms. Dianne Baptiste, presented the report for the year ended December 31st, 2020. She noted that the Credit Committee's main function is the supervision of loans in keeping with the guidelines outlined in the loan policy, loan sale criteria and good lending practices.

She emphasized the role of the 2020 pandemic on loan applications and approvals and noted that the decline was worst in the months of March, April and May. The economic fallout of the pandemic also impacted members' ability to service their loans and there was an increase in requests for consolidation, share liquidation and in some cases moratoriums on payments. The pattern continued throughout 2020 with a month-on-month decrease in the value of loans approved.

#### **10.1.1 Loans Approved**

It was reported that five hundred and eighty (580) loans were approved in 2020 which was down from nine hundred and eleven (911) in 2019. This also represented a 40% decrease of total loans approved from \$46.43M in 2019 to \$27.72M in 2020.

#### **10.1.2 Loan Sales**

It was reported that loan appetite favoured loans within shares despite the number of attractive loan sales initiatives presented in 2020. Mortgage and vehicle were identified as loans that remained at the attractive rate of 0.5% per month while unsecured products were presented at a higher rate to mitigate exposure.

#### **10.1.3 Loan Comparison**

A five (5) year comparison of loans from 2016 to 2020 showed that an average of 757 loans were approved each year with a value of approximately \$43.691M. A steep decline was also noted in 2020.

#### **10.1.4 2020 Loan Disbursement**

Ms. Baptiste noted that twenty-seven (27) loans totaling approximately \$3.215M were not approved during 2020. It was stated that while declining loans was not done with any slight regard; the intention to assist the member is always taken into consideration. However, in the best interest of all members to assess the risk and to determine the capability to service the loan over time. She noted that unmet criteria such as suitable debt to service ratio, inability to repay, unfavorable credit rating and insufficient information on the member all contributed to loans not being approved.

#### **10.1.5 Delinquency**

It was reported that for 2020 financial. Year, delinquency stood at \$4.5million; 3.3% of the total loan portfolio.

#### **10.1.6 Other**

The Chair indicated that due to the pandemic; face to face interviews with members were not possible. The manager and staff were helpful in providing information necessary for good decision-making. Site visits were also completed where needed to assess loan viability.

The Credit Committee Chair thanked the Committee who served during the period; Ms. Althia La Pierre Mitchell; Mr. Mark Mitchell, Mr. Michael K. Singh, Ms. Esther Noel and Ms. Natasha Rodney. Special thanks and mentions were also given to the Manager and members of staff especially Ms. Keishel Beckles; Ms. Tricia Persad; Ms. Petra Charles who supported the committee even through long hours at the office.

Thanks, were also given to the President, Secretary, Board and The Investment Committee for all the support and guidance during the period. Members were also thanked.

## **10.1.7 Questions Arising from Credit Committee Report:**

Mr. Glen Holder asked for information on the number of loans that were paid off in 2020 due to the VSEP such as that within BPTT. The President noted that most of those payments took place within the 2021 reporting period.

Mr. Glen Holder asked about the Impact on income based on the Moratorium exercise in 2020. The President stated that the impact on income was not substantial; only in as much as it delayed interest payments. He also noted that members who requested a moratorium were for the most part able to resume their payments once they expired.

Mr. Allan Cooper asked whether a change to an automated process is planned to move away from the manual accounting for outstanding orders and wire transfers. The President stated that there are plans to implement an ACH in 2021 where funds can be deposited directly into members' accounts.

## **10.1.8 Adoption of the Credit Committee Report**

Ms. Jacqueline Roberts moved for the adoption of the Credit Committee report and was seconded on Mr. Andy Sookram. The vote was carried with 79 voted for with 6 abstained.

## **11.0 Supervisory Committee Report**

Ms. Tricia Lynch presented the Supervisory report. The Supervisory Report was read from the AGM Brochure. Special thanks were given to the Manager, Ms. Yola Charles. The President thanked the committee for their report.

**11.1 Adoption of Supervisory Committee Report:** Mr. John Wildman moved for the adoption of the report and Mr. Timothy Spann seconded the motion; 84 voted yes, 1 against and 4 abstained.

## **12.0 AUDITOR'S REPORT**

Mr. Favion Taylor, the representative of IA Ali and Associates, presented the Auditors Report for the year ended December 31st, 2020.

**12.1 Adoption of the Auditor's Report:** The acceptance of the Auditor's report was moved by Mr. Ashton Bennet, seconded by Ms. Nancy Hunte where the motion was accepted with 84 members in favour, 1 against and 9 abstentions.

## **13.0 FINANCIAL STATEMENTS**

The Accountant of the GEACU Mr. Anderson Nelson presented the Financial Statements on pages 50 to 76 and invited questions from the members.

### **13.1.1 Key Highlights of the Report:**

#### **13.1.2 Statement of Financial Position**

It was reported that Total Assets increased from \$231M in 2019 to \$245M in 2020 and was attributed to \$15M invested in Government-backed securities, fixed-rate loans and repurchase agreements for the period. It was also noted that while the overall loan portfolio experienced a decrease by \$3.7M due to the reduction of Loans to members; this was anticipated given the general impact of Covid-19.

It was also reported that a reciprocal increase also occurred with Liabilities, Member's Equity and Reserves. These also grew from \$231M in 2019 to \$245M in 2020 due to member share growth by \$13M in 2020 and the re-valuation of investments from \$3.3M to \$1.7M in 2020.

#### **13.1.3 Statement of Comprehensive Income**

It was reported that Total Income in 2020 increased by 3.9% which was based on interest on loans, income from investments and administrative fees for selling products for agencies such as CUNA and UTC.

Interest from loans grew modestly from \$10.8M in 2019 to \$10.88M in 2020 which was expected due to the decline in the loan portfolio.

Interest from investments also grew modestly from \$1.7M in 2019 to \$2.0M in 2020. Other income from administrative fees were also reported as having increased in 2020.

Total expenditure was noted to decrease from \$4.8M in 2019 to \$4.4M in 2020. This was stated as being influenced by a decrease in the provisioning by \$368K for expected credit loss with financial assets under IFRS 9. The Green fund Levy expenditure was also less in 2020 due to being on track since the lump sum for the period 2016 – 2019 was paid in 2019. It was also noted that due to operational adjustments as a result of the Covid-19 restrictions all other expenditure was managed within budget. Net income for 2020 was, therefore, \$8.7M before appropriations.

#### **13.1.4 Statement of Changes in Equity**

It was stated that the Statement of Equity shows the movement of equity throughout the year. The undivided earnings were also explained as being used for the distribution of dividends to the membership. It is reported that with a Net Income of \$8.7M in 2020 and the appropriate adjustments made for dividends paid that 10% was transferred to reserves and replenishment for the education fund reserve.

An undivided earning of \$8.2M was reported as being available for distribution to members as dividends.

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

Mr. Glen Holder asked whether the growth of shares was predominantly based on new member deposits or existing members. Mr. Anderson's response noted that it was a combination of both where members transferred their funds from previous institutions at the beginning of 2020 or existing members depositing lump sums based on severance or gratuity packages. He asserted that due to dividend projections and word of mouth GEACU is seen as the premium Credit Union in the Mayaro region.

Ms. Cyntra Singh moved the motion to accept the financial reports which was seconded by Ms. Roxanne Leotaud; 82 voted in favour; 1 against and 2 abstained.

## **2021 Budget Statement**

Mr. Anderson Nelson presented the 2021 budget as presented in the AGM Brochure on page 76. He reported that the Total Income expected for the year was \$13,360,039.90 with key contributions being made from Investment income as well as Other Income.

He also stated that the target for expenditure in 2021 was \$4,765,031.72 which was an increase of approximately \$340K from 2020.

This increased expenditure he stated would satisfy the expected increases in credit losses due to increases in loan disbursements as well as increases in operational spending.

Capital expenditure was budgeted at \$250K to include IT infrastructure and Furniture and equipment aimed at maintaining asset quality and the quality of operations within the budgeted year.

## **13.1.6 Questions/ Comments Arising from the Budget**

Ms. Nancy Hunte commented that she is very proud of her Credit Union that thrives through adversity. She recognized the world-class work and performance.

Mr. Glen Holder asked why there was no best estimate of bad debts. Mr. Nelson explained that there was no best estimate for bad debts because there were plans to review the loan portfolio and to manage bad debts through the IFRS-9 provisioning. He noted that bad debts were previously accounted for as an expenditure through the provisioning of loans for write-off or irrecoverable loans. He explained that with the adoption of the IFRS-9, bad debts have since been provided for from the expected credit loss module.

Mr. Jude Moore asked if the decline in depreciation was due to reduced assets or a revised procedural policy. Mr. Nelson stated that it was a bit of both. He explained that while assets grew, depreciation also grew with it. However, with the decline in depreciation it would be due to some assets being written off as well as a fall-off in the acquisition of new assets.

Mr. Michael Valentine applauded the presentation. He also asked given the projection of economic constriction that will affect 2021, whether it was wise to project increased income and loans. Mr. Nelson invited the AGM to review the Income and Expenditure statement on page 51 of the brochure and noted that it was expected that there would be a sustained performance of income from loans. It was noted that it was anticipated that the loan portfolio will decline in 2021 it was also expected that income would be generated through the granting of new loans which would create a balancing effect.

Ms. Marcia Small moved the motion to adopt the 2021 Budget which was seconded by Mr. Keon Paul, 84 voted in favour, 2 against and 6 abstained.

#### **14.0 NOMINATING COMMITTEE REPORT**

The Chairman, Mr. Gary Joseph of the Nominating Committee presented the report as stated on page 41 of the Annual Report / Brochure. He noted that all nominated members met all requirements of the Nominating Committee.

#### **Vacancies**

The following vacancies were highlighted in the report:

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

#### **Nominations for the Board and Statutory Committees were as follows:**

##### **BOARD OF DIRECTORS**

Christine Fields  
Marvin Durham  
Ryan Moren  
Nicole Perry  
Jude Moore

##### **SUPERVISORY COMMITTEE**

Esther Noel  
Cavell Alexander  
Tricia Lynch

##### **CREDIT COMMITTEE**

Cyntra Singh  
Mark Mitchell  
Latifa Lambkin  
Natasha Rodney

Mr. Joseph stated that it was required for the AGM to nominate additional members on the floor to stand for elections for the outstanding vacant positions.

He also thanked the members of the Nominating Committee and staff for their support during the term.

## Questions Arising from the Nominating Committee

Ms. Meguella Simon asked how meetings were conducted; in person, virtually or a combination of both.

Mr. Joseph indicated that meetings were primarily done virtually except for GEACU staff who connected virtually from the office in support of the committee.

Mrs. Pat William-Davis moved the motion to adopt the Nominating Committee report which was seconded by Mr. Jair Alexander. The motion carried with 93 voting in favour, 3 against and 3 abstentions.

### 14.1 ELECTIONS OF OFFICERS

Ms. Narissa Bhagoutie acted as Returning Officer and conducted the elections.

She noted that the election process was supervised by officers of the Cooperative Division. She declared all registrations closed and noted the credential report of 128 members present.

A video presentation was done to provide guidance on the electronic voting system. And members voted accordingly.

**14.2 Additional Nominations for Board of Directors:** A call for additional nominations was made to the membership. She stated that three (3) floor nominees were required.

- Meguella Simon was nominated by Ms. Tracey Elcock and seconded by Keon Paul. The nomination was accepted by the member.
- Dr. Kerry Dollaway was nominated by Keishel Beckles and seconded by Chrisiann La Foucade. The nomination was accepted by the member.
- Michael Valentine was nominated by Gary Joseph and seconded by Nubian Mayers. The nomination was accepted by the member.
- Ashton Bennett was nominated by Gary Joseph and seconded by Khadesha Alexander. The nomination was accepted by the member.
- Glen Holder was nominated by Gary Joseph and seconded by Michael Valentine. The member was not present to accept the nomination
- Maura Paul was nominated by Keishel Beckles and seconded by Chrisiann La Foucade. The nomination was accepted by the member.
- Deborah Ragoonath-Rajkumar was nominated by Michael Valentine and seconded by Jude Moore. The nomination was accepted by the member.

Mr. Kwasi Alleyne moved a motion to cease the nominations and was seconded by Christopher Wint; 95 members voted in favour, 2 against and 7 abstained.

**14.3 Additional Nominations for the Supervisory Committee:** A call for additional nominations was made to the membership. The Returning Officer stated that four (4) floor nominees were required.

- Keon Paul was nominated by Keishel Beckles and seconded by Chrisiann La Foucade. The nomination was accepted by the member.

- Jacqueline Roberts was nominated by Gary Joseph and seconded by Jenessa Nelson. The nomination was declined by the member.
- Andy Sookram was nominated by Tricia Lynch and seconded by Khadesha Alexander. The nomination was accepted by the member.
- Khadesha Alexander was nominated by Anthony Sylvester and seconded by Keon Paul. The nomination was accepted by the member.
- John Wildman was nominated by Gary Joseph and seconded by Pat Williams. The nomination was accepted by the member.
- Shekinah Lambkin was nominated by Khadesha Alexander and seconded by Keon Paul. The nomination was accepted by the member.
- Reynold Phillip was nominated by Meguella Simon and seconded by Jenessa Nelson. The nomination was declined by the member.
- Carol Bain was nominated by Nancy Hunte and seconded by Ms. Pat Williams-Davis. The nomination was accepted by the member.

Mrs. Pat Williams-Davis moved a motion to cease the nominations and was seconded by Anita Brown; 75 members voted in favour, 1 against and 5 abstained.

#### **14.4 Additional Nominations for the Credit Committee**

A call for additional nominations was made to the membership. The Returning Officer stated that three (3) floor nominees were required.

- Jacqueline Roberts was nominated by Cyntra Singh and seconded by Khadesha Alexander. The nomination was accepted by the member.
- Nancy Hunte was nominated by Michael Valentine and seconded by John Wildman. The nomination was declined by the member.
- Timothy Spann was nominated by Anderson Nelson and seconded by Khadesha Alexander. The nomination was accepted by the member.
- Johanna Fields-Joseph was nominated by Simone Fields and seconded by Marisa Brown. The nomination was accepted by the member.
- Haroon Mohammed was nominated by Gary Joseph and seconded by Ashton Bennet. The nomination was accepted by the member.
- Samantha Joseph-Padilla was nominated by Joel Padilla and seconded by Tricia Persad. The nomination was accepted by the member.

Meguella Simon moved a motion to cease the nominations and was seconded by Pat Williams-Davis; 86 members voted in favour, 1 against and 5 abstained.

## 14.5 ELECTION RESULTS

The Returning Officer announced the election results as follows:

### 14.5.1 Board of Directors

Officers	No. of Votes
Ryan Moren	70
Nicole Perry	69
Jude Moore	68
Maura Paul	68
Dr. Kerry Dollaway	57
Marvin Durham	51
Michael Valentine	49
Meguella Simon	48
Deborah Ragoonath-Rajkumar	35
Christine Fields	33
Ashton Bennet	23

### 14.5.2 Supervisory Committee

Officers	No. of Votes
Tricia Lynch	95
Keon Paul	84
Esther Noel	73
Andy Primcharan Sookram	60
Khadesha Alexander	58
John Wildman (Alt)	46
Cavell Alexander (Alt)	45
Shekinah Lambkin	43

### 14.5.3 Credit Committee

Officers	No. of Votes
Natasha Rodney	83
Cyntra Singh	82
Mark Mitchell	74
Jacqueline Roberts	62
Latifa Lambkin	54
Haroon Mohammed (Alt)	52
Samantha Joseph-Padilla (Alt)	27
Johanna Fields-Joseph	26
Timothy Spann	21

A motion for the destruction of the electronic ballots was moved by Mr. Ashton Bennett and seconded by Roxanne Leotaud; 85 voted in favour and 1 abstention.

The President Mr. Jones thanked the Returning Officer for her support in the conduct of the elections.

## 15.0 RESOLUTIONS

**15.1 Amendment Bye Law No.5: NOMINATION OF BENEFICIARY:** The President presented the following resolution to the meeting:

**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 and 5 d to read as follows:

i. Provided further, the Society shall unless prevented by a court of competent jurisdiction pay to such 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 intestate 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.

The President moved that the resolution be accepted which was seconded by Ryan Moren

For the Amendment of **Bye Law No.5 5c and 5d**; 104 voted in favour and 1 abstained; the motion was carried.

**15.2 Approval of Auditor:** The President presented the following resolution to the meeting:

**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.

The President moved that the resolution be accepted which was seconded by Luenda Burke; 84 voted in favour and 4 abstentions; the motion was carried.

**15.3 Dividend:** The President presented the following resolution to the meeting:

**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

The President moved that the resolution be accepted which was seconded by Mr. Glen Holder; 102 voted in favour and 1 abstention; the motion was carried.

**15.4 Honoraria:** The President presented the following resolution to the meeting:

**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 be paid to Board and Committee Members for the Financial year ended December 31, 2020.

The President moved that the resolution be accepted which was seconded by Mr. Timothy Spann; 91 voted in favour, 2 against and 3 abstentions; the motion was carried.

### 15.5 RESOLUTION TO WRITE-OFF BAD DEBTS

The President presented the following resolution to the meeting:

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

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

**AND WHEREAS** efforts to recover 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.

The President moved that the resolution be accepted which was seconded by Mrs. Pat Williams-Davis; 79 voted in favour, 5 against and 7 abstentions; the motion was carried.

### 16.0 OTHER BUSINESS

Mr. Michel Valentine applauded the Credit Committee for managing during the pandemic. He stated that there was a very professional approach to maintaining low delinquency rates at 3.3% and hoped that this conservative approach would continue in 2021 given the heightened default risk. The President thanked Mr. Valentine for his comment but also stated that recognition should also be given to the hard work done by the staff who have been in the engine room of the operations to support this result.

Ms. Nancy Hunte suggested the Board Elections should be completed before nominations on the floor is done for other committees. The President reminded the AGM that the bye laws were amended that if sufficient nominees for each role exists before the AGM then none would be taken from the floor. He stated that it therefore requires the Nominating Committee to work harder so that when it comes to the floor nominations would have already been completed.

Ms. Tracy Elcock asked the President to confirm whether all nominees were fit and proper so it could be minuted to guard against issues arising post-election. The President stated that while a general fit and proper assessment of members attending the AGM is done there is no concise way to ensure this when nominations are taken from the floor. He also noted that the purpose of having alternates is also if a fit and proper rule must be applied. It was also explained why it is preferred that nominations are done prior to the AGM so that the criteria of fit and proper are truly evaluated against the members nominated to serve by the Nominating Committee.

Ms. Tracey Elcock commented that the membership needs to be comforted that all nominees are proper for the selection to be valid. That is the purpose of the nominating committee and more important as they were not able to process all new nominees. Let us try and do it right instead of rushing it. The President endorsed the comment thoroughly and implored the nominating committee to getting people on before the meetings. He also vowed that this would be done for the next AGM.

Mrs. Pat Williams asked for reassurance that the GEACU will go after bad debts even though they were written-off. The President has assured that the delinquency portfolio has improved significantly over the last 5 years. There has even been a reallocation of resources; formation of committees and staff employed specifically for this purpose. He assured the AGM that any opportunity to recover outstanding sums will be embraced. He also noted that the Board has a process in place to deal with delinquency; a terms of reference for the delinquency committee; a delinquency policy and the head of the credit committee acts as the Chairperson of the delinquency committee. The decision to have the head of credit to also chair this committee was based on ensuring internal controls and to ensure that delinquency is mitigated at source; from the point at which a loan is granted.

## 19.0 DOOR PRIZES

Door Prizes were randomly selected from among members present at the meeting. The following members won:

- Meguella Simon
- Jasaisa Charles
- Parbatie Bridgmohan Singh
- Zeri Alexander
- Mark Mitchell
- Renee Mc Clashie-Mayers
- David Soverall
- Luenda Burke
- Parbatee Persad
- Jacqueline Roberts

## 20.0 VOTE OF THANKS

**20.1** Mrs. Jeadine Williams the Assistant Secretary of the Board of Directors, on behalf of the Board and statutory committees, thanked the outgoing members to the Board and committees for their service. She thanked all guests for participating in the AGM.

Special thanks were also extended to the hard-working members of staff;

**Manager** - Ms. Yola Charles,

**Accountant and Team Lead** – Mr. Anderson Nelson

**Team Lead:** Ms. Tricia Persad

***Other Members of Staff:*** Ms. Keishel Beckles, Mrs. Tricia King-Balkissoon, Ms. Petra Charles, Ms. Roxanne Leotaud, Ms. Chrianni La Foucade and Ms. Malicke McKnight, Ms. Jenna Nedd, Ms. Brenda-Joy Pierre and Ms. Bernadine Gangadeen.

She also thanked all the President for the effective conduct of the meeting, the Board and statutory committees for their hard work, the organizing committee for the AGM, management and staff and members. The representatives of the Cooperative Division, the Auditors, Returning Officer and the members were all thanked for their attendance. She encouraged all those newly elected to perform their best to ensure that the GEACU continued along its success path.

## **21.0 CLOSE OF MEETING**

21.1 There being no further business to discuss, the Chairman thanked the member for attending and closed the meeting at 12:44 p.m.

Submitted By:



Nicole Perry (Mrs.)  
Secretary

# STAFF

ANNUAL REPORT 2021



## MEMBERS OF STAFF

*Yola Charles–Manager; Tricia Persad–Loans Team Lead; Anderson Nelson–Accounts Team Lead; Petra Charles- Operations Team Lead; Kezia Fields–Accounting Assistant; Keishel Beckles–Loans Officer II; Tricia King-Balkissoon – Collections Officer II; Malicke McKnight–Loan Officer I; Chriann La Foucade–Loan Officer I; Jenna Nedd–Teller; Terese Herbert-Teller; Brenda-Joy Pierre–Customer Service Representative; Crystal Garcia–Customer Service Representative; Bernadine Gangadeen–Administrative Assistant.*

## MEMBERS OF THE BOARD OF DIRECTORS



Mr. Noel Jones  
President



Mr. Marvin Durham  
Vice- President



Mr. Ryan Moren  
Secretary (*Resigned*)



Ms. Nicole Perry  
Assistant Secretary



Mr. Riad Gajadhar  
Director



Mr. Kerry Dollaway  
Director



Mr. Seon Casimir  
Director



Mr. Jude Moore  
Director



Mrs. Maura Paul  
\* Director



Mr. Anthony Sylvester  
Director



Mr. Gary Joseph  
Director



Mr. Christopher Wint  
Director

**\*Joined May 2020**

# BOARD OF DIRECTORS (BOD) REPORT

For the period January 1, 2021 to December 31, 2021

## 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 2021 to December 31 2021.

The AGM for 2019 was held on December 5, 2020, the Board of Directors for 2020 served until our forty-fifth (45th) Annual General Meeting on May 29, 2021. Following the AGM and the subsequent election of the new Executive, the table below outlines the current Board of Directors, their positions and their attendance at the Board of Directors meetings for 2021.

Name	Position	Present	Excused/Absent
Mr. Noel Jones	President	13	
*Mr Marvin Duran	Vice President	7	
*Mr Ryan Moren	Secretary	6	1
*Ms Nicole Perry	Asst. Secretary	7	
Mr. Riad Gajadhar	Director	13	
*Mr Kerry Dollaway	Director	7	
Mr. Seon Casimir	Director	12	1
*Mr Jude Moore	Director	6	1
Mrs. Maura Paul	Director	12	1
Mr. Anthony Sylvester	Director	13	
Mr Gary Joseph	Director	13	
Mr. Christopher Wint	Director	12	1

### \*Served from May 29, 2021

Ms. Nancy Hunte and Mrs. Jeadine Williams resigned prior to the 45th AGM, and therefore six (6) persons were elected to the Board of Directors. Mr. Kerry Dollaway and Mr. Marvin Durham will serve the unexpired periods of the Directors who resigned.

The outgoing Directors from this term are Mr. Noel Jones, Mr. Anthony Sylvester, Mr. Seon Casimir and Mr. Riad Gajadhar. All but Mr. Noel Jones are eligible for re-election, as he has served three consecutive terms.

## BOARD SUB COMMITTEES

Following the AGM on May 29, 2021 the Board appointed several subcommittees as follows:

	Executive	Policy	HR	Marketing	Finance and Investment	Building	Delinquency	Education	Nominating Committee
Noel Jones	1	1	1		1				4
Riad Gajadhar					1				1
Gary Joseph						1	1	1	3
Seon Casimir				1					1
Anthony Sylvester						1			1
Christopher Wint		1		1	1				3
Ryan Moren	1		1	1					3
Nicole Perry	1		1					1	3
Jude Moore		1			1				2
Maura Wendy Paul		1						1	3
Kerry Dollaway						1		1	2
Marvin Durham	1		1					1	3
Jeadine Williams								1	1
Parbatie Bridgmohan Singh								1	1

## ECONOMIC CLIMATE

Following the deep economic recession brought on by the novel coronavirus in 2020, there was a global economic recovery during 2021, albeit at a slower pace than initially anticipated. Many countries re-imposed containment measures amidst rising COVID-19 infections and the emergence of the Delta and Omicron variants. In Trinidad and Tobago our borders remained closed until July, and we operated under a state of emergency and curfew for six (6) months. Several businesses remained closed due to public health restrictions, and many were forced out of business as the present system made it unprofitable to operate. There was reduced output in both the energy and non-energy sectors, and this persisted towards the end of the year.

The Central Bank reported in their February 2022 Bulletin that headline inflation increased over the June to November 2021 period due in part to supply-side factors such as the surge in international food prices, higher shipping costs, and other supply-side constraints. They reported that, following the prolonged lockdown period in 2021, Trinidad and Tobago is expected to grow in 2022. On the energy front, higher natural gas production is expected, as several projects being undertaken by major companies are anticipated to come on stream in the first half of 2022. Non-energy sector activity will improve once there are no major reversals of the ease in pandemic-related restrictions to mobility.

The domestic stock market continued its recovery over the five-month period ending December 2021, when compared to the same period one year earlier. We anticipate that this increase will continue into 2022.

## STRATEGIC PLAN

During the third quarter of the year, the Board developed our Strategic Plan for the period 2022 to 2024. There were a few challenges given the public health regulations in place at the time, but we were able to overcome them, conducting the entire exercise virtually. In the process, we revised the existing Vision statement and developed a mission statement. Both are on Page 4 of this report. The plan will be continuously evaluated, the performance reviewed, and corrective actions initiated based on changing conditions in our internal and external environments.

## OVERVIEW OF 2021 OPERATIONAL AND FINANCIAL PERFORMANCE

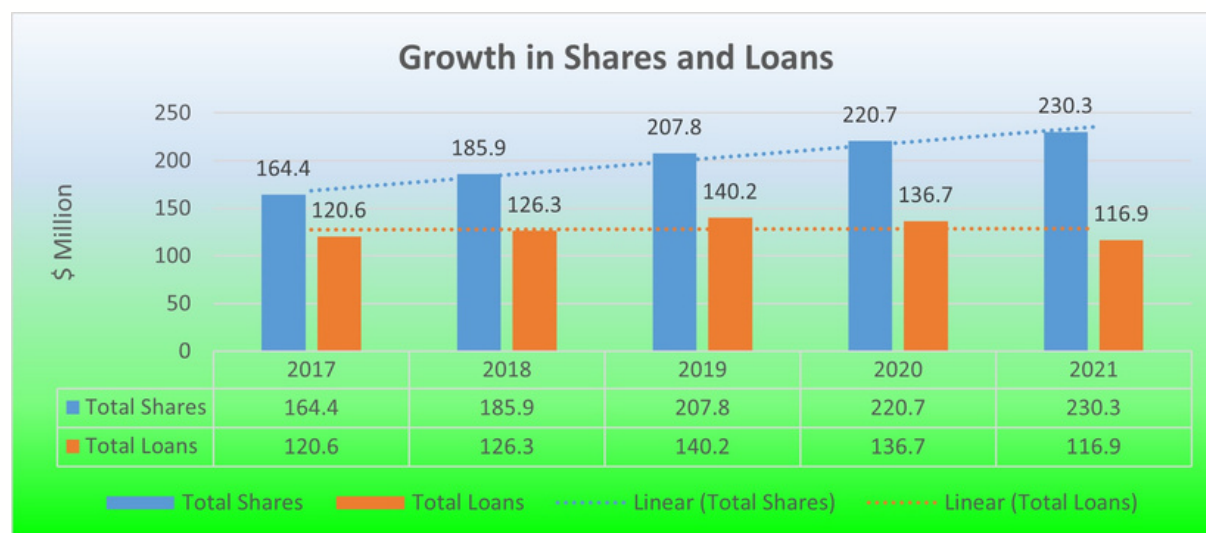
Despite the forgoing economic challenges Guaymay continued to perform well and recorded improved performance in several areas.

### Membership

Membership continued to grow monthly and increased from 8459 as of January 1, 2021 to 8746 as of December 31, 2021 - an increase of 3.4 %.

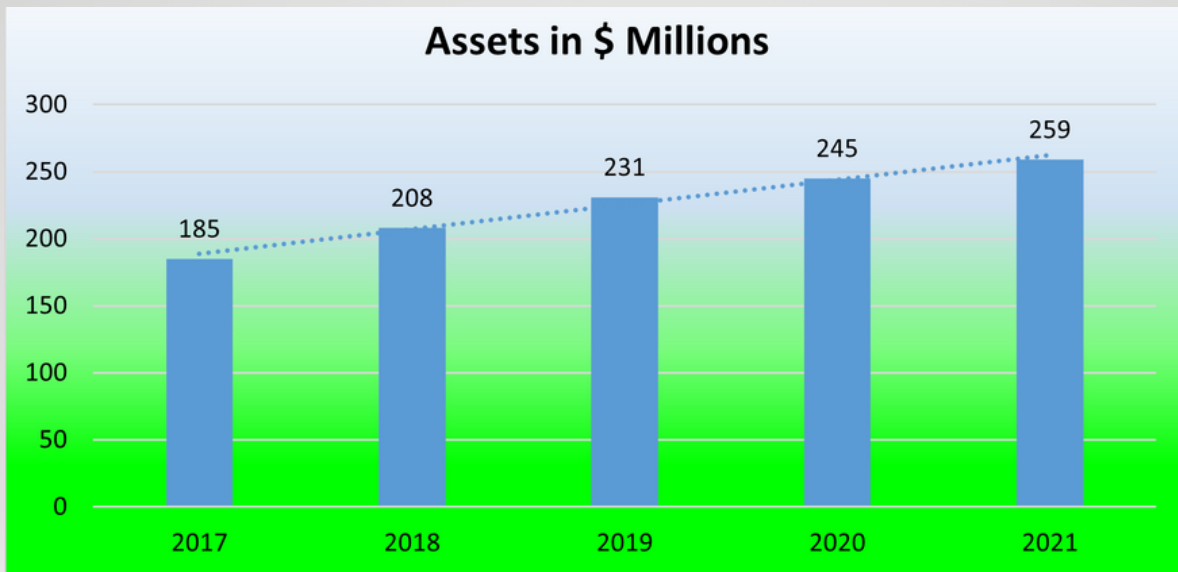
### Shares and Loans

Members Shares increased from \$220.7 million as of January 1, 2021 to \$230.3 million as of December 31, 2021 - an increase of 4.3%. The Credit/Loan Portfolio closed at \$116.9 million. This represented a decrease of 14.5 % or \$19.8 million over the balance as of December 31, 2020. The main contributors to the decrease were the existing pandemic, as members' financial status changed either by becoming unemployed or by receiving salary reductions, so they opted to take share withdrawals rather than loans. Also, several members receiving separation packages opted to pay off their existing loan balances.



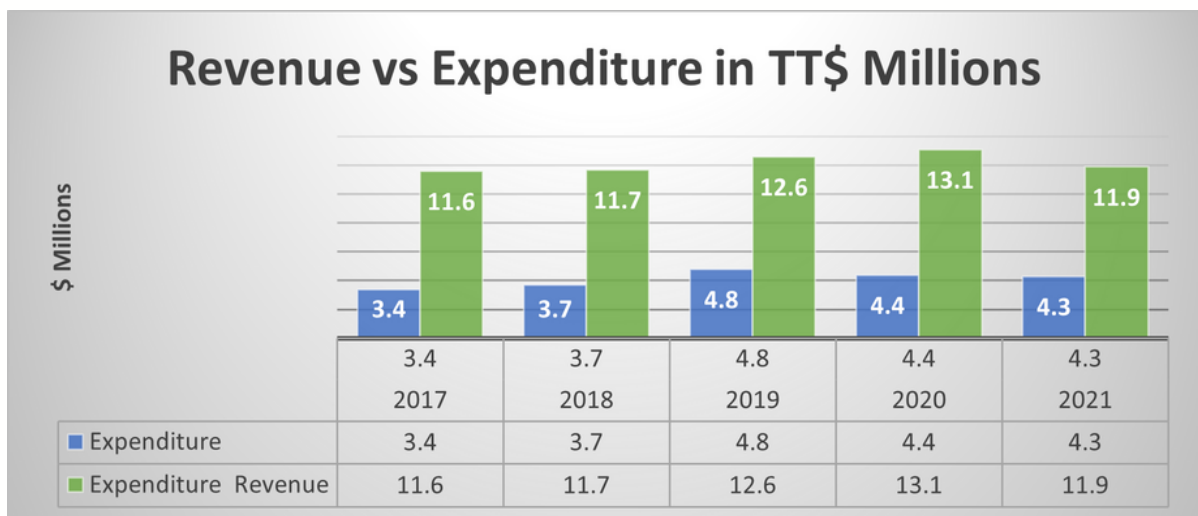
## Assets

Assets grew from \$245.5 million to \$259.1 million for the period January 1st 2021 to December 31, 2021, an increase of 5.7%. Increases in our portfolio of Investments accounted for this change.



## Revenue vs Expenditure

Revenue achieved in the period 2021 was 89 % of our annual budget despite the declining portfolio for loans in 2021. Cost efficiency as a customary practice of GEACU allowed us to incur less cost than budgeted for 2021. A favorable Net Surplus was achieved for appropriations and dividends in the year 2021 as we continue to show resilience in a climate of financial uncertainty.



This commendable performance was the result of the successful execution of our Annual Plan. Our robust performance displays continuous growth across the key business areas. This has been because 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 to continue in the future as we strive to satisfy our members' needs in a business operating in a rapidly changing environment.

We are recommending for your approval a dividend of 3.2 % for the 2021 Financial Year. The recommended Dividend payment maintains a consistent track record of paying a Dividend to members for every year of GEACU's 46-year operation. We are also recommending a rebate of 2% on loan interest.

## EDUCATION AND TRAINING

Human Resource Development continued to be an integral part of our management activities even though we were restricted to hosting programmes internally or online. Programs were geared towards improving efficiency in all areas of responsibility. The Manager conducted several in-house programmes with her staff to improve knowledge and competence in their functional areas. Staff also participated in online programmes and webinars.

### Education Committee Activities

Following the forty-fifth (45th) Annual General Meeting, the Board appointed an Education Committee in accordance with our Bye Laws. Members of the Committee are Mr. Kerry Dollaway – **Chairman**, Ms. Parbatie Bridgmohan Singh – **Secretary**, Mrs. Maura Paul, Mr. Marvin Durham, and Mrs. Jeadine Williams.

The Education Committee held true to its mandate of educating members and potential members. The Committee developed activities that were mainly geared toward educating the membership as follows:

1. **Membership Orientation Webinar**
2. **Training of Nominees for AGM**
3. **Credit Union Week Celebration**
4. **Financial Training for Small Businesses**
5. **Adopt a Child Programme (name to be reviewed)**
6. **Scholarship Programme**

Items one through three were completed successfully, while four five and six, although planned and developed, will carry over into another year.

Publicity and marketing continued through quarterly newsletters, via social media platforms and emails. All educational activities were communicated to the membership, giving them the opportunity to take advantage of the free educational resources. An overview of the completed programmes is highlighted below:

**Membership Orientation Webinar:** A three-hour online workshop was geared toward educating members on the day to day operations of the credit union, their roles and responsibilities and the various services of the credit union. The webinar was hosted by members of the board, the education committee, and members of staff. Many questions and concerns were addressed with members leaving them more equipped to transact business and access various services at the credit union.

**Nominating Committee Training:** A call was made to members of the credit union, in good standing, who are desirous of serving on the Board of Directors, Supervisory and Credit Committees. A training programme, facilitated by the Co-operative Department was held for the members who responded to the call.

**Credit Union Month Celebration:** Normal celebrations were halted owing to the COVID-19 pandemic and local health regulations. However, the Education Committee came up with an innovative concept as a means of celebrating credit union week. The Committee developed an evening, of fun activities to educate members using the online zoom platform. Tokens and prizes were distributed to persons who responded correctly to questions about the credit union and its services. Many members who attended shared a similar sentiment, that the evening was enjoyable. In addition, they expressed appreciation and gratitude for the event.

**Financial Training for Small Business:** This programme is geared towards assisting members in developing and running a small business. Planning commenced during the year and the programme will be executed during the first quarter of 2022.

**Adopt a Child Programme (*name to be reviewed*) and Scholarship Programme:**

These programmes were not executed although fully planned and developed. They will be carried forward to the next fiscal year.

**SEA Awards**

GEACU continued this award which commenced in 2019. Fourteen (14) students who were successful in the 2021 SEA examinations received awards. The criterion was again based on merit and need. All activities received the full support and assistance from the members of staff of the credit union and other board and committee members. Special thanks to our valued members and we look forward to future events of the Committee in the next term.

**COMPLIANCE**

Guaymay continued our work by meeting the requirements for the Financial Intelligence Unit (FIU) and Anti Money Laundering (AML) Acts and our Compliance Programme. Both the Compliance Officer and the Alternate Compliance Officer were AML certified during the year 2021. Routine Education and Training Sessions were limited to online as face-to-face sessions could not be completed during this period. We continued with account reactivations and updates throughout the year, and 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 implemented ten (10) new policies and procedures for 2021. We are on target to complete 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**

During this period of review, we continued to improve our member online access capability. We made greater use of the website, online access to members' accounts, mobile App and broadened our social media presence via Facebook, Instagram and LinkedIn. An increasing number of members are accessing these options, and GEACU will continue to improve the platform for online transactions over the longer term.

We introduced, as promised last year, an additional payment system that provides thirty-three (33) additional payment options throughout the country via the SurePay platform. This system permits members to make deposits to their accounts via outlets located at MASSY Stores nationwide in addition to several other Merchants with the SurePay facility throughout Trinidad and Tobago. Our ACH facility introduced during the last quarter of 2021 facilitates payments directly to our members' bank accounts. This system is being further developed in 2022.

## **BUILDING**

The building committee continued to work within the constraints of the lockdown as they strived to complete several projects earmarked for 2021. Our plans for developing the upper floor were rescheduled to 2021 and were again delayed due to the lockdown. This includes additional offices, a boardroom, and other amenities to improve the working environment. We were however able to correct several maintenance problems during the year and set up service contracts for maintaining the facility. These included the following:

- Correcting a design problem that led to a leaking roof that impacted the floors and ceiling on the upper floor.
- Commencing the bidding process for the construction of a Boardroom and office spaces on the upper floor.
- Set up service contracts for the standby generator.
- Develop service contracts for the yard and office janitorial activities.
- Started planning other Building maintenance activities that will be delivered in 2022.

## 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, 2021 stood at 4.7 %.

## FINANCE AND INVESTMENT COMMITTEE

The committee consisted of Mr. Riad Gajadhar (Chairman), Mr. Noel Jones, Mr. Jude Moore, Mr. Christopher Wint and Ms. Yola Charles. The 2021 mandate continued along similar lines as previous years:

- To develop and promote loan products to keep GEACU competitive when compared to other financial institutions (Banks and Credit Unions).
- To optimize our existing investments and actively seek opportunities for safe but attractive yielding new investments
- Seek out the best business options for our joint venture (AECUS and Ashley Limited) in Tobago.

## LOAN SALES

Loan sales were held during the year and reviewed quarterly to keep abreast of the competitive market. These sales accounted for fifty-seven percent 57% of our loan portfolio for 2021.

## INVESTMENTS

We reviewed our investment portfolio and recommendations to optimize our returns were recommended and implemented. We favored investment options that provided attractive returns and low levels of risk.

## AECUS AND ASHLEY LIMITED

GEACU's interest in AECUS and Ashley remained at 50% ownership. Our two representatives on the company's board for 2021 were Mr. Jude Moore and Mr. Christopher Wint. In 2018, our partner, Mr. Ashley Sobers, opted to sell his half share in the company. The Board of Directors of GEACU decided that it will also sell its share in the company; consequently, it was agreed that the property would be offered for sale in 2019. The property consists of eight (8) apartments which are being rented out while a buyer is sourced. The building is currently being marketed by 3 real estate agents in Tobago.

## **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. 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 her Staff; and all Board and Committee Members who played significant roles in making 2021 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**

# REPORT

## THE CREDIT COMMITTEE

For the period January 1, 2021 to December 31, 2021



**Mr. Mark Mitchell**  
Chairperson



**Ms. Latifa Lambkin**  
Secretary



**Ms. Jacqueline Roberts**  
Member



**Ms. Natasha Rodney**  
Member



**Ms. Cyntra Singh**  
Member

The Credit Committee is pleased to present its report for the financial year ended December 31, 2021.

The Committee's main function is the supervision of loans, thus ensuring that the 5C's of credit - **capacity, capital, collateral, conditions** and **character** - are applied to convey the creditworthiness of potential borrowers - our members. Additionally, the Committee ensured that guidelines outlined in GEACU's Loan Policy and loan sales criteria were adhered to.

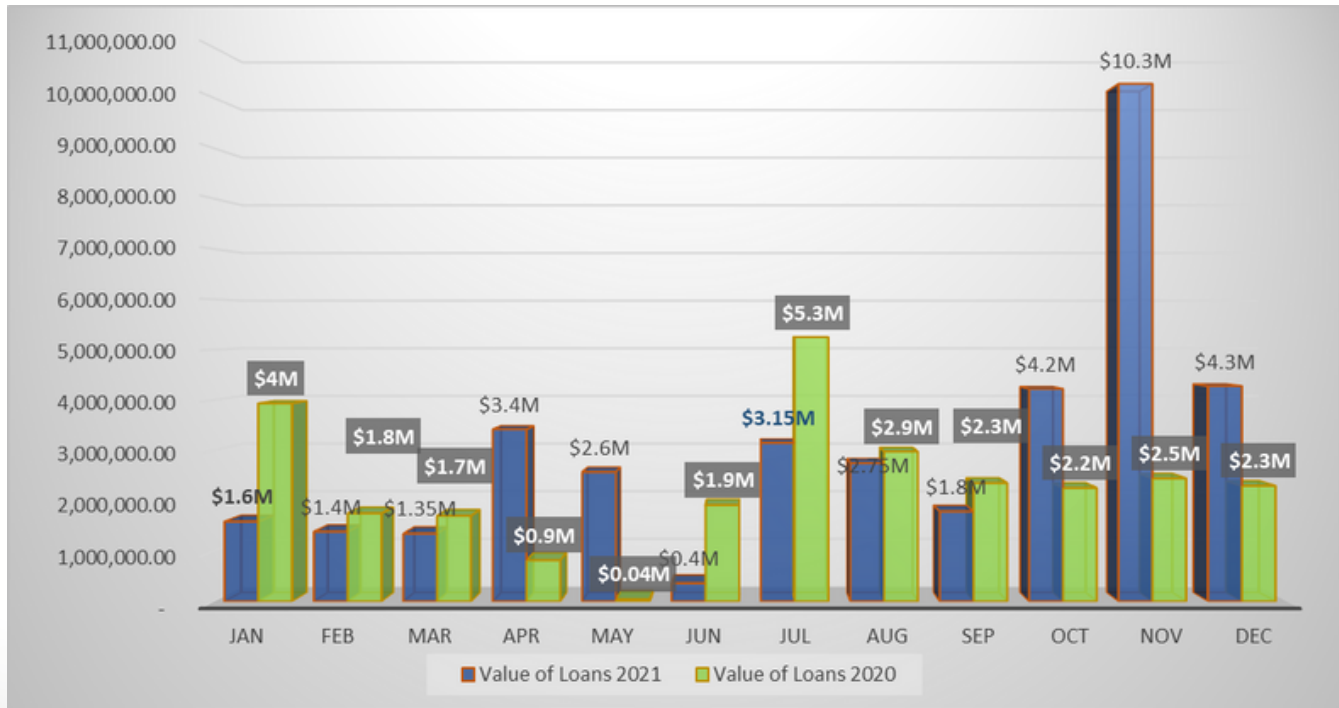
### LOAN COMPARISON

The average number of loans processed per month for the year 2021 totalled 35, representing \$3.10M.

There was a decrease in loans processed in the first six months of 2021, with the month of June showing the lowest numbers. The second six-month period showed an improvement.

The fallout of the Covid-19 pandemic saw an increase in requests for loan consolidations, share withdrawals, loan restructures and moratoriums. In spite of this, we were able to achieve 95% of our projected annual target of \$34M. The chart below, Figure 1, shows a month-by-month value of loans approved for members for the year 2021 as compared to the year 2020.

**Figure 1: MONTH LOAN COMPARISON – 2020/2021**



## LOANS APPROVED

The Credit Committee approved 433 loans for the year 2021, which indicates a decrease in numbers but an increase in value of 16% over the year 2020. For the year 2021, the value of these loans amounted to \$32,128,366 and for the year 2020, the value was \$27,722,080.

The various categories of loans approved for the year 2021 and 2020 are shown in **Figure 2** below.

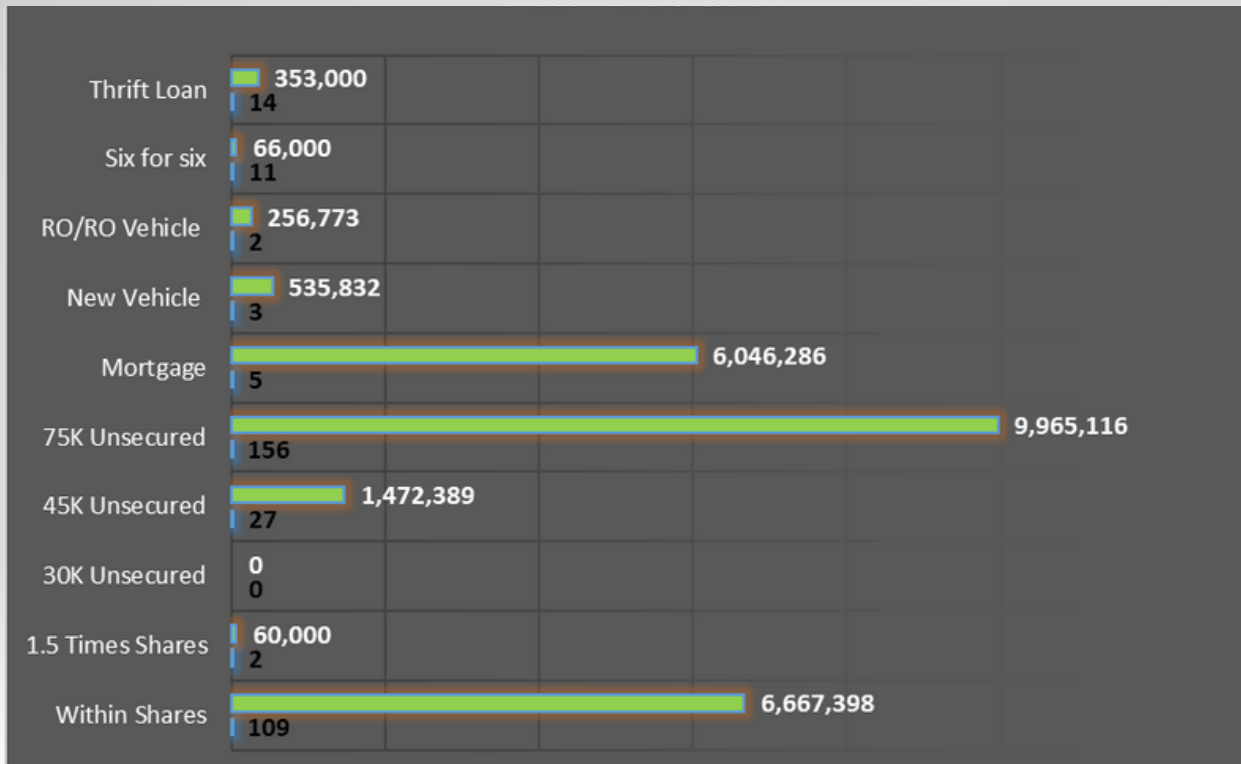
**Figure 2: Loans approved by Categories**

CATEGORIES	2021		2020		Variance	
	No.of Loans	Amount	No.of Loans	Amount	No.of Loans	Amount
Land & Agriculture	8	1,025,000	12	1,317,300	-4	(292,300)
Legal Fees	1	176,880	1	13,000	0	163,880
Medical Expenses	4	342,000	9	197,000	-5	145,000
Education	9	96,000	10	166,700	-1	(70,700)
Aid To Relatives	40	1,832,559	40	794,000	0	1,038,559
Investment	62	4,071,707	64	2,910,600	-2	1,161,107
Furniture & Appliances	15	308,194	21	366,136	-6	(57,942)
Vacation	4	198,996	4	91,000	0	107,996
Debt Consolidation	18	992,657	28	2,431,021	-10	(1,438,364)
Motor Vehicle Repairs	24	1,081,377	14	230,700	10	850,677
Motor Vehicle Purchase	16	1,141,423	31	2,814,881	-15	(1,673,458)
Vessel	0	-	0	-	0	-
Ceremonies	8	334,287	8	75,500	0	258,787
Insurance	3	34,618	3	14,730	0	19,888
Refinance	5	230,902		-	5	230,902
Computer Equipment	1	14,802		-	1	14,802
Housing/Land Purchase	0	-	1	175,000	-1	(175,000)
House Repairs	197	11,775,506	332	11,888,170	-135	(112,664)
Christmas Loan Sale	5	30,000			5	30,000
Mortgage Loan Sale	9	10,746,058	11	4,385,407	-2	6,360,651
New Vehicle Loan Sale	3	484,990	10	2,199,067	-7	(1,714,077)
Mortgage Restructure	1	236,254		-	1	236,254
Mortgage Refinance	3	2,305,000		-	3	2,305,000
Cancelled loans	-3	(330,842)	-19	(2,348,132)	16	2,017,290
<b>TOTAL</b>	<b>433</b>	<b>37,128,366</b>	<b>580</b>	<b>27,722,080</b>	<b>-147</b>	<b>9,406,286</b>

## LOAN SALES

GEACU continued with its loan sales initiative, thus giving incentives to members to borrow. Loans for house repairs and mortgages seemed to be the preferred categories of borrowing.

**Figure 3: Loan Sales**



## LOANS APPROVED: LAST FIVE (5) YEARS

An average of 655 loans per year were approved over the last five (5) years for an average value of \$39,109,933.

**Figure 4 Loans approved in the last five years**



## LOANS NOT APPROVED

For various reasons, some loans presented for approval were rejected. The most common reasons for rejection included low credit score or bad credit history, a high debt-to-service ratio, unstable employment history, too low income for desired loan amount or missing important information or paperwork in support of the loan applications. Figure 5 below shows loans not approved month by month for the year 2021.

MONTH	NUMBER	VALUE
January	1	\$12,000.00
February	-	-
March	-	-
April	-	-
May	-	-
June	-	-
July	1	\$36,000.00
August	-	-
September	2	\$175,000.00
October	-	-
November	-	-
	-	-
<b>TOTAL</b>	<b>4</b>	<b>\$223,000.00</b>

## Delinquency

During the term, the Credit Committee assessed the risks involved in utilising the 5Cs of lending: Character, Collateral, Capacity, Capital and Conditions. Despite these, some loans may become delinquent. As at this reporting period, our delinquency stood at \$5.5 Million which represents 4.7% of our total loan portfolio.

## ATTENDANCE AT MEETINGS

For the Period January - May 2021	
Name	Total # Meetings Attended
Althia La Pierre Mitchell	16
Dianne Baptiste	16
Krishenath Singh	15
Mark Mitchell	17
Natasha Rodney	18

For the Period June - December 2021	
Name	Total # Meetings Attended
Cyntra Singh	27
Jacqueline Roberts	29
Latifa Lambkin	25
Natasha Rodney	24
Mark Mitchell	28

Please note that the Annual General Meeting was held on May 29, 2021, hence the difference between the composition of the committee for the first and second parts of the year.

## GENERAL REMARKS

Very early in taking office, this Credit Committee found a workable process for handling the volume of loan applications. In so doing, loan meetings were precise. As far as was possible, the Credit Committee "lived" GEACU's Mission. We applaud the inspiring excellence of the Manager, Operations Staff and the loan products designed by the Finance and Investment Committee. Thorough loan supervision was delivered to every application. We are assured that the lives of our members who availed themselves of GEACU's innovative financial products were improved. We are proud to say that GEACU displays strength and vision.

Thanks to all Credit Committee members who cooperated in all aspects of the Committee's operations by voluntarily filling in for each other when necessary. This type of cooperation deserves serious commendation. The Committee displayed real teamwork. As Henry Ford said, "Alone we can do little; together we can do so much".

Respectfully Submitted,



**Mark Mitchell**  
**Chairman**

# REPORT

# THE SUPERVISORY COMMITTEE

For the period January 1, 2021 to December 31, 2021



**Mr. Keon Paul**  
Chairperson



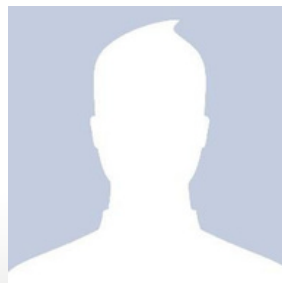
**Ms. Khadesha Alexander**  
Secretary



**Ms. Esther Noel**  
Member



**Ms. Tricia Lynch**  
Member



**Mr. Primcharan Sookram**  
Member

## INTRODUCTION

At GEACU's 45th Annual General Meeting (AGM) held on Saturday 29th May 2021, the following members were elected to serve for the term:

Ms. Tricia Lynch

Mr. Keon Paul

Ms. Esther Noel

Mrs. Khadesha Alexander

Mr. Primcharan Sookram

Mr. John Wildman (Alternate)

Mr. Cavell Alexander (Alternate)

At the meeting held after the AGM, Mr. Keon Paul and Mrs. Khadesha Alexander were appointed to serve in the positions of chairman and secretary, respectively.

In accordance with GEACU's Bye-Law #24, the Supervisory Committee [herein after referred to as SC] was tasked with examining the credit union's affairs and providing an objective report to you, the owners.

In this regard, the SC is pleased to report on the following activities for the term June 2021 to December 2021.

## **Statutory Meetings**

The SC is required to convene meetings at least semi-annually (Bye-Law 24a). During the period of this report, the SC held five (5) meetings virtually in adherence with the Covid-19 social distancing requirements. Issues that were explored or discussed were related to:

- GEACU's efficiency and effectiveness
- GEACU's procedures and practices
- On-going training for all committee members
- GEACU's commitment to compliance

## **Board Meeting Attendance**

To keep abreast of GEACU's operations, the chairman of the SC attended board meetings for the term. All updates and requests from these meetings were disseminated via the SC's WhatsApp chat to the other members for action.

## **Cash Counts**

During the term, the SC conducted three (3) cash counts. We are pleased to report that detailed counts of ending cash were performed under both circumstances, and snap checks of transactions were completed for sufficient authorization (e.g., member signatures attached to receipt and vouchers, Linx transactions posted, etc.). All transactions were in order.

## **Review of Board and Committee Files**

All board and committee members' files were requested and examined, ensuring transparency.

## **Loan Files Review**

In keeping with GEACU's Byelaw 24f, the SC examined the share and deposit accounts, loan balances, securities, and applications for loans during the term.

## Internal Compliance Audit

As the internal compliance auditors of the organization, the SC must ensure GEACU meets all regulations and statutory requirements for compliance. In this regard, conducting the internal compliance audit was and still remains a high priority. The SC was able to undergo training and interview key office personnel for the initial audit stages; however, the audit is ongoing.

## Policies and Procedures

GEACU's credit card process was thoroughly examined during the term. The SC conducted separate interviews with office personnel responsible for using the organization's credit card. While the practice is understood in commonality, a written policy or procedural document is lacking. The SC recommends the implementation of this document to ensure accountability and for future staff members to follow.

## Training

The Supervisory Committee members participated in all training held during the term, thus keeping abreast of all requirements as a committee. The SC members benefited tremendously from the sessions as the insights gathered provided a deeper understanding of the roles involved.

## Committee Sit-Ins

During the term, the SC sat in on GEACU's Credit and Education Committee statutory meetings. Attendance at the committee sit-ins allowed the SC to determine the extent to which decisions made conform to the organization's Byelaws, policies, and regulations. The SC reports that decisions are arrived at through democratic, deliberate, and focused discussions.

## Conclusion and Acknowledgments

The Supervisory Committee wishes to thank the Board of Directors, Management, Staff, and fellow Committees of GEACU for their support and cooperation during our term of office.

We thank our members for demonstrating confidence in us and the Credit Union, and we look forward to serving you again during the 2022/2023 term.



**Keon Paul**  
**CHAIRPERSON**

# THE NOMINATING COMMITTEE

For the period January 1, 2021 to December 31, 2021

## MEMBERS OF THE NOMINATING COMMITTEE

**Maura Wendy Paul – Chairperson**

**Nicole Perry – Secretary**

**Gary Joseph - Member**

### APPOINTMENT OF OFFICERS:

In accordance with Bye Law 31, the Board of Directors appointed the following persons to submit names of members in Good Standing, who are willing to be considered for election to the Board of Directors, Credit and Supervisory Committees of Guaymay Energy Alliance Credit Union.

### NOMINATING POLICY:

The Committee developed a Nominating Policy which was reviewed and approved by the Board of Directors.

### NOTICES:

Notices were published in the National News Papers and Social Media, inviting members to submit Nomination Forms for consideration, to fill the following positions at the 46th Annual General Meeting:

### Vacancies:

<b>Board of Directors</b>	- five (5) members and two (2) alternates
<b>Supervisory Committee</b>	- five (5) members and two (2) alternates
<b>Credit Committee</b>	- five (5) members and two (2) alternates

Nominations closing date was set at February 1, 2022 and later extended to February 24, 2022.

\*As a result of the resignation of Mr Ryan Moren from the Board of Directors effective March 19, 2022, five (5) members are to be elected to serve on the Board of Directors as follows:

- four (4) members for three (3) years
- one (1) person for two (2) years to serve for the unexpired period of Mr Moren's remaining term on the Board of Directors.

# ANNUAL REPORT 2021

## NOMINATIONS:

The following nominations were received: -

### BOARD OF DIRECTORS

#	NOMINEES	NOMINATED BY	SECONDED BY
1	Samantha Joseph Padilla	Joel Padilla	Glen Holder
2	Anthony Sylvester	Cyntra Singh	Jacqueline Roberts
3	Timothy Spann	Anderson Nelson	Crystal Garcia
4	Riad Gadjadar	Cyntra Singh	Jacqueline Roberts
5	Michael Valentine	Jacqueline Roberts	Cyntra Singh
6	Mark Mitchell	Jacqueline Roberts	Petra Charles
7	Cyntra Singh	Jacqueline Roberts	Natasha Rodney
8	Kele Merrique	Riad Gajadhar	Christopher Wint
9	Seon Casimir	Ryan Moren	Cavell Alexander

### SUPERVISORY COMMITTEE

#	NOMINEES	NOMINATED BY	SECONDED BY
1	Esther Noel	Anderson Nelson	Tricia Persad
2	Noel Jones	Yola Charles	Anderson Nelson
3	Haroon Mohammed	Christian La Foucade	Keishel Beckles
4	Ashton Bennett	Gary Joseph	Nicole Libert
5	Primcharan Sookram	Christian La Foucade	Yola Charles
6	Rachel Thomas-Williams	Keishel Beckles	Christian La Foucade

### CREDIT COMMITTEE

#	NOMINEES	NOMINATED BY	SECONDED BY
1	Rishi Paul	Karlson Lee	Cyntra Singh
2	Latifa Lambkin	Mark Mitchell	Jacqueline Roberts
3	Jacqueline Roberts	Cyntra Singh	Natasha Rodney
4	Ashton Wharwood	Mark Mitchell	Brenda Joy Pierre
5	Tricia Ann Mitchell	Keishel Beckles	Christian La Foucade
6	Kim Perez	Kizze Perez Forde	Marlon Junior Peruse
7	Nicole Bachan	Tricia Persad	Anderson Nelson
8	Tijah Lawrence	Christian La Foucade	Keishel Beckles

## FINDINGS AND RECOMMENDATIONS:

The candidates presented have all satisfied the requirements of our Bye-Laws, Policy and Guidelines 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;
- None of the candidates are statute-barred;
- None of the candidates are Politically Exposed Members

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

The above nominations are submitted for your consideration.

On behalf of the Nominating Committee:



**Mrs. Maura Wendy Paul**

Chairman

April 04, 2022



## AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

Financial Statements  
for the year ended  
December 31, 2021

# **GUAYMAY ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>CONTENTS</b>	<b>PAGES</b>
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

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## Statement of Management Responsibilities

Management is responsible for the following:

- Preparation and fairly presenting the accompanying financial statements of the Guaymay Energy Alliance Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December, 2021, 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

April 1, 2022

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

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Website: www.accountingsolutionsstt.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, 2021, 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 Credit Union as at December 31, 2021, 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 Credit Union 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 2021 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 2021 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate it with those charges with governance.

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### Member of:

Association of  
Certified Fraud Examiners

Association of  
Chartered Certified Accountants

Institute of Chartered Accountants  
of Trinidad & Tobago



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

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

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

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

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

Those charged with governance are responsible for overseeing the Credit Union'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 Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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#### 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 Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*I.A. Ali & Associates*

I.A. Ali & Associates  
Cunupia  
Trinidad  
April 1, 2022

5

#### Member of:

Association of  
Certified Fraud Examiners

Association of  
Chartered Certified Accountants

Institute of Chartered Accountants  
of Trinidad & Tobago

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021**

	ASSETS	Notes	2021 \$	2020 \$
<b>Assets</b>				
Property, plant and equipment	5		9,840,887	9,911,127
Receivables and prepayments	6		592,328	875,824
Members' loans	7		112,674,655	133,035,340
Loan to AECUS and Ashley Limited	8		288,488	288,488
Investment securities:				
- measured at fair value through other comprehensive income	10(a)		21,954,425	17,169,219
- measured at amortised cost	10(b)		49,826,591	24,906,128
Cash and short term funds	9		63,966,746	59,303,379
<b>Total Assets</b>			<b>259,144,120</b>	<b>245,489,505</b>
<b>LIABILITIES AND MEMBERS' EQUITY &amp; RESERVES</b>				
<b>Liabilities</b>				
Payables and accruals	11		1,149,528	965,035
Members' shares			230,381,621	220,752,078
Members' deposits			1,598,920	1,564,604
<b>Total Liabilities</b>			<b>233,130,069</b>	<b>223,281,717</b>
<b>Members' Equity &amp; Reserves</b>				
Reserve fund			12,864,830	12,104,295
Education fund			150,000	150,000
Investment re-measurement reserve			5,465,862	1,719,092
Undivided earnings			7,533,359	8,234,401
<b>Total Members' Equity &amp; Reserves</b>			<b>26,014,051</b>	<b>22,207,788</b>
<b>Total Liabilities and Members' Equity &amp; Reserves</b>			<b>259,144,120</b>	<b>245,489,505</b>

On April 1, 2022, 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, 2021

	<u>Notes</u>	<u>2021</u> \$	<u>2020</u> \$
<b>Income</b>			
Interest on loans		9,622,439	10,888,365
Income from investments		2,083,748	1,972,083
Other income	12	<u>227,972</u>	<u>264,316</u>
<b>Total income</b>		<b><u>11,934,159</u></b>	<b><u>13,124,764</u></b>
<b>Expenditure</b>			
Annual general meeting		84,629	112,689
Bad debts		-	129,996
Bank interest & charges		28,759	21,491
Board and committee		189,380	222,099
CUNA insurance		459,553	247,202
Depreciation		358,085	337,085
Donations		4,000	7,810
Electricity		29,719	27,508
Expected credit losses		544,081	423,509
Green fund levy		32,018	47,230
Insurances		20,991	40,127
League and membership dues		115,606	183,029
Legal and professional		246,094	250,204
Marketing and advertising		6,538	30,908
Office	13	65,025	108,291
Personnel	14	1,819,486	1,893,566
Repairs & maintenance		145,587	87,422
Security		74,925	92,542
Telephone		134,609	129,753
Travelling & courier		<u>31,125</u>	<u>33,037</u>
<b>Total expenditure</b>		<b><u>4,390,210</u></b>	<b><u>4,425,498</u></b>
<b>Net surplus attributable to members for the year</b>		<b><u>7,543,949</u></b>	<b><u>8,699,266</u></b>
<b>Other comprehensive income:</b>			
Unrealised gain/(loss) in fair value of investments measured at FVTOCI		<u>3,746,770</u>	<u>(1,622,785)</u>
Other comprehensive income/(deficit) for the year		<b><u>3,746,770</u></b>	<b><u>(1,622,785)</u></b>
<b>Total comprehensive income for the year</b>		<b><u>11,290,719</u></b>	<b><u>7,076,481</u></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, 2021**

	Reserve Fund \$	Education Fund \$	Investment Re-measurement Reserve \$	Undivided Earnings \$	Total \$
<b>Year ended December 31, 2021</b>					
Balance at January 1, 2021	12,104,295	150,000	1,719,092	8,234,401	22,207,788
Membership fees	6,140	-	-	-	6,140
Total comprehensive income for the year	-	-	3,746,770	7,543,949	11,290,719
Dividends paid	-	-	-	(7,376,593)	(7,376,593)
Honoraria	-	-	-	(90,000)	(90,000)
Education expenses	-	(24,003)	-	-	(24,003)
<u>Transfers from undivided earnings</u>					
(i) Reserve fund	754,395	-	-	(754,395)	-
(ii) Education fund	-	24,003	-	(24,003)	-
<b>Balance at December 31, 2021</b>	<b>12,864,830</b>	<b>150,000</b>	<b>5,465,862</b>	<b>7,533,359</b>	<b>26,014,051</b>
<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>

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, 2021**

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>Cash flows from operating activities</b>		
Net surplus attributable to members for the year	7,543,949	8,699,266
Adjustments to reconcile net surplus to net cash generated from operating activities:		
Expected credit loss provision	544,081	423,509
Depreciation	358,085	337,085
Unrealised gain/(loss) on financial assets at fair value through other comprehensive income	<u>3,746,770</u>	<u>(1,622,785)</u>
Operating surplus before working capital changes	12,192,885	7,837,075
Decrease in members' loans	19,816,604	3,294,765
Decrease in loan to AECUS and Ashley Limited	-	44,953
Decrease in receivables and prepayments	283,496	9,220,394
Increase in members' deposits	34,316	41,809
Increase in payables and accruals	<u>184,493</u>	<u>85,255</u>
Net cash generated from operating activities	<u>32,511,794</u>	<u>20,524,251</u>
<b>Cash flows from investing activities</b>		
Net change in investments	(29,705,669)	(13,267,293)
Additions to property, plant and equipment	<u>(287,845)</u>	<u>(399,623)</u>
Net cash used in investing activities	<u>(29,993,514)</u>	<u>(13,666,916)</u>
<b>Cash flows from financing activities</b>		
Membership fees	6,140	6,340
Honoraria	(90,000)	(90,000)
Education fund	(24,003)	(56,864)
Dividends paid	(7,376,593)	(5,777,372)
Net increase in members' shares	<u>9,629,543</u>	<u>12,976,103</u>
Net cash generated from financing activities	<u>2,145,087</u>	<u>7,058,207</u>
<b>Net increase in cash and cash equivalents</b>	<b>4,663,367</b>	<b>13,915,542</b>
<b>Cash and cash equivalents</b>		
<b>at beginning of year</b>	<u>59,303,379</u>	<u>45,387,838</u>
<b>Cash and cash equivalents at end of year</b>	<u><b>63,966,746</b></u>	<u><b>59,303,379</b></u>
<b>Cash and cash equivalents</b>		
Cash and short term funds	<u>63,966,746</u>	<u>59,303,379</u>
<b>Total cash and cash equivalents</b>	<u><b>63,966,746</b></u>	<u><b>59,303,379</b></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, 2021**

**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, 2021, 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, 2021

### 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, 2021**

**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.

## GUAYMA ENERGY ALLIANCE CREDIT UNION CO-OPERATIVE SOCIETY LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

#### h. Financial assets (continued)

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

Impairment provision/credit losses for loans to members are recognised based on the three stage approach within IFRS 9 as follow:

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

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

Stage 2 represents lifetime expected credit losses (gross interest)

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

Stage 3 represents lifetime expected credit losses (net interest)

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

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

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.

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

**Impairment of financial assets (continued)**

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.

**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.

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, 2021**

### **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, 2021**

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**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, 2021

### 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:

	2021	
Financial Assets	Carrying Value	Fair Value
	\$	\$
Cash and short term funds	63,966,746	63,966,746
Investment securities	71,781,016	71,781,016
Receivables and prepayments	592,328	592,328
Members' loans	112,674,655	112,674,655
Loan to AECUS and Ashley Limited	288,488	288,488
	<u>249,303,233</u>	<u>249,303,233</u>
Financial Liabilities		
	\$	\$
Payables and accruals	1,149,528	1,149,528
Members' deposits	1,598,920	1,598,920
Members' shares	230,381,621	230,381,621
	<u>233,130,069</u>	<u>233,130,069</u>

	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>

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**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 involved in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

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, 2021**

### **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, 2021**

**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, 2021

### 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  
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NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2021**

### **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  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**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, 2021**

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### **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  
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**5. PROPERTY, PLANT AND EQUIPMENT**

	Land & Building	Office Furniture, Fittings and Equipment	Total
	\$	\$	\$
<b>Year ended December 31, 2021</b>			
Cost	9,401,725	1,854,725	11,256,450
Accumulated depreciation	(584,994)	(830,569)	(1,415,563)
<b>Net Book Amount</b>	<b>8,816,731</b>	<b>1,024,156</b>	<b>9,840,887</b>
<b>Net Book Amount</b>			
January 1, 2021	8,929,306	981,821	9,911,127
Additions	30,150	257,695	287,845
Depreciation charge	(142,725)	(215,360)	(358,085)
<b>December 31, 2021</b>	<b>8,816,731</b>	<b>1,024,156</b>	<b>9,840,887</b>
<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>

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
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	<u>2021</u>	<u>2020</u>
	\$	\$
<b>6. RECEIVABLES AND PREPAYMENTS</b>		
Accrued interest	333,249	741,757
Other receivables	<u>259,079</u>	<u>134,067</u>
	<b><u>592,328</u></b>	<b><u>875,824</u></b>
<b>7. MEMBERS' LOANS</b>		
<b>a) Credit Concentration</b>		
Personal	29,540,640	38,755,331
Mortgage	65,433,574	83,607,065
Consumer	2,737	2,737
Special	16,863,051	7,417,300
Christmas	344	344
Staff special	678,874	977,286
Promotion	<u>4,333,157</u>	<u>5,988,455</u>
	116,852,377	136,748,518
Less: Expected credit losses on loans	<u>(4,177,722)</u>	<u>(3,713,178)</u>
<b>Total loans net of expected credit losses</b>	<b><u>112,674,655</u></b>	<b><u>133,035,340</u></b>
<b>b) Analysis of movement in expected credit losses on loans</b>		
Balance at beginning of the year	3,713,178	3,506,041
Current year expected credit losses	<u>464,544</u>	<u>207,137</u>
<b>Balance at end of the year</b>	<b><u>4,177,722</u></b>	<b><u>3,713,178</u></b>
<b>c) Aging of loans to members</b>		
Principal neither past due nor impaired	105,954,854	128,935,971
Principal which is past due but not impaired	2,750,759	2,656,489
Principal which is impaired	<u>8,146,765</u>	<u>5,156,058</u>
Total gross loans	116,852,377	136,748,518
Less: Expected credit losses on loans	<u>(4,177,722)</u>	<u>(3,713,178)</u>
<b>Total loans net of expected credit losses</b>	<b><u>112,674,655</u></b>	<b><u>133,035,340</u></b>

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
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**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	105,954,854	2,750,759	8,146,765	116,852,377
Expected credit losses	(2,142,284)	(147,613)	(1,887,825)	(4,177,722)
	<b>103,812,569</b>	<b>2,603,146</b>	<b>6,258,940</b>	<b>112,674,655</b>

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

	<u>2021</u> \$	<u>2020</u> \$
Opening balance	288,488	333,441
Loan repayments received	-	(44,953)
Closing balance	<b>288,488</b>	<b>288,488</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**

	<u>2021</u> \$	<u>2020</u> \$
Cash in hand	83,208	20,000
Guardian Asset Management	464,268	458,607
Republic Bank Limited	28,843,480	15,706,312
Savinvest Structured Investment Fund	4,138,152	5,062,829
T&T Unit Trust Corporation	30,437,638	38,055,631
	<b>63,966,746</b>	<b>59,303,379</b>

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
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	<u>2021</u> \$	<u>2020</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 Group Financial Holdings Limited	3,142,904	2,171,122
Trinidad & Tobago NGL Limited	3,938,773	3,203,786
Massy Holdings Limited	777,000	451,326
CLICO Investment Fund	724,647	583,275
Guardian Holdings Limited	990,000	689,700
One Caribbean Media Limited	108,045	118,580
T & T Unit Trust Corporation - Growth and Income Fund (1st Scheme)	10,807,054	9,536,650
AECUS and Ashley Limited (50% Investment in Joint Venture at cost)	343,300	343,300
Jamaica Money Market Brokers Group Limited	43,510	36,480
Republic Financial Holdings Limited	1,044,192	-
	<u><b>21,954,425</b></u>	<u><b>17,169,219</b></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	3,977,000
Government of the Republic of Trinidad and Tobago - GORTT (5.74%)	5,059,500	5,059,500
Bourse Securities Repurchase Agreement	20,000,000	5,000,000
National Maintenance Training and Security Co. Limited 5.2% Fixed Rate Loan	5,000,000	5,000,000
Water and Sewerage Authority - Fixed Rate Loan 5% 2029	5,000,000	-
Government of the Republic of Trinidad and Tobago - GORTT (4.94%)	5,000,000	-
	50,122,500	25,122,500
Less: Expected credit losses on investments	(295,909)	(216,372)
	<u><b>49,826,591</b></u>	<u><b>24,906,128</b></u>
<b>(c) Movement in expected credit losses as follows:</b>		
Balance at beginning of the year	216,372	-
Current year expected credit losses	79,537	216,372
<b>Balance at end of the year</b>	<u><b>295,909</b></u>	<u><b>216,372</b></u>

**GUAYMAY ENERGY ALLIANCE CREDIT UNION  
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NOTES TO THE FINANCIAL STATEMENTS  
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	<u>2021</u> \$	<u>2020</u> \$
<b>11. PAYABLES AND ACCRUALS</b>		
Other payables and accruals	1,149,528	965,035
<b>12. OTHER INCOME</b>		
Commissions and other	227,972	264,316
<b>13. OFFICE EXPENSES</b>		
Stationery, stamps and printing	42,330	52,867
Office and general expenses	21,879	50,424
Seminars and functions	816	5,000
	<u>65,025</u>	<u>108,291</u>
<b>14. PERSONNEL COSTS</b>		
Salaries & NIS	1,607,276	1,702,507
Pension	129,142	106,977
Travelling	2,200	3,869
Staff welfare and training	80,868	80,213
	<u>1,819,486</u>	<u>1,893,566</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, 2021

### 15. RELATED PARTY TRANSACTIONS (continued)

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

	2021 \$	2020 \$
<b>Statement of Financial Position</b>		
<u>Members' Loans</u>		
- Board of Directors	3,314,881	3,286,599
- Supervisory Committee	360,718	375,240
- Credit Committee	703,812	361,040
- Education Committee	352,866	100,105
	<u>4,732,277</u>	<u>4,122,984</u>
<b>Statement of Financial Position</b>		
<u>Members' Shares and Deposits</u>		
- Board of Directors	3,871,350	3,590,614
- Supervisory Committee	382,920	363,965
- Credit Committee	1,754,336	1,489,733
- Education Committee	328,551	311,756
	<u>6,337,156</u>	<u>5,756,068</u>
<b>Statement of Comprehensive Income</b>		
Directors and Committee members expenses	189,380	222,099
Key Management Compensation	505,683	477,808

### 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, 2021

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### 16. FAIR VALUE MEASUREMENTS (CONT'D)

#### b) Members' loans

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

#### c) Investments

The fair values of investments are determined on the basis of quoted market prices available at December 31, 2021.

### 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

#### Background

COVID-19, which is a respiratory illness caused by a new virus, was declared a world-wide pandemic by the World Health Organisation in March 2020. Covid-19 as well as measures to slow the spread of the virus, have since had a significant impact on global economies and equity, debt and commodity markets. The Company has considered the impact of COVID-19 and other market volatility is preparing its financial statements.

The duration and extent of the COVID-19 pandemic and related financial, social and public health impacts of the pandemic are uncertain. As such, the actual economic events and conditions in the future may be materially different from those estimated by the Company at the reporting date. No matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Company. The Company, will continue to closely monitor the situation in order to plan its response, if necessary.

# BUDGET FOR 2022

Income	2022	2021	2022 vs 2021
Loan Interest	\$ 9,800,000.00	\$ 9,622,439.00	\$ 177,561.00
Investment Income	\$ 2,187,935.40	\$ 2,083,748.00	\$ 104,187.40
Other Income	\$ 239,370.60	\$ 227,972.00	\$ 11,398.60
<b>Total</b>	<b>\$ 12,227,306.00</b>	<b>\$ 11,934,159.00</b>	<b>\$ 293,147.00</b>

Expenditure	2022	2021 Actual Expenses	2020 Actual vs 2021 Budget
Annual General Meeting	\$ 88,131.59	\$ 84,629.00	\$ 3,502.59
Bad Debts	\$ -	\$ -	\$ -
Legal and Professional	\$ 206,000.00	\$ 246,094.00	\$ (40,094.00)
Expected Credit Loss (IFRS 9)	\$ 600,000.00	\$ 544,081.00	\$ 55,919.00
Bank Interest & Charges	\$ 46,425.00	\$ 28,759.00	\$ 17,666.00
Board and Committee	\$ 452,200.00	\$ 189,380.00	\$ 262,820.00
Depreciation	\$ 333,000.80	\$ 358,085.00	\$ (25,084.20)
Donation	\$ 30,000.00	\$ 4,000.00	\$ 26,000.00
Utilities	\$ 228,228.00	\$ 164,328.00	\$ 63,900.00
Insurances	\$ 419,594.52	\$ 480,544.00	\$ (60,949.48)
League Dues and Membership	\$ 161,503.63	\$ 115,606.00	\$ 45,897.63
Green Fund Levy	\$ 36,681.92	\$ 32,018.00	\$ 4,663.92
Marketing and Advertising	\$ 60,000.00	\$ 6,538.00	\$ 53,462.00
Office Expenses	\$ 95,740.00	\$ 65,025.00	\$ 30,715.00
Personnel	\$ 2,169,513.42	\$ 1,819,486.00	\$ 350,027.42
Repairs & Maintenance	\$ 535,900.00	\$ 145,587.00	\$ 390,313.00
Security	\$ 99,800.00	\$ 74,925.00	\$ 24,875.00
Travelling & Courier	\$ 34,200.00	\$ 31,125.00	\$ 3,075.00
<b>Total</b>	<b>\$ 5,596,918.88</b>	<b>\$ 4,390,210.00</b>	<b>\$ 1,206,708.88</b>

Capital Expenditure	2022	2021 Actual Expenses	2021 Actual vs 2022 Budget
I.T and Infrastructure	\$ 455,000.00	\$ 231,449.00	\$ 223,551.00
Furniture & Equipment	\$ 102,700.00	\$ 56,396.00	\$ 46,304.00
<b>Total</b>	<b>\$ 557,700.00</b>	<b>\$ 287,845.00</b>	<b>\$ 269,855.00</b>

# RESOLUTIONS

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## RESOLUTIONS

The Board hereby proposes the following Resolutions for approval at this 46th 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, 2022.

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## DIVIDEND

**WHEREAS** the Credit Union has realized a Net Surplus for the Financial year ended December 31, 2021;

**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 3.2% payable in Cash be paid to Members in good standing for the Financial Year January 1, 2021 to December 31, 2021.

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

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## LOAN INTEREST REBATE

**WHEREAS** the Credit Union has realized a Net Surplus for the Financial year ended December 31, 2021;

**AND WHEREAS** Bye Law No. 27a a bonus rebate on interest paid by members. Such bonus rebate shall be deducted from the loan principal on the day the bonus is declared if at that time the member has not repaid his loan in the Society;

**BE IT RESOLVED** that an Interest Rebate of 2% payable to Members with loans for the Financial Year January 1, 2021 to December 31, 2021.

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## HONORARIA

**WHEREAS** during 2021 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, 2021.

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## 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;

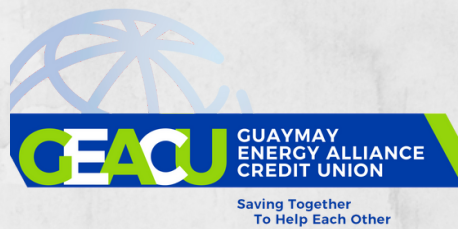
**AND WHEREAS** every effort is made to recover Bad Debts/Delinquent Loans in pursuance of the Recoveries Procedure of the Society;

**AND WHEAREAS** efforts to recover Eight [08] Loans in the Sum of \$1,103,579.22 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 Eight [08] Loans in the Sum of \$1,103,579.22 be Written-off during the 2022 Financial Year.

# Member Orientation Winners 2021





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