

## **CEMCU'S VISION**

“To remain the premier Credit Union Co-operative Society in Trinidad and Tobago”

## **CEMCU'S MISSION**

“To empower our members to attain financial Independence and security consistent with being a good co-operative citizen”

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Empowering our members  
to attain financial independence

## CEMCU Credit Union Co-operative Society Limited.

#94 Southern Main Road, Plaisance Park, Pointe-a-Pierre Trinidad W.I.

### ANNUAL GENERAL MEETING

NOTICE is hereby given that the 68<sup>th</sup> Annual General Meeting of CEMCU Credit Union Cooperative Society Limited will be convened virtually and in person as follows:

**DATE** : **THURSDAY 4<sup>TH</sup> MAY 2023**  
**TIME** : **4:15 P.M.**  
**VENUE** : **94, SOUTHERN MAIN ROAD, PLAISANCE PARK,  
POINTE-A-PIERRE**  
**VIRTUAL PLATFORM** : **ZOOM**

The purpose of the meeting is as follows:

1. To receive and confirm Minutes of the 67<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> April 2022
2. To receive and adopt Reports of the Board of Directors, Supervisory Committee and Credit Committee for the year ending 31<sup>st</sup> December 2022.
3. To present and accept the Auditor's Report for the year ended 31<sup>st</sup> December 2022
4. To present and accept the Financial Statements for the year ended 31<sup>st</sup> December 2022
5. To approve the 2023 Budget
6. To approve Resolutions
7. To present and accept the Nominations Committee Report
8. To elect Board and Committee members
9. To transact any other business that may properly be brought before the meeting

#### REGISTRATION

Members wishing to attend the AGM MUST pre-register via the following link:

<https://form.jotform.com/231005735061848>

**Registration closes at 4:00 p.m. on 28<sup>th</sup> April 2023**

**Due to limited seating available at the venue, members wishing to attend in person must register at the office on or before 28<sup>th</sup> April 2023**

By Order of the Board of Directors  
CEMCU Credit Union Co-Operative Society Limited

Charlene Sogren  
Secretary

14<sup>th</sup> April 2023



Empowering Our Members  
To Attain Financial Independence



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# AGENDA

1. **National Anthem of the Republic of Trinidad and Tobago**
2. **Invocation – Credit Union Prayer**
3. **Call to Order**
  - [a] Notice Convening the Meeting
  - [b] Adoption of Standing Orders
4. **President’s Address**
5. **Minutes**
  - [a] Motion that Minutes, Statement of Accounts and Other Reports be taken as read.
  - [b] Confirmation of Minutes of the 67<sup>th</sup> Annual General Meeting and matters arising
6. **Reports**
  - [a] Board of Directors Report
  - [b] Credit Committee Report
  - [c] Supervisory Committee Report
  - [d] Education Committee Report
7. **Auditor’s Report and Financial Statements 2022**
  - [a] Auditor’s Report
  - [b] Financial Statements
8. **Budget 2021**
9. **Resolutions**
  - [a] Appointment of Auditor
  - [b] Dividend
10. **Election of Officers**
  - [a] Nominations Committee Report
  - [b] Elections :  
Supervisory Committee  
Credit Committee  
Board of Directors
11. **Other Business**
  - [a] Transaction of Other Business, properly brought before the meeting
12. **Closure**



## STANDING ORDERS

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



# A Guide to Your Responsibility at the Annual General Meeting

## **YOU ARE ONE OF THE OWNERS**

It is this way by law. You and your fellow members own the Credit Union and you control it too.

## **YOUR QUESTIONS ARE IMPORTANT**

As a member-owner, you have the right to know about the Credit Union. Your questions are important and are always welcome.

## **YOUR VOTE IS IMPORTANT**

Your vote helps to select the officers who must also be members of your Credit Union.

They fit the policies within the limits of the law, and provide important leadership.

Certain major actions of the Credit Union must be approved by a vote of the general membership.

## **YOUR SUGGESTIONS ARE IMPORTANT**

The Credit Union exists for one purpose only – **Service to its Members.**

Your suggestions on how the service can be improved are important and will always be given full consideration.

## **YOUR ASSISTANCE IS VALUED**

If you are asked to serve as an officer or as a committee member, accept if possible.

A Credit Union is really about – **PEOPLE HELPING PEOPLE** – we depend on the volunteers who agree to assist us.



*Empowering Our Members  
To Attain Financial Independence*

**MINUTES OF THE 67<sup>TH</sup> ANNUAL GENERAL MEETING OF CEMCU CREDIT UNION COOPERATIVE SOCIETY LIMITED, HELD AS A HYBRID MEETING CASTED FROM THE HARRY GARIBSINGH AUDITORIUM, CEMCU BUILDING 94 SOUTHERN MAIN ROAD, PLAISANCE PARK, POINTE-A-PIERRE, ON FRIDAY 29<sup>TH</sup> APRIL 2022, AT 4:30 P.M.**

At the start of the meeting a total of twenty-seven (27) members were present.

**1.0 NATIONAL ANTHEM OF TRINIDAD AND TOBAGO**

Members stood for the singing of the National Anthem.

**2.0 INVOCATION**

The Credit Union prayer was recited, and a minute of silence was observed for the departed members of CEMCU.

**3.0 CALL TO ORDER**

The President, Mrs. Cheryl Gransaul, called the meeting to order at 4:34 p.m. A quorum was present in accordance with Bye Law No. 21, Quorum of Meetings.

**4.0 NOTICE OF MEETING**

The Notice convening the meeting was read by the Secretary, Ms. Charlene Sogren.

**5.0 ADOPTION OF STANDING ORDERS**

Mrs. Gransaul moved that the 2021 Annual Report be taken as read. The motion was seconded by Mr. Franklyn Alves, and all were in favour.

Mrs. Gransaul moved that the standing order on page three (3) of the 2021 Annual Report be adopted. Mr. Chandrasain Ramsingh seconded the motion and all were in favour.

**6.0 PRESIDENT'S ADDRESS**

The President, Mrs. Gransaul, presented the President's Address. Mrs. Gransaul expressed pride at the long-awaited achievement and welcomed all to the new CEMCU building.

In response to the strict restrictions imposed during the Covid-19 pandemic, the Board, Management and the Committees collectively implemented and executed plans realigning the business model. Focus was placed on specific areas of sustainability and continuous improvement and several initiatives were embarked upon, in the areas of compliance, membership, strategic planning and growth, directed towards ensuring that CEMCU continued to be a robust and successful organization.

The construction of the new building was hampered by many challenges, leading to delays in completion. On Saturday 23<sup>rd</sup> April 2022 a small ceremony was held to celebrate the opening of the building. The President expressed gratitude to God, the members, present and past Board of Directors, Committee members, the Management and Staff of CEMCU, and the Contractor.

Compliance with IFRS 9 allowed for improvements in operations including the production of timely financial statements, organization and timely calling of the 2021 Annual General Meeting, and the payment of a dividend above the market rate.

Key accomplishments throughout the fiscal year were highlighted including a 3% increase in membership, introduction of new products, a decrease in interest rates on all loans,

issuance of variety of new loans to assist members throughout the pandemic, implementation of an e-service facility, increase in ACH for business transactions and the implementation of new features to the mobile application. Communication with membership continues through the use of WhatsApp groups, Instagram, and email.

The President provided an update on the Dividend status for 2021, advising that the Board of Directors recommend a payout of 4% for the year ended December 31, 2021, to be made to all members in good standing.

The 2021 audit was conducted, and the auditors issued an unqualified report. The \$8.2M surplus was achieved mainly due to the investment portfolio and an increase in interest income. CEMCU holds a reserve of \$18.3M, representing almost double the statutory requirement, and the Board continues to pursue with the Commissioner for Cooperatives for approval to deduct loan loss provision of \$8.9M from this reserve.

The President extended thanks to members for the continued confidence and support in the Board of Directors, Committees, Management and Staff, to conduct business on behalf of CEMCU.

## **7.0 CONFIRMATION OF MINUTES OF CEMCU'S 66<sup>TH</sup> ANNUAL GENERAL MEETING**

Mr. Clyde Charles indicated that at the last meeting held via Zoom, he was unable to raise questions, as his connection was muted. He further stated that at the Annual General Meeting prior to last, Dr. Elias stated that he (Mr. Charles) mentioned that "there was thieving in the credit union." Mr. Charles clarified that "he never made that statement" and that he never used the word "thieving."

In response to Mr. Charles, Dr. Elias expressed being disheartened about the allegations raised by Mr. Charles at multiple meetings and it is continued to be allowed.

Dr. Elias indicated that as referenced in the minutes, he made a request for a copy of the minutes of 65<sup>th</sup> AGM, as well as a copy of the minutes of the 66<sup>th</sup> AGM, and neither request was fulfilled. He then made an additional request for the recordings of the meetings.

In response to Dr. Elias's requests for recordings of the AGMs, the Manager noted that the links for the recordings were sent to Dr. Elias. The Manager further explained that each link can be accessed for a specified period after which the link expires and any attempt to access after the expiration date will prove to be futile.

Minutes of the 66<sup>th</sup> Annual General Meeting were confirmed subject to corrections, on a motion moved by Mr. Hugh Griffith and seconded by Mr. Burt Gransauil. It was unanimously approved.

## **8.0 REPORTS**

### **8.1 Board of Directors' Report**

Mrs. Gransauil went through the Board of Directors' Report on a page-by-page basis. Mr. Jaisimha Singh advised that under Outgoing Directors and Committee Members, section 6.2 of the report, the outgoing member of the Credit Committee should be Jaisimha Singh and not Natasha Khan and under Officers Remaining in Office, section 7.2, Ganesh Gokool should replace Lawrence Paul.

Acceptance of the Board of Directors' Report was moved by Mr. Feroz Abdool and seconded by Mr. Jaisimha Singh. It was unanimously approved.

## **8.2 Credit Committee's Report**

Mr. Jaisimha Singh, Chairman of the Credit Committee, presented the Credit Committee's Report.

Mr. Clyde Charles asked for clarification on the decrease in delinquent loans from \$16.7M to \$7.9M. In response, Mr. Darren Singh, Manager of CEMCU, advised that there was drastic refinancing exercise done with members accounting for the large decrease in delinquency.

Acceptance of the Credit Committee's Report was moved by Mr. Franklyn Alves and seconded by Mr. Burt Gransauil. All were in favour.

## **8.3 Supervisory Committee's Report**

Mr. Sham Hosein, Chairman of the Supervisory Committee, was asked to present the Supervisory Committee's Report via Zoom. Due to technical difficulties, Mr. Dennison Dean, member of the Supervisory Committee, presented the report on his behalf.

The members noted the Supervisory Committee's Report, and no questions were asked.

Acceptance of the Supervisory Committee's report was moved by Mr. Hugh Griffith, seconded by Mr. Jaisimha Singh, and accepted by all.

## **8.4 Education Committee's Report**

Mr. Taurean Dassyne, Chairman of the Education Committee, presented the Education Committee's report.

The members noted the Education Committee's Report and no questions were asked.

Acceptance of the Education Committee's Report was moved by Mr. Chandrasain Ramsingh and seconded by Mr. Feroz Abdool and accepted by all.

## **9.0 AUDITOR'S REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**

### **9.1 Auditor's Report**

Mr. Favion Taylor, representative of I.A. Ali and Associates, external auditors for CEMCU, read the Opinion and the Basis of the Opinion of the Independent Auditor's Report.

The members noted the Auditor's Report, and no questions were asked.

On a motion moved by Mr. Franklyn Alves and seconded by Mr. Chandrasain Ramsingh, the Auditor's Report was accepted unanimously.

### **9.2 Financial Statements**

Mr. Darren Singh, Manager of CEMCU, presented the Financial Statements for the year ended December 31, 2021. The Financials were presented on a page-by-page basis and the Manager invited questions on each page.

Mr. Clyde Charles enquired about the decrease in Grace Kennedy shares from 2020 to 2021. In response, Mr. Darren Singh advised that the shares were sold, and the investment income is reflected on page 36 as part of Income from Investments, which also represented income from the sale of Guardian Holding Limited Shares and NCBJ shares.

Mr. Clyde reiterated that the Annual Report needs to be distributed to members at least seven (7) days in advance in order for members to adequately review the reports prior to the meeting.

Adoption of the Financial Statements for the year ended December 31, 2021, was moved by Ms. Sirkaysha Nelson, seconded by Mrs. Finesse Singh, and was accepted unanimously.

## 10.0 BUDGET 2022

### 10.1 Projected Income and Expenditure Statement 2022

The Manager, Mr. Darren Singh, presented Projected Income and Expenditure Statement 2022.

Mr. Clyde Charles enquired about the figure for Legal and Professional Services and why it was such a small projection, especially when the figures are surpassed each year. In response, Mr. Singh indicated that the figure is an estimate and so it is difficult to get a more accurate figure. He further clarified that in the financial statements, the audit fees are included as part of the Legal and Professional Services.

Acceptance of the Projected Income and Expenditure Statement 2022 was moved by Jaisimha Singh and seconded by Mr. Franklyn Alves, and accepted by all.

## 11.0 RESOLUTIONS

### 11.1 Dividend

The Board of Directors moved the following motion, which was seconded by Mr. Dennison Dean:

***"Be it resolved that a Dividend of 4% totalling a sum of \$2,165,000 be paid on shares of those persons who are members as at December 31, 2021.***

***Be it further resolved that said Dividend will be distributed with a maximum of 3% paid out in cash and 1% deposited to members share account. If any Member chooses to receive less than 3% in cash, the remainder will be deposited to their shares, except for delinquent members, where all dividends shall be applied to their outstanding interest and principal in that order"***

All voted in favour.

### 11.2 Appointment of Auditor

Mr. Burt Gransaul moved the following motion, which was seconded by Mr. Hugh Griffith:

***"Be it Resolved that the firm I.A. Ali and Associates be appointed as Auditors for the final year 2022"***

All voted in favour.

## 12.0 ELECTION OF OFFICERS

### 12.1 Nominations Committee's Report

Mr. Clarence Badoo presented the Nominations Committee's Report on behalf of the Chairman of the Nominations Committee. Mr. Badoo highlighted that the Notice to all members interested in serving on the Committees was circulated via Facebook, WhatsApp groups, and the Notice Boards at CEMCU's office. The deadline for application was January 17, 2022. All applications were thoroughly reviewed to ensure all requirements were satisfied, as stipulated by the policy.

The following nominees were recommended by the Nomination's Committee to serve as Officers of CEMCU:

**Board of Directors**

Ms. Charlene Sogren  
Ms. Maxine Charles  
Mr. Taurean Dassyne  
Mr. Chandrasain Ramsingh  
Mr. Andrew Chandler (alternate)  
Mr. Francis Daniel (alternate)

**Supervisory Committee**

Mr. Burt Gransaul  
Ms. Fawn Deomansingh  
Mr. Nigel Ifill  
Mr. Sham Hosein  
Mr. Dennison Dean  
Mr. Mahesh Sooklal (alternate)  
Mr. Aaron Pile (alternate)

**Credit Committee**

Mr. Jaisimha Singh  
Mr. Ganesh Gokool  
Ms. T'Shai-Ann Maurice  
Ms. Nicole Thomas (alternate)  
Ms. Petra Reyes (alternate)

Mr. Clyde Charles indicated that he is at a loss as to how the Nomination Committee operates. He enquired as to whether persons were not interested or whether the Committee chose who they wanted to serve.

In response, Mrs. Cheryl Gransaul, the President, advised that the Nominations Committee was instituted as directed by the Commissioner's Office. The introduction of a Nominations Committee consequently supersedes nominations "from the floor" at the AGM.

Mrs. Gransaul gave a brief synopsis of the nomination process. Prior to the AGM, a Notice is sent out inviting interested members to apply for selection as nominees to fill vacant positions on the Board and Committees. Applicants are subsequently interviewed and eligible nominees are recommended to the AGM.

She explained that due to the reduction in members applying, the Nominations Committee has to go out to the membership to ask for applications, and even with the limited pool, there are members who do not meet the criteria. She stated that neither the Board of Directors nor the Nominations Committee can determine nor force any member to apply and cannot determine the Committee on which they serve. The reality is, the eligible nominees are barely enough to fill the vacancies.

Acceptance of the Nominations Committee's recommendations and Report was moved by Dennison Dean and seconded by Mr. Brandon Gransaul and accepted by all.

## **12.2 Validation of Nominees**

The President called on Mr. Ronne Anderson, representative of the Commissioner's Office, to validate the Nominations Committee's Report.

Mr. Anderson validated the nominees for the Supervisory Committee and the alternates. All were in favour.

Mr. Anderson validated the nominees for the Board of Directors and the alternates. All were in favour.

Mr. Anderson validated the nominees for the Credit Committee and the alternates. All were in favour.

## **13.0 OTHER BUSINESS**

### **13.1 Address of CEMCU's New Building**

Mr. Franklyn Alves raised that the address as per the Notice of Annual General Meeting should be amended to 94 Plaisance Village and not 94 Plaisance Park. The President advised that as per the Land and Building approval it was Plaisance Park, but it will be investigated.

### **13.2 Bad Debts**

Mr. Clyde Charles identified that approximately \$1.1M in bad debts was written off and he enquired as to the procedure for this write-off and the time-frame. The Manager, Mr. Darren Singh, advised that a provision is made in the financial statements based on the term the loan is bad and it is not that the debt is written off. This is what has triggered the refinancing exercise with members.

### **13.3 Closure**

Mrs. Cheryl Gransaul thanked all Members, Officers, Management and Staff for attending the Annual General Meeting.

There being no further business, the meeting ended at 6.00 p.m.

Submitted by



-----  
**Charlene Sogren**  
**Secretary**

# BOARD OF DIRECTORS



**CHERYL GRANSAULL**  
PRESIDENT



**TAUREAN DASSYNE**  
VICE PRESIDENT



**MAXINE CHARLES**  
TREASURER



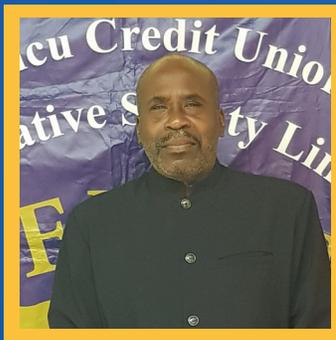
**CLARANCE BANDO**  
DIRECTOR



**FEROZ ABDOOL**  
ASSIST. SECRETARY



**CHARLENE SOGREN**  
SECRETARY



**HUGH GRIFFITH**  
DIRECTOR



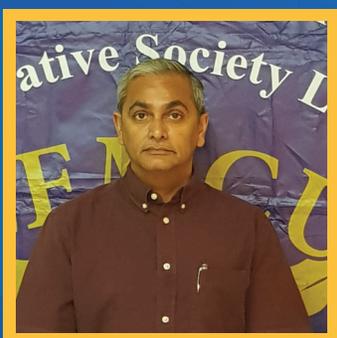
**DEXTER EAST**  
DIRECTOR



**DR. STEPHAN DAVID**  
DIRECTOR



**CHANDRASAIN RAMSINGH**  
DIRECTOR



**ROBERT BALGOBIN**  
DIRECTOR



**FAZEEDA HOSEIN**  
DIRECTOR

# STAFF



**DARREN SINGH**  
MANAGER



**SIRKAYSHA NELSON**  
JR. ACCOUNTANT (Ag)



**ZAHIRAH MOHAMMED**  
ADMINISTRATIVE CLERK



**NEESHA SOOKHOO**  
CLERICAL ASSISTANT



**JUSTIN RAMNATHSINGH**  
CLERK II



**ANGEL FURGUSON**  
CLERICAL ASSISTANT

## BOARD OF DIRECTORS REPORT 2022

The Board of Directors hereby presents its report on the performance of the Society for the period 1st January 2022 to 31<sup>st</sup> December 2022.

### 1.1 Our Credit Union

The Board is pleased to report on CEMCU's continued strong performance in 2022 coming out of the pandemic. The fact that CEMCU outperformed its projections for a second year in a row shows resilience. CEMCU has shown growth for the second consecutive year. The surplus without capital gains for 2022 increased to -\$2.3M as compared to a loss of \$1.5M for 2021. Loans to members increased from \$42,3M in 2021, to \$62M in 2022 and, interest income moved from **\$2.9M in 2021 to \$3.8M in 2022.**

CEMCU's positive performance is a testament that the new approach to doing business with our members, through the use of technology and an increased virtual presence across social media platforms, has been successful. The Board and Management are continuously seeking to find innovative ways to capture all our members' attention to encourage them to use the services of CEMCU to build financial independence.

### 1.2 Management

The Board would like to thank the Management and Staff for their continued dedication and service to CEMCU. We are pleased that our members are satisfied with the level of services being provided by our staff, and we are committed to providing the necessary tools that will increase the satisfaction of our members.

### 1.3 Organization Development

The Board continues to introduce key strategic initiatives at CEMCU, aimed at streamlining the organization's structure and operations, consistent with business models of efficient growing organizations.

## 2.0 BOARD OF DIRECTORS SERVING

The 67<sup>th</sup> Annual General Meeting for the period ended December 2021 was held on 29<sup>th</sup> April 2022.

Immediately following the Annual General Meeting on 29<sup>th</sup> April 2022, the Inaugural meeting was held, and the Executive of the Board was duly elected. The composition of the Board is as follows:

Ms. Cheryl Gransauil	President
Mr. Taurean Dassyne	Vice President
Ms. Maxine Charles	Treasurer
Ms. Charlene Sogren	Secretary
Mr. Feroz Abdool	Assistant Secretary
Mr. Clarence Bandoo	Executive Member
Mr. Chandrasain Ramsingh	Executive Member
Mr. Dexter East	Director
Mr. Robert Balgobin	Director
Dr. Stephan David	Director
Mr. Hugh Griffith	Director
Ms. Fazeeda Hosein	Director

### **3.0 MEMBERSHIP**

During 2022, one hundred and three (103) new members were registered, and as at December 2022, CEMCU's membership stood at 1,699.

### **4.0 FINANCIAL PERFORMANCE**

#### **4.1 Assets**

Total Assets as at 31<sup>st</sup> December 2022 stood at TT\$110.4M, compared to TT\$94.6M at the end of 2021. The Increase of 16.7% was mainly due to an increase in the Members loan portfolio.

#### **4.2 Liabilities**

Total Liabilities as at 31<sup>st</sup>, December 2022 stood at TT\$103M, compared to \$86M at the end of 2021. The increase of 19% was mainly the result of CEMCU taking loans from JMMB Bank and CFF for operational purposes, and the increase in members' fixed deposits.

#### **4.3 Members' Shares**

The Board is committed to building CEMCU's presence in the industry as a major player in providing financial support to all its members. Members' Shares increased by 2%, and stood at TT\$52M as at 31<sup>st</sup> December 2022, compared to TT\$50.8M as at 31<sup>st</sup> December 2021, an increase of \$1.2M. This increase is testament of members' growing confidence in CEMCU.

#### **4.4 Loans to Members**

The Society's overall Loan portfolio was \$61M as of 31<sup>st</sup> December 2022 compared to \$42.2M as at 31<sup>st</sup>, December 2021, an increase of \$18.8M or 44%. The growth in the members' Loan portfolio signifies that members are using CEMCU as their preferred financial institution to conduct their business.

#### **4.5 Surplus**

The Operation Surplus before gain on the sale of shares, increased to \$2.3M in 2022 compared to \$1.5M in 2021. This was as a result of members' increased borrowings which increased CEMCU's Loan Interest Income.

#### **4.7 Expenses**

There was an increase in the overall operational expenditure in 2022, particularly due to the one-off cost of moving to our new building, loan insurance and IFRS 9 provisions.

#### **4.8 Dividend**

CEMCU financial performance for the year 2022 has been exceptional, therefore a dividend of 4 % will be recommended for the year ended 31<sup>st</sup> December 31,2022.

### **5.0 REPRESENTATION AT OTHER COOPERATIVE BODIES**

CEMCU maintained its position on the Board of Directors of the Central Finance Facility Cooperative Society Limited (CFF). This position was filled by Director Ms. Maxine Charles.

## **6.0 OUTGOING DIRECTORS AND COMMITTEE MEMBERS**

### **6.1 Board of Directors**

Dexter East  
Cheryl Gransaul  
Feroz Abdool  
Hugh Griffith

### **6.2 Credit Committee**

Natasha Khan  
Lawrence Paul  
T'Shai-Ann Maurice

### **6.3 Supervisory Committee**

Sham Hosein  
Fawn Deomansingh  
Nigel Ifill  
Dennison Dean  
Burt Gransaul

## **7.0 OFFICERS REMAINING IN OFFICE**

### **7.1 Directors**

Maxine Charles	2 further years
Taurean Dassyne	2 further years
Charlene Sogren	2 further years
Chandrasain Ramsingh	2 further years
Clarence Badoo	1 further year
Stephan David	1 further year
Robert Balgobin	1 further year
Fazeeda Hosein	1 further year

### **7.2 Credit Committee**

Jaisimha Singh	1 further year
Ganesh Gookool	1 further year

## **8.0 RESOLUTION**

The Board of Directors will be recommending the following for your consideration and acceptance:

### **8.1 APPOINTMENT OF AUDITORS**

To appoint as Auditor – I.A Ali & Associates Chartered Accountant for the Financial Year January to December 2022.

### **8.2 DIVIDEND**

A dividend of 4% totaling \$ 2,150,000 be paid.

The dividend will be distributed with a maximum of 3% paid in Cash and 1% deposited to the members' shares.

## 9.0 CONDOLENCES

CEMCU extends deepest condolences to the families of Members who passed during the year.

## 10.0 ACKNOWLEDGEMENTS

The Board of Directors extends thanks and appreciation to the following Organizations for their cooperation and assistance during the past year and looks forward to their continuing support:

TCL Group of Companies

The Cooperative Development Division, Ministry of Labour and Small Enterprise Development

The Central Finance Facility Cooperative Society Limited

The Trinidad and Tobago Credit Union Deposit Insurance Fund Cooperative Society Limited

KSBM Asset Management Limited

KCL Capital Market Brokers Limited

CUNA Caribbean Insurance Company Limited

Oilfields Workers' Trade Union

I.A Ali & Associates

VENTURE Credit Union Cooperative Society Limited

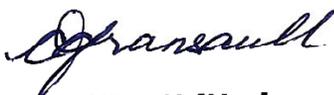
Attorneys-at-Law – Mr. Ravi Diptee and Daltons Ltd.

Guardian Insurance Company

Our Bankers and other Business Partners

The Board of Directors would like to thank the Supervisory, Credit and Education Committees, and the Management and Staff of CEMCU, for their contribution and service. We thank you, our valued Members, for your confidence and support during 2022 and in the future.

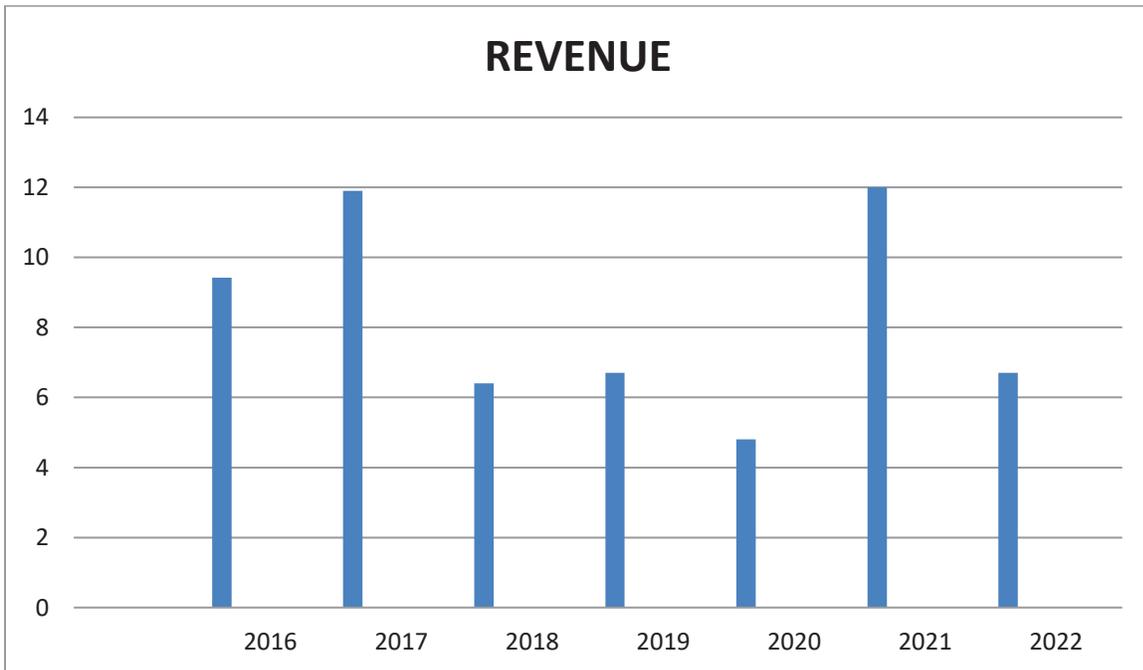
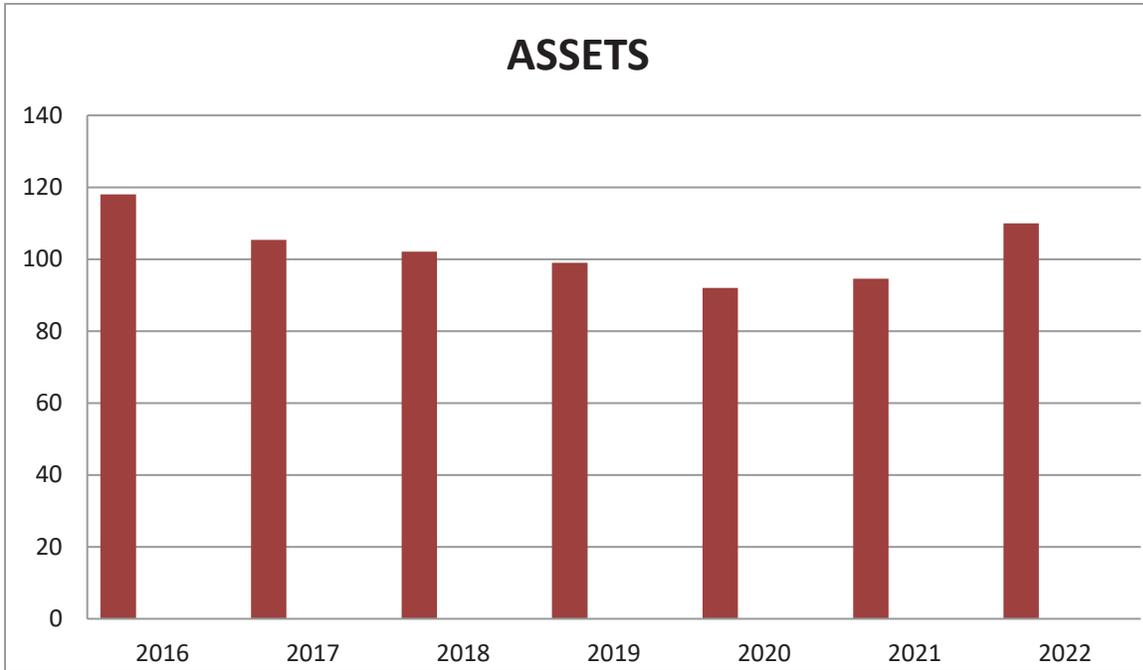
On behalf of CEMCU Board of Directors



**C. GRANSAULL [Mrs.]**  
**President**

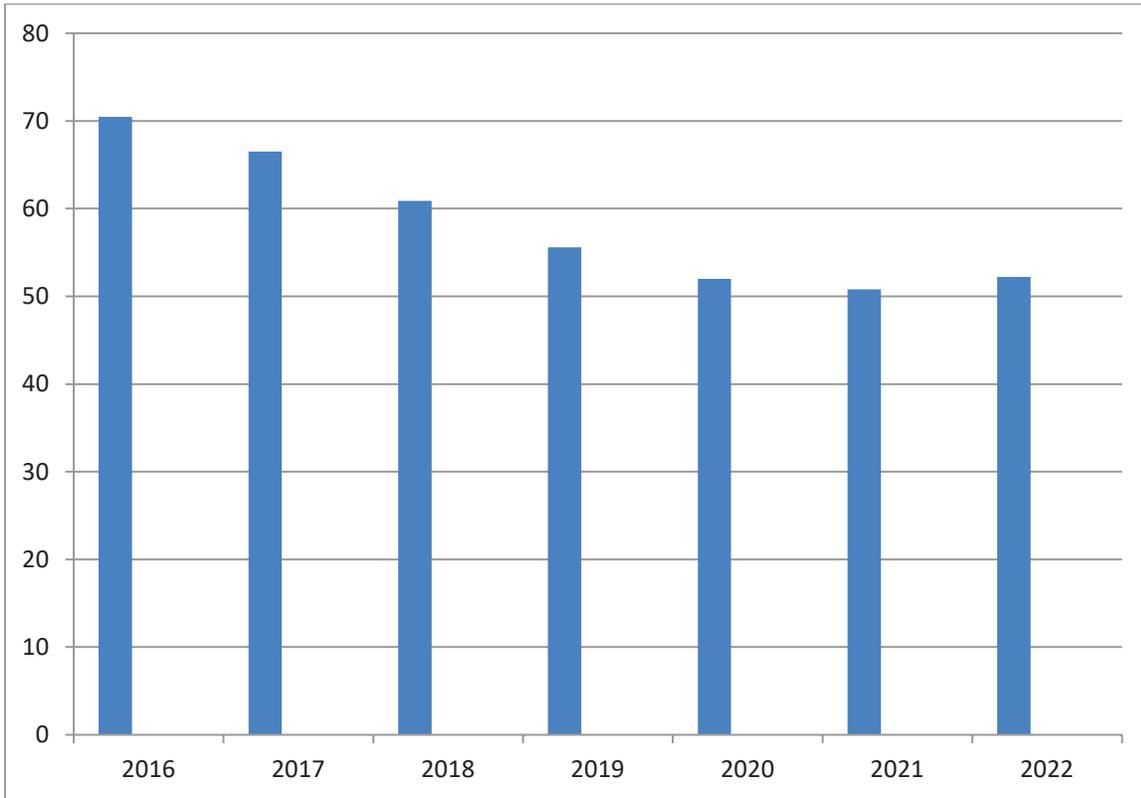
  
**C. SOGREN [MS.]**  
**Secretary**

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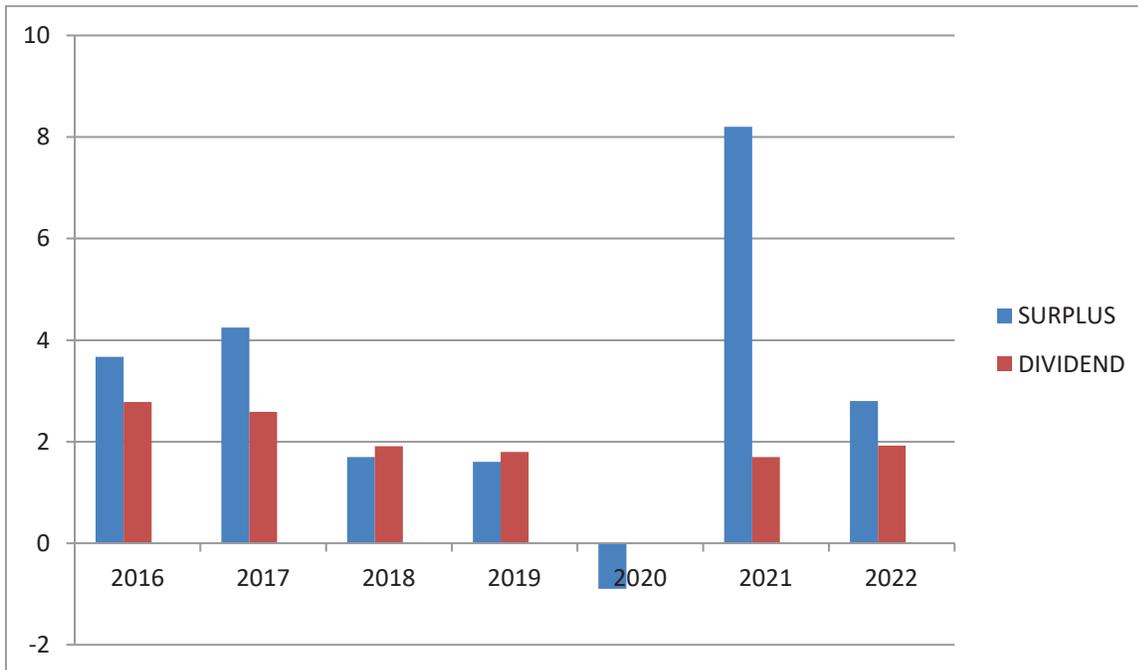


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## SHARES

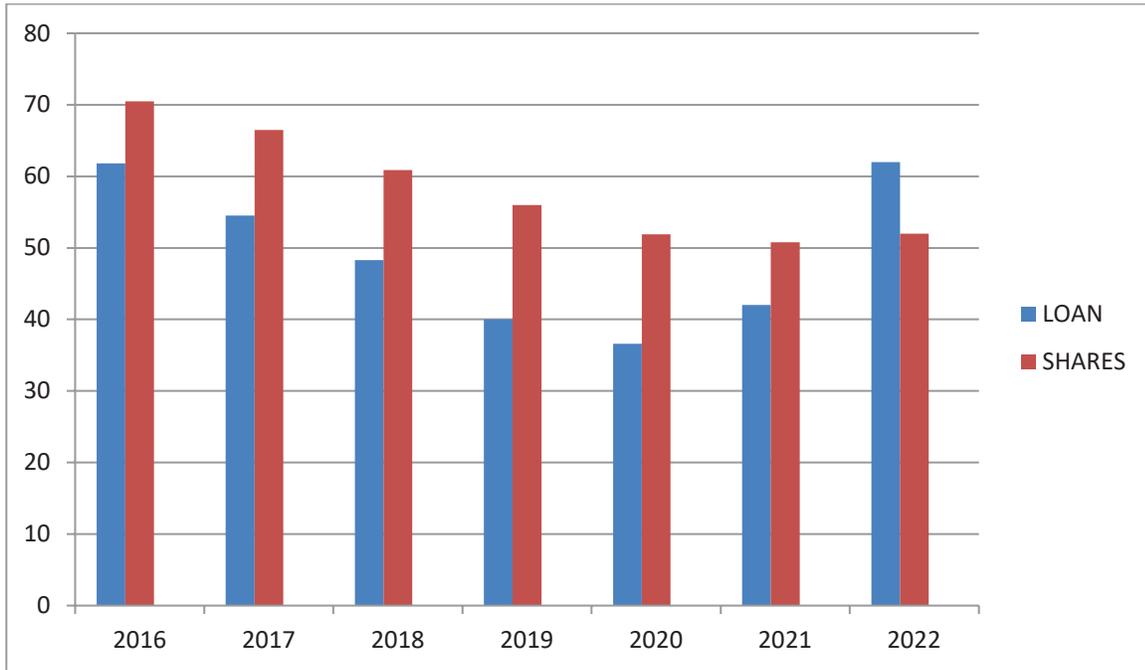


## SURPLUS VS DIVIDEND

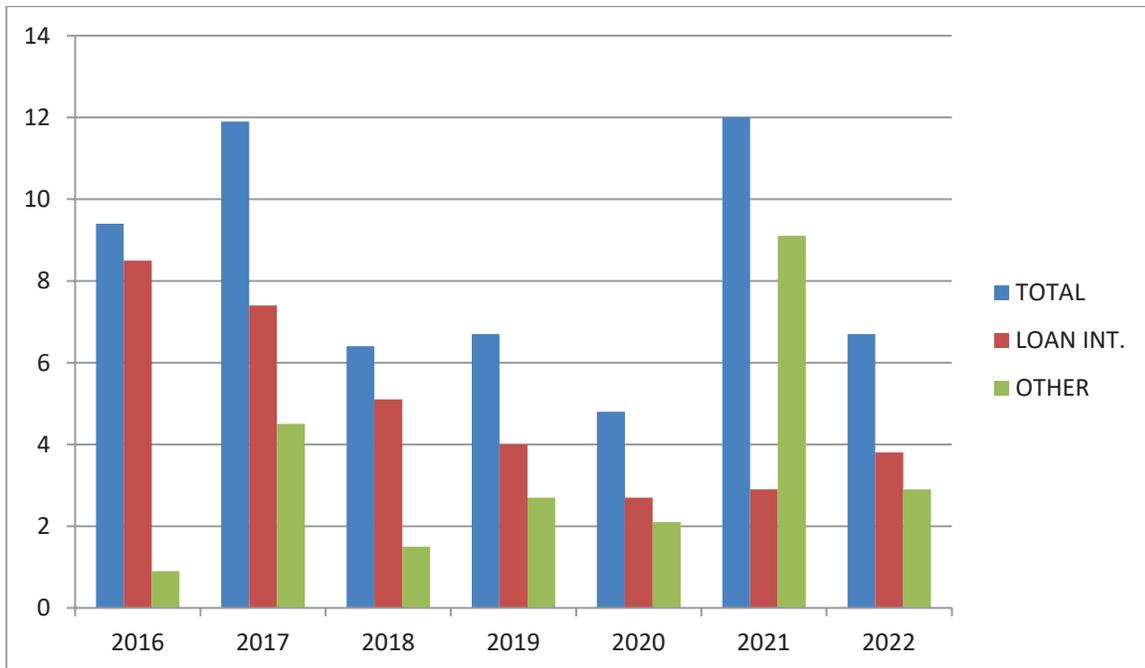


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To Attain Financial Independence

## NET LOAN VS SHARES



## INCOME MIX



# CREDIT COMMITTEE



**JAIMSHA SINGH**  
CHAIRMAN



**NATASHA KHAN**  
SECRETARY



**T'SHAI ANN REYES**



**LAWRENCE PAUL**



**GANESH GOCOOOL**

## CREDIT COMMITTEE REPORT FOR 2022

This report gives brief overview of the activities undertaken by the Credit Committee and an analysis of the loans reviewed and approved for the financial year 2022.

The annual general meeting for 2021 was held on 29<sup>th</sup> April. There was no change to committee composition. Upon unanimous consent, Mr. Jaisimha Singh and Ms. Natasha Khan continued to serve as Chairman and Secretary, respectively, throughout 2022.

In total, there were fifty-ong (51) meetings held in 2022. The summary of meeting attendance is shown in the table below:

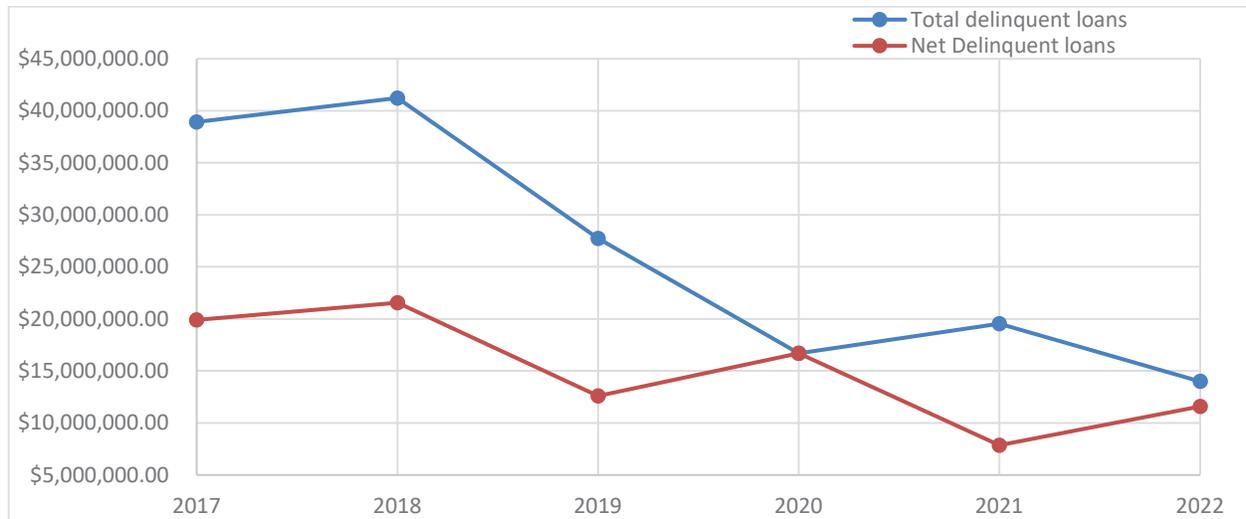
	Meetings/Attendance		Total
	Before AGM	After AGM	
YTD Scheduled Meetings -	13	38	51
Jaisimha Ricky Singh	12	36	48
Ganesh Gocool	3	24	27
Natasha Khan	9	28	37
Lawrence Paul	12	34	46
T'Shai-Ann Maurice	8	25	33

We have seen a resurgence in the overall value of loans taken this year. Loan applications for 2022 totalled 503 by number, with a monetary value of \$55,840,568.89 – a marked improvement of 39% by number and 103.5% by value over 2021. Contributing significantly to this increase were consolidations/refinances, and land acquisitions/ home improvements.

The Committee approved 222 loans, with a value \$17,890,017.88. A total of 281 loans, valued at \$37,950,551.01, were referred to the Board of Directors for waiver of the Loan Policy. Two (2) applications for \$415,030.99 total were not approved. In summary, 501 loan applications were approved with a total value of \$55,425,537.90.

The total delinquent loan portfolio dropped from \$19,533,986 to \$13,994,193.28. However, Net delinquency increased from \$7,863,501 to \$11,593,355.33. The management and staff of CEMCU continues to work diligently towards resolution of all matters of delinquency. The trend over the past six years is shown in the graph below.





The loans approved in 2022 were distributed as shown in the following chart:



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A categorized summary of the loans requested and granted in 2022, with comparison to 2021, is shown in the in the table below.

**TOTAL LOANS APPROVED IN 2022 WITH COMPARISON TO 2021**

Purpose	Loans approved 2021		Loans requested 2022		Loans approved 2022		% change over 2021
	Nos	Amount	Nos	Amount	Nos	Amount	
Auto	39	\$2,614,645	49	\$4,331,062	49	\$4,331,062	65.4
Ceremonial	0	\$8,000	2	\$22,800	2	\$22,800	185.0
Christmas Expenses	69	\$810,626	89	\$1,556,486	89	\$1,556,486	92.0
Computer Hardware/Software	3	\$43,000	1	\$50,000	1	\$50,000	16.3
Consolidation/Refinance	70	\$6,527,617	162	\$29,130,048	162	\$29,130,048	346.3
Education	11	\$497,974	15	\$511,259	14	\$506,159	1.6
Household Effects/Domestic	7	\$127,569	9	\$365,646	9	\$365,646	186.6
Insurance/License	2	\$9,972	1	\$12,500	1	\$12,500	25.4
Land/House	75	\$12,162,421	72	\$14,025,838	71	\$13,615,807	11.9
Legal Fees	2	\$70,000	4	\$587,004	4	\$587,004	738.6
Medical	12	\$385,520	17	\$1,021,258	17	\$1,021,258	164.9
Outstanding Bills/Debts	30	\$1,902,198	40	\$1,920,960	40	\$1,920,960	1.0
Small Business/Inv.	21	\$1,924,585	18	\$1,739,169	18	\$1,739,169	(9.6)
Travel/Vacation	2	\$43,000	11	\$393,960	11	\$393,960	816.2
Line of Credit	19	\$320,000	13	\$172,679	13	\$172,679	(46.0)
<b>TOTALS</b>	<b>362</b>	<b>\$27,439,127</b>	<b>503</b>	<b>\$55,840,569</b>	<b>501</b>	<b>\$55,425,538</b>	<b>102.0</b>

The Credit Committee would like to thank the members for their tremendous support throughout the financial year; the Board of Directors, for their expertise and guidance; and the Staff of CEMCU, for their continuous support and professionalism. As always, we continue to urge you, our members, to exercise prudence in the management of your finances and to continuously build your savings and investment portfolios; and we thank you again for allowing CEMCU to play a crucial part in the attainment of your financial goals. Together we can look forward to a rewarding future for you and our organization, CEMCU.

Sincerely,



Mr. Jaisimha Singh  
Chairman



Ms. Natasha Khan  
Secretary



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To Attain Financial Independence

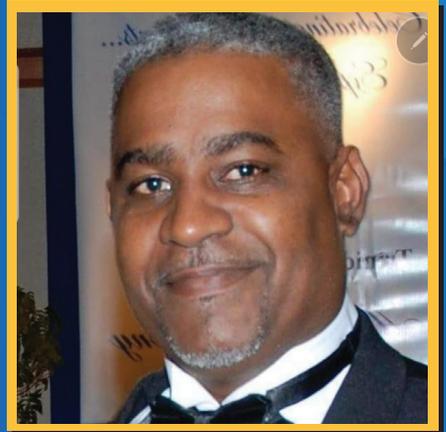
# SUPERVISORY COMMITTEE



**SHAM HOSEIN**



**FAWN DEOMANSINGH**  
SECRETARY



**DENNISON DEAN**



**NIGEL IFILL**



**BURT GRANSAUL**  
CHAIRMAN

# ANNUAL GENERAL MEETING

## SUPERVISORY COMMITTEE REPORT

The following members were elected by the Membership at the last Annual General Meeting to serve on the Supervisory Committee.

<b>Burt Gransaul</b>	<b>Fawn Deomansingh</b>	<b>Sham Hosein</b>
<b>Nigel Ifill</b>	<b>Dennison Dean</b>	
<b>Mahesh Sooklal (Alternate)</b>	<b>Aaron Pile(Alternate)</b>	

The Committee subsequently elected Burt Gransaul as Chairman and Fawn Deomansingh as Secretary.

### Meeting Attendance

During the period May 2022 and March 2023, 10 meetings were scheduled and conducted. The attendance record is as follows.

<b>Member</b>	<b># of Meetings Attended</b>
<b>Burt Gransaul</b>	10
<b>Fawn Deomansingh</b>	10
<b>Nigel Ifill</b>	9
<b>Sham Hosein</b>	8
<b>Dennison Dean</b>	6
<b>Mahesh Sooklal</b>	0
<b>Aaron Pile</b>	0

During the period under review, the Committee conducted several reviews of the Credit Union's financial and operational activities and provided the Board of Directors with the results of the findings for appropriate action.



## 1. Know your Customer Compliance

This initiative was undertaken to ensure compliance with the Financial Intelligence Unit (FIU) of Trinidad and Tobago and consequently, the Credit Union implements various steps aimed at achieving maximum compliance. The results of these steps are recorded hereunder.

	<b>As of March 2023</b>	<b>Percentage</b>
<b>Outstanding</b>	413	32.46%
<b>Returned</b>	859	67.53%
<b>Completed</b>	784	61.64%

The Committee made recommendations to the Board regarding the introduction of activities which can accelerate compliance. The Committee wishes to urge members to fill out and return these forms to CEMCU's office to move the organization closer to maximum compliance.

## 2. Loans to Members

The committee examined several loans to ascertain whether the loans were compliant with the Credit Union's Loan policy and examined the adherence to the supply of all the relevant documents and signatures on the prescribed forms. Generally, the Committee was satisfied that there was compliance in these areas. Areas where non-compliance was observed were reported to the Board and evidence of corrective action noted.

## 3. Review of Membership Forms for New Members

Several applications for new members were examined by the Committee and for the most part, there was adherence to the requirements as spelled out in the Policy regarding new member applications. During the period, whenever anomalies or evidence of non-compliance was observed, the Board and Management were made aware of these situations. There was sufficient evidence to report that corrective action was taken to address these issues.

#### **4. Delinquency Reports**

The Committee examined several delinquency reports and noted the level of the problem of non-repayment of loans. The Committee was able to bring to the attention of the Board and Management areas where the delinquency reporting could be improved. These areas were attended to thereby improving the reporting and analysis of the delinquency status of members.

#### **5. Monthly Financials**

The Committee examined the Financial statements of the Credit Union and did not observe any material anomalies with respect to these statements

#### **6. Board, Education and Credit Committee Minutes**

As required by the Co-operative Act and CEMCU's Bye Laws, the Committee examined these committee reports and found no material anomalies.

#### **7. Cash Counts**

During the duration of the Committee's existence, cash counts were conducted and there were no variations or anomalies observed during these counts. On each occasion, the quoted numbers balanced and the processes involved in the collection, reporting and management of the Credit Union's Cash were found to be sound.

#### **8. Training**

The Committee was invited to attend training programmes organized by the Board and facilitated by the Co-operative division regarding issues related to the operations of committees, FIU Compliance and also a program dealing with issues of Governance. All these programs were well attended by the Committee members and the application of the learning achieved became evident in the deliberations of the Committee.

  
**Burt Gransaull - Chairman**

  
**Fawn Deomansingh - Secretary**



## **EDUCATION COMMITTEE REPORT**

The Education Committee is pleased to submit its report to the Annual General Meeting for January 1, 2022 to December 31, 2022.

At the conclusion of CEMCU'S 67<sup>th</sup> Annual General Meeting held on April 29<sup>th</sup>, 2022, the following members were approved by the Board of Directors to serve on the Education Committee in accordance with Bye Law No. 33:

Mr. Taurean Dassyne	- Chairman (CEMCU's Vice President)
Ms. Maxine Charles	- Secretary
Mrs. Cheryl Gransaul	- Member
Mr. Darren Singh	- Member

### **Meetings**

The Committee held Statutory Meetings to review membership applications, finalise bursaries and planning of skills development training to members. A revised membership form was prepared and submitted to the Board. The proposed changes and additions were approved by the Board. Members of the Committee also continued their work on Board appointed Sub-Committees.

### **Membership**

CEMCU experienced significant increase in membership in 2022. One hundred and one (101) applications for membership to CEMCU were reviewed by the Committee and subsequently approved by the Board. The opening of the membership bond has contributed to this increase coupled with current members enrolling their spouses and children who were not yet members. CEMCU now has a presence on social media, namely the What's App, Facebook and Instagram platforms.

### **Training**

On Saturday July 30<sup>th</sup>, 2022, the annual compliance training for all Officers of CEMCU entitled Anti Money Laundering (AML), Counter Financing of Terrorism (CFT), and Counter Proliferation Financing (CPF) was held. This training session was facilitated by FIU Consultant Ms. Jeanine Talbot-Paul.

Governance Training for Directors, Committee Members and Alternates was held on Saturday September 17<sup>th</sup>, 2022, and was facilitated by a team from the Central

Finance Facility (CFF). This training exposed Officers to their roles and responsibilities within the Credit Union,

### **Annual Bursaries**

The Committee held its Bursary function on October 1<sup>st</sup>, 2022. Bursaries were awarded to nine (9) successful S.E.A. students, seven (7) CSEC students, one (1) CAPE student and two (2) tertiary level students. Awardees were presented with supplies and CEMCU shares.

CEMCU remains committed to its members' development and contributes to this through its annual Bursaries.

### **Credit Union Month**

To commemorate Credit Union Month, CEMCU members who have businesses were invited to participate in a Members' Business Showcase on Credit Union Day, October 20<sup>th</sup>, 2022. Additionally, all members visiting the Credit Union on that day were presented with tokens of appreciation and served refreshments.

### **Members' Skills Development**

A Will preparation and legal advice session was held on Saturday August 27<sup>th</sup>, 2022 at CEMCU's Harry Garibsingh Auditorium. Attendees were high in praise for the team of qualified presenters which included our Vice President and the valuable knowledge that was imparted to them.

### **Summary**

The members of the Education Committee wish to thank all Officers and members for participating in the planned initiatives for 2022. With CEMCU now having permanent facilities in its own building, we look forward to providing our valued members with relevant skills development in 2023.



**Mr. Taurean Dassyne**

**Chairman**



**Ms. Maxine Charles**

**Secretary**



*Empowering Our Members  
To Attain Financial Independence*

**CEMCU CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

Financial Statements  
for the year ended  
December 31, 2022

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITOR'S REPORT	3 - 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME	7
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Chartered Accountants



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to attain financial independence

## CEMCU Credit Union Co-operative Society Limited.

#94 Southern Main Road, Plaisance Park, Pointe-a-Pierre Trinidad W.I.

### Statement of Management Responsibilities

Management is responsible for the following:

- Preparation and fairly presenting the accompanying financial statements of the CEMCU Credit Union Co-operative Society Limited, which comprise the statement of financial position as at December 31, 2022, the statements of comprehensive income, changes in members' equity and reserves and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Credit Union keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Credit Union's assets, detection/prevention of fraud, and the achievement of Credit Union's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

Manager

April 11, 2023

Treasurer

April 11, 2023



Tel: (868) 659-0436 | (868) 659-3823. Cell: (868) 397-7067  
Email: [cemcuinformation@gmail.com](mailto:cemcuinformation@gmail.com) | Website: [www.cemcutt.com](http://www.cemcutt.com)





**I.A.ALI & ASSOCIATES**

Chartered Accountants

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

**Independent Auditor's Report**

To the members of  
**CEMCU Credit Union Co-operative Society Limited**

**Opinion**

We have audited the financial statements of CEMCU Credit Union Co-operative Society Limited (the "Credit Union"), which comprise the statement of financial position as at December 31, 2022, 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, 2022, 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 2022 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 2022 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate it with those charges with governance.

3

**Member of:**

Association of  
Certified Fraud Examiners

Association of  
Chartered Certified Accountants

Institute of Chartered Accountants  
of Trinidad & Tobago



**I.A.ALI & ASSOCIATES**

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Email: imtiaz.a.ali@hotmail.com  
Website: www.accountingsolutionstf.com

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

To the members of  
**CEMCU 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.

4

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Association of  
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Institute of Chartered Accountants  
of Trinidad & Tobago



**I.A. ALI & ASSOCIATES**

Chartered Accountants

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

To the members of  
**CEMCU 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 11, 2023

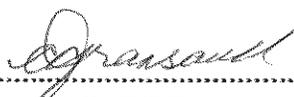
**Member of:**

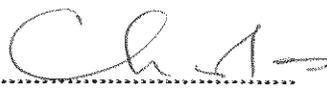
**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022**

	ASSETS		2022	2021
		Notes	\$	\$
<b>Assets</b>				
Property, plant and equipment		5	5,958,655	4,939,735
Receivables and prepayments		6	824,428	519,526
Members' loans		7	61,718,473	42,389,200
Investments securities				
- measured at fair value through other comprehensive income		9a	18,163,477	18,940,700
- measured at amortised cost		9b	23,010,977	25,626,835
Cash and short-term funds		8	417,267	2,152,747
<b>Total Assets</b>			<b><u>110,093,277</u></b>	<b><u>94,568,743</u></b>
<b>LIABILITIES AND MEMBERS' EQUITY &amp; RESERVES</b>				
<b>Liabilities</b>				
Payables and accruals		10	222,008	365,247
Members' shares			52,249,071	50,884,612
Members' deposits			40,708,075	31,599,656
Co-operative societies deposits		11	3,500,000	3,500,000
Borrowings		12	6,415,351	-
<b>Total Liabilities</b>			<b><u>103,094,505</u></b>	<b><u>86,349,515</u></b>
<b>Members' Equity &amp; Reserves</b>				
Reserve fund			9,560,061	18,319,358
Education fund			21,785	21,785
Fair value reserve			(8,067,909)	(7,335,176)
Undivided surplus/(deficits)			5,484,835	(2,786,739)
<b>Total Members' Equity &amp; Reserves</b>			<b><u>6,998,772</u></b>	<b><u>8,219,228</u></b>
<b>Total Liabilities and Members' Equity &amp; Reserves</b>			<b><u>110,093,277</u></b>	<b><u>94,568,743</u></b>

On April 11, 2023 the Board of Directors of CEMCU 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

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Notes</u>	<u>2022</u> \$	<u>2021</u> \$
<b>Income</b>			
Interest on loans		3,815,771	2,863,805
Income from investments		2,142,161	8,400,217
Dividends		655,151	687,221
Miscellaneous		136,183	60,973
<b>Total income</b>		<b><u>6,749,266</u></b>	<b><u>12,012,216</u></b>
<b>Expenditure</b>			
Administrative	13	899,939	555,134
Bank interest & charges		60,809	36,668
Depreciation		180,149	94,744
Expected credit (reversal)/losses investments	9(c)	(108,993)	164,423
Expected credit (reversal)/losses members' loans	7(b)	(438,303)	10,651
Green fund levy		12,037	6,615
Insurances		551,064	414,217
Interest on members' deposits		702,448	679,050
Interest on co-operative society's deposits		110,487	220,389
Interest on borrowings		236,463	-
Legal and professional		326,558	230,787
Members appreciation, official travel & training		101,238	216,033
Salaries and employees' benefits		1,275,043	1,219,323
<b>Total expenditure</b>		<b><u>3,908,939</u></b>	<b><u>3,848,034</u></b>
<b>Surplus for the year before impairment</b>		<b><u>2,840,327</u></b>	<b><u>8,164,182</u></b>
Impairment of building	15	1,181,370	-
<b>Net surplus for the year</b>		<b><u>1,658,957</u></b>	<b><u>8,164,182</u></b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently</b>			
Unrealised (loss)/gain in fair value of investments measured at FVTOCI		(602,260)	4,118,443
Realised gain on disposal of investments measured at FVTOCI		(130,473)	(3,575,172)
Other comprehensive (deficit)/income for the year		<b><u>(732,733)</u></b>	<b><u>543,271</u></b>
<b>Total comprehensive income for the year</b>		<b><u>926,224</u></b>	<b><u>8,707,453</u></b>

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

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY AND RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Reserve Fund	Education Fund	Fair Value Reserve	Undivided Surplus/ (Deficit)	Total
	\$	\$	\$	\$	\$
<b>Year ended Dec 31, 2022</b>					
Balance at January 1, 2022	18,319,358	21,785	(7,335,176)	(2,786,739)	8,219,228
Membership fees	1,010	-	-	-	1,010
Total comprehensive surplus	-	-	(732,733)	1,658,957	926,224
Dividends paid (2021)	-	-	-	(2,152,388)	(2,152,388)
Transfer of unclaimed balances	4,698	-	-	-	4,698
Transfers (note 17)	(8,930,901)	-	-	8,930,901	-
<u>Appropriation of net surplus</u>					
- Reserve fund	165,896	-	-	(165,896)	-
<b>Balance at Dec 31, 2022</b>	<b>9,560,061</b>	<b>21,785</b>	<b>(8,067,909)</b>	<b>5,484,835</b>	<b>6,998,772</b>
<b>Year ended Dec 31, 2021</b>					
Balance at January 1, 2021	17,502,530	21,785	(7,878,447)	(8,297,733)	1,348,135
Membership fees	410	-	-	-	410
Total comprehensive surplus	-	-	543,271	8,164,182	8,707,453
Dividends paid (2019)	-	-	-	(1,836,770)	(1,836,770)
<u>Appropriation of net surplus</u>					
- Reserve fund	816,418	-	-	(816,418)	-
<b>Balance at Dec 31, 2021</b>	<b>18,319,358</b>	<b>21,785</b>	<b>(7,335,176)</b>	<b>(2,786,739)</b>	<b>8,219,228</b>

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



Empowering Our Members  
To Attain Financial Independence

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Cash flows from operating activities</b>		
Net surplus for the year	1,658,957	8,164,182
Adjustments to reconcile net surplus to net cash (used in)/generated from operating activities:		
Depreciation	180,149	94,744
Unrealised (loss)/gain in fair value of investments measured at FVTOCI	(602,260)	4,118,443
Realised gain on disposal of investments measured at FVTOCI	(130,473)	(3,575,172)
Loss on disposal of property, plant and equipment	115,376	4,418
Transfer of unclaimed balances	4,698	-
Impairment of building	1,181,370	-
Operating surplus before working capital changes	2,407,817	8,806,615
Increase in members' loans	(19,329,273)	(5,771,367)
(Increase)/decrease in receivables and prepayments	(304,902)	117,753
Increase in members' deposits	9,108,419	3,597,768
Decrease in payables and accruals	(143,239)	(33,141)
Decrease in co-operative society deposits	-	(6,500,000)
Net cash (used in)/generated from operating activities	<u>(8,261,178)</u>	<u>217,628</u>
<b>Cash flows from investing activities</b>		
Net change in investments	3,393,081	6,547,777
Additions to property, plant and equipment	(2,512,517)	(3,808,112)
Proceeds from disposal of office furniture & equipment	16,702	2,000
Net cash generated from investing activities	<u>897,266</u>	<u>2,741,665</u>
<b>Cash flows from financing activities</b>		
Increase/(decrease) in members' shares	1,364,459	(1,097,810)
Net proceeds from bank loans	6,415,351	-
Membership fees	1,010	410
Dividends paid	(2,152,388)	(1,836,770)
Net cash generated from/(used in) financing activities	<u>5,628,432</u>	<u>(2,934,170)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,735,480)</b>	<b>25,123</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,152,747</b>	<b>2,127,624</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>417,267</u></b>	<b><u>2,152,747</u></b>
<b>Cash and cash equivalents</b>		
Cash and short-term funds	<u>417,267</u>	<u>2,152,747</u>
<b>Total cash and cash equivalents</b>	<b><u>417,267</u></b>	<b><u>2,152,747</u></b>

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

# CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

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#### 1. REGISTRATION AND ACTIVITIES

CEMCU 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 #43 Southern Main Road, Plaisance Village, Pointe-A-Pierre. The Credit Union operates a Credit Union for the benefit of employees, former employees (who obtained membership while being an employee), pensioners of Trinidad Cement Limited and its subsidiaries and associated companies together with employees of the Credit Union, children and spouse of members of the Credit Union and other persons approved by the Board of Directors.

#### 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, 2022 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.

# CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

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#### 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:

Land and building	- Nil
Leasehold improvements	- 2%
Office furniture and equipment	- 15% - 33%

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.

# CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

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#### 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 members' loans, 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 remeasurement 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.

# CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

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#### 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
- Entitles 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.

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.

# CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

###### Impairment of non-financial assets

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

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

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

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

##### 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 loss allowances for impaired loans.

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

##### 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.



# CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

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

##### 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 CEMCU 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.

##### r. Comparative figures

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

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**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 49 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 50 of the Credit Union, an amount not exceeding 5% of the net surplus for the year, after making appropriations to the Reserve Fund shall be set aside in a Special Fund to be used for the educational purposes. This fund shall be administered by the Education Committee.

**u. Fair value reserve**

The Board of Directors has created an investment remeasurement reserve which consists of unrealised gains/(losses) on investment securities at FVTOCI.

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**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:

**2022**

**Financial Assets**

	<b>Carrying Value</b>	<b>Fair Value</b>
	\$	\$
Cash and short term funds	417,267	417,267
Investments	41,174,454	41,174,454
Receivables and prepayments	824,428	824,428
Members' loans	61,718,473	61,718,473
	<u>104,134,622</u>	<u>104,134,622</u>

**Financial Liabilities**

Payables and accruals	222,008	222,008
Members' shares	52,249,071	52,249,071
Members' deposits	40,708,075	40,708,075
Co-operative societies deposits	3,500,000	3,500,000
Borrowings	6,415,351	6,415,351
	<u>103,094,505</u>	<u>103,094,505</u>

**2021**

**Financial Assets**

	<b>Carrying Value</b>	<b>Fair Value</b>
	\$	\$
Cash and short term funds	2,152,747	2,152,747
Investments	44,567,535	44,567,535
Receivables and prepayments	519,526	519,526
Members' loans	42,389,200	42,389,200
	<u>89,629,008</u>	<u>89,629,008</u>

**Financial Liabilities**

Payables and accruals	365,247	365,247
Members' shares	50,884,612	50,884,612
Members' deposits	31,599,656	31,599,656
Co-operative societies deposits	3,500,000	3,500,000
	<u>86,349,515</u>	<u>86,349,515</u>

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**3. FINANCIAL RISK MANAGEMENT (cont'd)**

**Financial Instruments (continued)**

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

**a. Interest rate risk**

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

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

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

**b. Credit risk**

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

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

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

The market risk in respect of changes in the value of financial assets measured at FVTOCI 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.

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**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 members 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 the Credit Union's 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).

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**3. FINANCIAL RISK MANAGEMENT (cont'd)**

**b. Credit risk (cont'd)**

**(iv) 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.

**(v) 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.

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).

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**3. FINANCIAL RISK MANAGEMENT (cont'd)**

**b. Credit risk (cont'd)**

**(vi) 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.

**(vii) 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.

# CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

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#### 3. FINANCIAL RISK MANAGEMENT (cont'd)

##### b. Credit risk (cont'd)

###### (viii) 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.

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;

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**3. FINANCIAL RISK MANAGEMENT (cont'd)**

**b. Credit risk (cont'd)**

**viii. Measurement of ECL (continued)**

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

For the Loans 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.

**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.

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**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) Depreciation method(s) used for property, plant and equipment.

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) Allowances for credit losses

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

(iv) Financial asset classification

The Credit Union's accounting policies provide scope for assets to be designated on inception into different accounting categories. In classifying financial assets as "fair value through other comprehensive income", the Credit Union has determined that it meets the description of assets not held for trading.

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**5. PROPERTY, PLANT AND EQUIPMENT**

	Land & Building \$	Leasehold Improvements \$	Office Furniture and Equipment \$	Software \$	Total \$
<b>Year ended December 31, 2022</b>					
Cost	4,801,650	-	1,323,925	200,726	6,326,301
Accumulated depreciation	(51,650)	-	(213,989)	(102,007)	(367,646)
<b>Net Book Amount</b>	<b>4,750,000</b>	<b>-</b>	<b>1,109,936</b>	<b>98,719</b>	<b>5,958,655</b>
<b>Net Book Amount</b>					
January 1, 2022	4,565,483	77,998	191,265	104,989	4,939,735
Additions	1,417,537	-	1,060,052	34,928	2,512,517
Disposals	-	(77,088)	(54,990)	-	(132,078)
Impairment	(1,181,370)	-	-	-	(1,181,370)
Depreciation charge	(51,650)	(910)	(86,391)	(41,198)	(180,149)
<b>December 31, 2022</b>	<b>4,750,000</b>	<b>-</b>	<b>1,109,936</b>	<b>98,719</b>	<b>5,958,655</b>
<b>Year ended December 31, 2021</b>					
Cost	4,565,483	206,237	427,209	165,798	5,364,727
Accumulated depreciation	-	(128,239)	(235,944)	(60,809)	(424,992)
<b>Net Book Amount</b>	<b>4,565,483</b>	<b>77,998</b>	<b>191,265</b>	<b>104,989</b>	<b>4,939,735</b>
<b>Net Book Amount</b>					
January 1, 2021	839,080	79,589	187,778	126,338	1,232,785
Additions	3,726,403	-	55,477	26,232	3,808,112
Disposals	-	-	(6,418)	-	(6,418)
Depreciation charge	-	(1,591)	(45,572)	(47,581)	(94,744)
<b>December 31, 2021</b>	<b>4,565,483</b>	<b>77,998</b>	<b>191,265</b>	<b>104,989</b>	<b>4,939,735</b>

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>6. RECEIVABLES AND PREPAYMENTS</b>		
Interest receivables	565,303	324,003
Sundry receivables	259,125	195,523
	<b>824,428</b>	<b>519,526</b>
<b>7. MEMBERS' LOANS</b>		
<b>(a) Members' loans</b>		
Members' loans	66,572,614	47,681,644
Expected credit losses on loans - (IFRS 9)	(4,854,141)	(5,292,444)
	<b>61,718,473</b>	<b>42,389,200</b>
<b>(b) Analysis of movement in expected credit losses as follows:</b>		
Balance at beginning of year	5,292,444	5,283,271
Amounts written off during the year	-	(1,478)
(Writeback)/charge for the year	(438,303)	10,651
<b>Balance as at end of year</b>	<b>4,854,141</b>	<b>5,292,444</b>
<b>(c) Aging of Members' loans</b>		
Principal neither past due nor impaired	48,730,679	28,507,435
Principal which is past due but not impaired	1,423,740	1,161,049
Principal which is impaired	16,418,195	18,013,160
Total gross loans	66,572,614	47,681,644
Less: Expected credit losses on loans	(4,854,141)	(5,292,444)
<b>Total loans net of expected credit losses</b>	<b>61,718,473</b>	<b>42,389,200</b>

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

<b>December 31, 2022</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Principal loans balances	48,730,679	1,423,740	16,418,195	66,572,614
Expected credit losses	(726,488)	(113,910)	(4,013,743)	(4,854,141)
	<b>48,004,191</b>	<b>1,309,830</b>	<b>12,404,452</b>	<b>61,718,473</b>
<b>December 31, 2021</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Principal loans balances	28,507,435	1,161,049	18,013,160	47,681,644
Expected credit losses	(755,983)	(132,567)	(4,403,894)	(5,292,444)
	<b>27,751,452</b>	<b>1,028,482</b>	<b>13,609,266</b>	<b>42,389,200</b>

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>8. CASH AND SHORT-TERM FUNDS</b>		
Republic Bank Limited - TTD	164,558	1,335,358
JMMB Bank (Trinidad and Tobago) Limited	179,813	568,335
Cash in hand	72,896	249,054
	<b>417,267</b>	<b>2,152,747</b>
<b>9. INVESTMENTS</b>		
<b>(a) Fair value through other comprehensive income:</b>		
Ansa McAL Limited 5,299 shares (2021 - 5,299 shares)	272,899	315,238
Carrera's Group Limited 769,000 shares (2021 - 769,000 shares)	279,437	264,004
First Citizens Bank Limited 4,500 shares (2021 - 4,500 shares)	234,000	280,305
Grace, Kennedy & Company Limited 50,000 shares (2021 - 50,000 shares)	224,500	305,000
Guardian Holdings Limited 30,000 shares (2021 - 30,000 shares)	809,700	900,000
Guardian Media Limited 71,252 shares (2021 - 71,252 shares)	209,481	216,606
JMMB Group Limited 1,062,880 shares (2021 - 1,062,880 shares)	2,030,101	2,433,995
NCB Financial Group Limited 50,000 shares (2021 - 75,939 shares)	228,000	608,271
National Flour Mills Limited 12,694 shares (2021 - 12,694 shares)	19,041	24,753
Massy Holdings Limited 50,000 shares (2021 - 2,500 shares)	225,000	262,500
National Enterprises Limited 25,000 shares (2021 - 5,000 shares)	85,000	16,750
One Caribbean Media Limited 9,000 shares (2021 - 9,000 shares)	29,700	39,690
Point Lisas Development Corporation 44,527 shares (2021 - 44,527 shares)	151,837	140,260
Republic Financial Holdings Limited 1,000 shares (2021 - 1,000 shares)	138,990	140,160
Sagicor Financial Corporation (Ordinary shares) 92,145 shares (2021 - 92,145 shares)	2,500,737	3,067,277
Scotiabank Trinidad & Tobago Limited 2,000 shares (2021 - 2,000 shares)	156,220	137,000
Trinidad Cement Limited 2,000,000 shares (2021 - 2,000,000 shares)	7,800,000	7,160,000
<b>Sub-total</b>	<b>15,394,643</b>	<b>16,311,809</b>

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>9. INVESTMENTS (continued)</b>		
<b>(a) Fair value through other comprehensive income (continued):</b>		
Trinidad and Tobago NGL Limited 87,872 shares (2021 - 87,872 shares)	2,039,509	1,836,525
West Indian Tobacco Company Limited 3,027 shares (2021 - 3,027 shares)	63,597	86,270
Trinidad and Tobago Unit Trust Corporation Limited (First Scheme) 1,607 shares (2021 - 1,602 shares)	33,505	33,505
Trinidad and Tobago Unit Trust Corporation Limited (Second Scheme) 83 units (2021 - 83 units)	1,671	1,671
The Central Finance Facility Co-operative Society of T&T Limited 25 shares (2021 - 25 shares)	625,000	625,000
Trinidad and Tobago Unit Trust Corporation Limited - (US Account) 37 units (2021 - 337 units)	5,095	45,463
WISE - (US \$ Account)	457	457
<b>Sub-total</b>	<b><u>18,163,477</u></b>	<b><u>18,940,700</u></b>
<b>(b) Investments securities held at amortised cost:</b>		
Government of Bahamas 5.75% due 16 January 2024	2,045,877	2,064,590
Government of Barbados 6.5% due 1 October 2029	2,084,766	2,085,007
Trinidad Generation Unlimited 5.25% due 4 November 2027	4,029,125	4,028,150
Heritage Petroleum Company Ltd. 9% due 12 August 2029	4,223,107	4,205,000
TSTT 8.875 % due 18 October 2029	2,046,421	2,050,694
Republic Bank Limited - TSTT 8.3% secured notes due 18 October 2029	2,000,000	2,000,000
KSBM Asset Management US Repos	453,438	2,125,709
KCL Capital Market Brokers Limited	693,431	663,481
Aspire Fund Management Limited - USD preference shares	5,852,433	5,576,612
Petroleum Company of Trinidad & Tobago Limited US\$75MM Loan	-	1,354,206
Expected credit losses on investments	(417,621)	(526,614)
<b>Sub-total</b>	<b><u>23,010,977</u></b>	<b><u>25,626,835</u></b>
<b>Total investments</b>	<b><u>41,174,454</u></b>	<b><u>44,567,535</u></b>
<b>(c) Movement in expected credit losses as follows:</b>		
Balance at beginning of year	526,614	362,191
(Writeback)/charge for the year	(108,993)	164,423
<b>Balance at the end of year</b>	<b><u>417,621</u></b>	<b><u>526,614</u></b>

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>10. PAYABLES AND ACCRUALS</b>		
Payables and accruals	206,068	326,468
Other payables	15,940	38,779
	<u>222,008</u>	<u>365,247</u>
<b>11. CO-OPERATIVES SOCIETIES DEPOSITS</b>		
The Central Finance Facility Co-operative Society of T&T Limited	<b>3,500,000</b>	<b>3,500,000</b>
<b>12. Borrowings</b>		
<b>a. Medium term borrowings comprises:</b>		
(i) JMMB Bank (Trinidad and Tobago) Limited	1,417,243	-
(ii) JMMB Bank (Trinidad and Tobago) Limited	2,171,224	-
(iii) The Central Finance Facility Co-operative Society of T&T Limited	2,826,884	-
	<u>6,415,351</u>	<u>-</u>
<b>b. Maturity of borrowings:</b>		
Current portion	1,268,347	-
Non-current portion	5,147,004	-
	<u>6,415,351</u>	<u>-</u>

(i) This loan carries an interest rate of 6.5% per annum and was taken to assist with the purchase of 30,000 First Citizens Bank Limited Shares. It is repayable in amortized monthly payments of approximately TT \$29,349.22 inclusive of principal and interest and is secured by the assignment of one(1) million Trinidad Cement Limited shares.

(ii) This loan carries an interest rate of 6.5% per annum and was taken to assist with funding promotions. It is repayable in amortized monthly payments of approximately TT \$48,915.37, inclusive of principal and interest and is secured by the following:-

- Assignment of 30,000 Guardian Holdings Limited shares.
- Assignment of 50,000 Grace Kennedy Company Limited shares.
- Assignment of 1,000,000 Trinidad Cement Limited shares.
- Letter of undertaking stating the value of the shares pledged must be 1.67 X collateral coverage of the facility.

(iii) This loan carries an interest rate of 6% per annum and was taken to assist with the purchase of shares. It is repayable in monthly payments of \$57,998.40 and is secured by the assignment of shares held by various companies on the Trinidad and Tobago Stock Exchange.

**CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>13. ADMINISTRATIVE</b>		
Advertising & donations	16,056	8,556
Annual general meeting	22,000	(1,980)
Medical expenses	53,694	-
Loss on disposal of property, plant and equipment	115,376	4,418
Office and stationery	265,207	148,327
Repairs and maintenance	26,844	6,888
Refreshments	53,919	16,271
Rent	56,000	89,000
Security	258,248	254,149
Telephone and electricity	32,595	29,505
	<u><b>899,939</b></u>	<u><b>555,134</b></u>

**14. 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.

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

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Statement of Financial Position</b>		
<u>Members' Loans</u>		
- Board of Directors	2,223,930	1,609,566
- Supervisory Committee	1,895,568	294,952
- Credit Committee	1,243,939	1,141,920
	<u><b>5,363,437</b></u>	<u><b>3,046,438</b></u>

**Statement of Financial Position**

Members' Shares and Deposits

- Board of Directors	6,103,502	3,258,710
- Supervisory Committee	736,832	522,775
- Credit Committee	2,632,350	873,780
	<u><b>9,472,684</b></u>	<u><b>4,655,265</b></u>

**Statement of Comprehensive Income**

Key Management Compensation	<b>490,304</b>	<b>408,798</b>
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# CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2022

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#### 15. IMPAIRMENT LOSS ON BUILDING

During the financial year ended December 31, 2022, the Credit Union evaluated its building located at #94 Southern Main Road, Plaisance Park, Pointe-A-Pierre, for impairment.

As a result, a property revaluation was conducted by G. A. Farrell & Associates Limited dated November 7, 2022, in order to ascertain the property's fair value.

Consequently, the Credit Union recorded an impairment loss of \$1,181,370, as an expense in the Statement of Comprehensive Income.

#### 16. FAIR VALUES

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

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

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

##### (a) Current assets and liabilities

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

##### (b) Investments

The fair value of investments are determined on the basis of market prices available as at December 31, 2022.

##### (c) Members' Loans

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

##### (d) Members' Deposits

Members' deposits bear interest at rates that are not significantly different from current rates and are assumed to have discounted cash flow values which approximate carrying values.

# **CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED DECEMBER 31, 2022**

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#### **17. TRANSFERS**

This relates to permission given by the Government of the Republic of Trinidad and Tobago, Ministry of Youth Development and National Services (Co-operative Development Division) on November 23, 2022 for the write-off of bad debts totaling eight million, nine hundred and thirty thousand nine hundred and one dollars (\$8,930,901) occurred in prior years against the Credit Union's Reserve Fund in accordance with Regulation Section 47 of the Co-operative Society Act.

#### **18. CAPITAL RISK MANAGEMENT**

The Credit Union manages its capital to ensure that it will be able to continue as a going concern while maximizing the returns to members, providing value to its members by offering loan and savings facilities. The Credit Union's overall strategy remains unchanged from previous years.

The capital structure of the Credit Union consists of equity attributable to members, which comprises reserves and undivided earnings.

#### **19. CAPITAL COMMITMENTS**

The Credit Union has no capital commitments at year ended.

#### **20. CONTINGENT LIABILITIES**

The Credit Union has no contingent liabilities as at year end.

#### **21. SUBSEQUENT EVENTS**

As the impact of the Covid-19 pandemic continues to decrease, many governments have amended their measures relating to public health issues and economic activity.

The Credit Union has not been affected or expected to be impacted any further, by the Covid-19 pandemic or measures taken to address the pandemic after the year end.

There were no significant events that occurred subsequent to the Statement of Financial Position date affecting the Credit Union's financial performance or position for the reporting period.

<b>CEMCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED</b>				
<b>PROJECTED INCOME AND EXPENDITURE STATEMENT 2023</b>				
<b>INCOME</b>			<b>2,022</b>	<b>2023</b>
Loan Interest			3,050,000	4,150,000
Other Income			1,625,000	1,750,000
Dividend			325,000	415,000
Forex Gain/Loss			7,550	3,500
<b>TOTAL INCOME</b>			<b>5,007,550</b>	<b>6,318,500</b>
<b>OPERATING EXPENSES</b>				
Advertising			14,500	15,000
Annual General Meeting			30,000	35,000
Audit			50,000	58,000
Bank Charges & Loan Interest			36,500	256,000
Interest on Members' Fixed Deposits			680,000	700,000
Interest on Co-operative Societies' Term Deposits			165,000	120,000
Legal and Professional Services			150,000	150,000
Depreciation			90,000	75,000
Insurance Premiums			480,000	600,000
Deposit Insurance			0	15,000
Donation and Sports			5,000	15,000
Equipment Repairs and Maintenance			5,000	5,000
Building Repairs and Maintenance			0	50,000
Appreciation & Official Training			100,000	200,000
Office, Printing, Stationery Expenses			180,000	161,000
Salaries, wages and Benefits			1,250,000	1,350,000
Security			250,000	265,000
Telephone & Electricity			34,000	35,000
Green Fund Levy			9,150	12,450
Commissions & Fees- Investments			16,000	10,000
<b>TOTAL EXPENSES</b>			<b>3,545,150</b>	<b>4,127,450</b>
<b>Net Surplus/Deficit before Gain/Loss</b>				
<b>On S/Term Investments</b>			<b>1,462,400</b>	<b>2,191,050</b>

The above is projected based on the current expected income and expense being incurred.

# RESOLUTIONS

The Board of Directors hereby recommend the following resolutions for your consideration and acceptance:

## **1.0 DIVIDEND**

"Be it Resolved that a Dividend of 4% totalling a sum of \$2,165,000.00

Be paid on shares of those persons who are members as at 31<sup>st</sup> December 2021.

Be it further resolved that said Dividend will be distributed with a maximum of 3% paid out in cash and 1% deposited to members shares account. If any Member chooses to receive less than 3% in cash, the remainder will be deposited to their Shares, except for delinquent members, where all dividends shall be applied to their outstanding interest and principal in that order."

## **2.0 AUDITOR**

"Be it Resolved that the firm I.A. Ali and Associates be appointed as Auditors for the final year 2022."



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# CODE OF ETHICS

## INTRODUCTION

The Board has been elected by the Members of the CREDIT UNION to represent their interest. The Co-operative Societies Act and Bye-Laws or rules of the CREDIT UNION define the manner in which the CREDIT UNION will conduct its affairs. Much more is required of the Board Member as a co-operative leader, a representative of the members and member of the Board.

This Code of Ethics sets the principles and standards which every effective Board Member should live by in the role of leader in co-operative business.

### (A) **As a Representative of the total membership**

1. Project a positive image as a leader of the CREDIT UNION through full support of the services it provides.
2. Be totally familiar with the CREDIT UNION's operating principles and apply them to the operations of the CREDIT UNION.
3. Always act in good faith and only in the interest of the CREDIT UNION and the membership as a whole.
4. Be aware of and understand the Mission and Objectives of the CREDIT UNION.
5. Seek input from the membership and report openly on all aspects of the CREDIT UNION activities.

### (B) **As a member of the Board of Directors**

1. Always act for the CREDIT UNION as a whole, rather than for a director's own private interest or those of small groups he/she may be most familiar with.
2. Contribute to discussions as part of decision-making and respect Board decisions on all issues.
3. Recognize his/her mandate and respect lines of authority and responsibility given to its representatives and staff to avoid conflicts of interest that could damage the CREDIT UNION.
4. Maintain relationships with staff and develop trust and respect and avoid personal relationships that may affect objectivity in making decisions that impact on the image of the CREDIT UNION.
5. Respect the confidentiality of Board room discussions and privileged information.
6. Provide leadership to ensure that employees are viewed as an integral part of the CREDIT UNION and are treated fairly and equitably within an environment that promotes motivation and meaningful contribution.
7. Make certain the CREDIT UNION has clear, long, medium and short term plans that can be developed and measured realistically.
8. Fulfill all personal obligations to the CREDIT UNION.

### (C) **As a member of the Community:**

1. Project a positive image of the CREDIT UNION as an economic organization actively involved in addressing issues facing the Co-operative Community and by extension its members.



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## PRAYER OF ST. FRANCIS OF ASSISI

Lord, make me an instrument of Thy peace  
Where there is hatred, let me show 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

Oh! 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.

## The National Anthem

Forged from the love of liberty  
In the fires of hope and prayer  
With boundless faith in our destiny  
We solemnly declare

Side by side we stand  
Islands of the blue Caribbean Sea

This our native land  
We pledge our lives to thee

Here every creed and race  
Find an equal place  
And may God bless our Nation

(Repeat)



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